

Committee on Development and Intellectual Property (CDIP)

Ninth Session
Geneva, May 7 to 11, 2012

STUDY ON MISAPPROPRIATION OF SIGNS*

prepared by Mr. Martin Senftleben, Professor, VU University Amsterdam, The Netherlands

including region and country reports prepared by

Mr. Barton Beebe, Professor, New York University, New York, United States of America (report on Canada and United States of America)

Ms. Tammy Bryan, Partner, George Walton Payne & Co., Bridgetown, Barbados (report on the Caribbean Region)

Ms. Ksenia Fedotova, Member, UNESCO Chair of Copyright and Intellectual Property Rights Moscow, Moscow, Russian Federation (report on the Russian Federation)

Mr. Dev Gangjee, Lecturer, London School of Economics, London, United Kingdom (report on India)

Mr. Michael Handler, Associate Professor, University of New South Wales, Sydney, Australia (report on Australia and the South Pacific)

Mr. Mauricio Jalife, Instituto de Propiedad Intelectual y Derecho de la Competencia (IPIDEC), Mexico City, Mexico (report on Central America)

Mr. Pierre El Khoury, Professor, La Sagesse Law School, Beirut, Libanon (report on the Arab Region)

* The views and opinions expressed in this Study are the sole responsibility of the authors. The Study is not intended to reflect the views of the Member States or the WIPO Secretariat.

Ms. Nari Lee, External Research Associate, Max Planck Institute for Intellectual Property and Competition Law, Munich, Germany (report on Japan and Korea)

Ms. Susanna H.S. Leong, Associate Professor, National University of Singapore, Singapore (report on ASEAN)

Ms. Xiuqin Lin, Professor, and Ms. Huijuan Dong, Researcher, Xiamen University, Xiamen, China (report on China)

Mr. Bernard Martin, Associate Professor, University of the Western Cape, Cape Town, South Africa (reports on ARIPO and South Africa)

Ms. Ana María Pacón, Professor, Catholic University of Peru, Lima, Peru (report on the ANDEAN Community)

Mr. Mariano Riccheri, Lecturer and Researcher, Universidad de Alcalá, Madrid, Spain (report on MERCOSUR)

Mr. Martin Senftleben, Professor, VU University Amsterdam, Amsterdam, The Netherlands (report on the European Union)

Mr. Dashaco John Tambouto, Professor, University of Yaoundé II, Yaoundé, Cameroon (report on OAPI)

1. The Annex to this document contains a Study on Misappropriation of Signs prepared under the project on Intellectual Property and the Public Domain (CDIP/4/3/REV). This Study has been prepared by Mr. Martin Senftleben, Professor, VU University Amsterdam, The Netherlands, in collaboration with a group of international experts who prepared country and region reports. The Study explores the notion of “public domain” in relation to trademark law and includes a fact-based analysis of the trademark laws in different regions and countries. The document also contains a summary of the main findings of the reports and offers an impact assessment and concluding remarks addressing the question which criteria can be applied to determine the preferable strategy to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public.

2. *The CDIP is invited to take note of the information contained in the Annex to this document.*

[Annex follows]

I.	EXECUTIVE SUMMARY	3
II.	INTRODUCTION	8
III.	THE NOTION OF THE PUBLIC DOMAIN	9
A.	Rationales of trademark protection	9
B.	Mechanisms for preserving the public domain	11
C.	Ineligibility for trademark protection	11
D.	General exclusion from trademark protection	13
E.	Inherent limits of exclusive rights	15
F.	Limited exceptions	19
G.	Public domain in relation to trademark law	21
IV.	FACT-BASED ANALYSIS OF TRADEMARK LAWS	22
A.	African Regional Intellectual Property Organization (ARIPO)	23
1.	Scope of trademark protection in general	24
2.	Misappropriation of signs belonging to a common patrimony	30
3.	Abusive appropriation of signs that should remain usable	34
4.	Conclusion	36
B.	African Intellectual Property Organization (OAPI)	37
1.	Scope of trademark protection in general	38
2.	Misappropriation of signs belonging to a common patrimony	46
3.	Abusive appropriation of signs that should remain usable	51
4.	Conclusion	53
C.	South Africa	54
1.	Scope of trademark protection in general	55
2.	Misappropriation of signs belonging to a common patrimony	61
3.	Abusive appropriation of signs that should remain usable	65
4.	Conclusion	68
D.	Canada and United States of America	69
1.	Scope of trademark protection in general	70
2.	Misappropriation of signs belonging to a common patrimony	76
3.	Abusive appropriation of signs that should remain usable	81
4.	Conclusion	84
E.	Caribbean Region	84
1.	Scope of trademark protection in general	85
2.	Misappropriation of signs belonging to a common patrimony	89
3.	Abusive appropriation of signs that should remain usable	92
4.	Conclusion	96
F.	Central America	97
1.	Scope of trademark protection in general	97
2.	Misappropriation of signs belonging to a common patrimony	104
3.	Abusive appropriation of signs that should remain usable	107
4.	Conclusion	109
G.	ANDEAN Community	110
1.	Scope of trademark protection in general	111
2.	Misappropriation of signs belonging to a common patrimony	118
3.	Abusive appropriation of signs that should remain usable	124
4.	Conclusion	129
H.	MERCOSUR	130
1.	Scope of trademark protection in general	131
2.	Misappropriation of signs belonging to a common patrimony	140
3.	Abusive appropriation of signs that should remain usable	146
4.	Conclusion	154
I.	Arab Region	156
1.	Scope of trademark protection in general	157

2.	Limitations on the scope of trademark protection	164
3.	Conclusion	168
J.	China	169
1.	Scope of trademark protection in general	169
2.	Misappropriation of signs belonging to a common patrimony	174
3.	Abusive appropriation of signs that should remain usable	176
4.	Conclusion	179
K.	India	181
1.	Scope of trademark protection in general	183
2.	Misappropriation of signs belonging to a common patrimony	192
3.	Abusive appropriation of signs that should remain usable	196
4.	Conclusion	198
L.	Japan and Korea	200
1.	Scope of trademark protection in general	200
2.	Misappropriation of signs belonging to a common patrimony	207
3.	Abusive appropriation of signs that should remain usable	214
4.	Conclusion	219
M.	ASEAN	221
1.	Scope of trademark protection in general	221
2.	Misappropriation of signs belonging to a common patrimony	226
3.	Abusive appropriation of signs that should remain usable	227
4.	Conclusion	231
N.	Australia and the South Pacific	231
1.	Scope of trademark protection in general	233
2.	Misappropriation of signs belonging to a common patrimony	239
3.	Abusive appropriation of signs that should remain usable	245
4.	Conclusion	248
O.	Russian Federation	249
1.	Scope of trademark protection in general	250
2.	Misappropriation of signs belonging to a common patrimony	255
3.	Abusive appropriation of signs that should remain usable	260
4.	Conclusion	263
P.	European Union	264
1.	Scope of trademark protection in general	265
2.	Misappropriation of signs belonging to a common patrimony	269
3.	Abusive appropriation of signs that should remain usable	274
4.	Conclusion	279
V.	SUMMARY OF FINDINGS	280
A.	General exclusions from protection	280
1.	Common patrimony signs	280
2.	Signs that should remain usable by the public	283
B.	Regulation on the basis of the requirement of distinctiveness	284
1.	Common patrimony signs	284
2.	Signs that should remain usable by the public	285
C.	Breathing space resulting from inherent limits of exclusive rights	286
D.	Exceptions keeping certain forms of use free	288
VI.	IMPACT ASSESSMENT AND CONCLUSION	289
A.	Differences in the application of the legal instruments	289
B.	Impact assessment	290
1.	General exclusions from protection	290
2.	Regulation on the basis of the requirement of distinctiveness	291
3.	Inherent limits of and exceptions to trademark rights	292
C.	Conclusion	294

I. EXECUTIVE SUMMARY

Notion of “public domain”

In relation to trademark law, the public domain can be understood to consist of all signs that are ineligible for, or excluded from, trademark protection. Moreover, the public domain can be understood to comprise forms of using trademarked signs that remain unaffected by the exclusive rights of the trademark owner. This notion is examined with reference to the appropriation of signs that should remain freely available to the public, and to the misappropriation of signs owned by specific collectivities.

Legal instruments offered by trademark law

Trademark law offers different legal instruments to keep signs and certain forms of use free. Firstly, signs may be kept free by generally excluding them from registration and protection as trademarks, for instance, on the grounds that the sign is contrary to morality or public order, that it is not visually perceptible or incapable of graphical representation, or that the grant of trademark protection would amount to awarding exclusive rights to the product itself rather than protecting a source identifier attached to the product. Exclusions of this kind have an absolute effect in the sense that the acquisition of trademark rights is generally impossible, even if the sign concerned is inherently distinctive or has acquired distinctive character as a result of use in trade.

Secondly, signs incapable of satisfying the basic protection requirement of distinctiveness remain free of trademark rights. This second legal instrument has a less absolute effect, because the required distinctiveness may be obtained through use of the sign in the course of trade. The obstacle to trademark registration and protection resulting from the requirement of distinctiveness can thus be overcome by marketing efforts presenting the sign concerned as a reference to one particular commercial origin to the consuming public.

Thirdly, it is to be considered that the grant of trademark protection does not give the trademark owner general control over the use of the protected sign. Exclusive trademark rights are limited in several respects, particularly to use in the course of trade, use as a trademark and use that is likely to confuse consumers, dilute the distinctiveness or reputation of the trademark, or take unfair advantage of the trademark. Even in the case of protection as a trademark, forms of use falling outside these protected areas remain free. These inherent limits of trademark rights may become particularly relevant with regard to use for private, religious, cultural, educational or political purposes.

Fourthly, specific exceptions to trademark rights may be adopted at the national level to exempt certain forms of use that are deemed particularly important to satisfy domestic social, cultural or economic needs. These exceptions must remain limited, and must take account of the legitimate interests of the trademark owner and third parties, such as consumers.

Fact-based analysis

A fact-based analysis of trademark laws in different regions and countries shows that these legal instruments offered by trademark law to keep signs and certain forms of use free are employed in various ways to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public.

Findings with regard to general exclusions from protection

In the field of common patrimony signs, the region and country reports confirm that the exclusion of signs falling under Article 6^{ter} of the Paris Convention for the Protection of Industrial Property ("Paris Convention" or "PC") is a worldwide standard. Besides the exclusion of emblems of States and international intergovernmental organizations following from Article 6^{ter}, additional exclusions of official signs from trademark registration and use can be found in several countries and regions. These additional exclusions may concern official emblems of provinces and municipalities, national or foreign governments or public entities, designations relating to royal families and reigning houses, national monuments and historic sites, as well as coins, banknotes, decorations, medals and prizes.

Trademark laws may also exclude signs likely to disparage, bring into contempt or falsely suggest a connection with living or dead persons, institutions, beliefs or national symbols. By the same token, signs may be excluded that affect the right to the name, image or reputation of a legal entity or a local, regional or national community. Provisions of this kind can serve as a basis to prevent the registration of signs and symbols relating to communities of indigenous peoples. Some countries provide explicitly for the denial of registration in the case of signs consisting of the name of indigenous communities, or of denominations, words, letters, characters or signs used to distinguish their products, services or methods of processing, or that constitute an expression of their culture or practice.

The registration of religious signs may be excluded on the grounds that it is contrary to morality or public order. Specific provisions dealing with religious signs limit this exclusion in some countries to instances where a trademark registration is sought with the intention to offend or ridicule the religion concerned. As a result, the inclusion of religious names in trademarks registered without this intention may be permissible.

However, it is also pointed out in the reports that for an exclusion of common patrimony signs from trademark protection to be efficient, it is advisable to include this exclusion in the *ex officio* examination of applications carried out by the trademark office. If the invocation of an exclusion is left to opposition proceedings, exclusions concerning common patrimony signs may not function efficiently because interested parties entitled to lodge an opposition may not be aware of the attempt to obtain a trademark registration, or simply be missing.

With regard to signs that should remain usable by the public, many trademark laws generally exclude from trademark registration product shapes necessary to obtain a technical result, derived from the nature of the goods concerned, or defining the value or quality of the goods. The trademark laws concerned seek to keep functional product characteristics free for all competitors in the market concerned. The exclusion of functional shapes may also be placed in the broader context of exclusions concerning the shape, configuration, colour or pattern of goods which is likely to limit the development of any art or industry.

Exclusions from trademark protection may also be applied to prevent the use of trademark rights as a vehicle to artificially extend prior patent rights. For this reason, names of chemical elements, or chemical compounds in respect of chemical substances and preparations are excluded from registration in some countries. Moreover, signs may not be registrable as trademarks in some countries, if they reproduce, imitate or include an indication of a protected plant variety.

A general exclusion from registration as a trademark of colour *per se* can be found in some countries. Sound and smell marks are excluded from trademark registration in countries requiring signs to be visually perceptible. Several countries requiring a trademark to be capable of graphical representation exclude smell marks from registration on the grounds that they cannot be represented with sufficient precision.

Generic terms, understood in the sense of common names that the relevant purchasing public perceives primarily as a description of the genus of goods or services, are generally excluded from registration in some countries. This exclusion cannot be overcome by a showing of acquired distinctive character.

Findings with regard to the requirement of distinctiveness

The country and region reports confirm that the requirement of distinctiveness serves as a means of denying trademark registration and protection with regard to descriptive, including geographically descriptive, and generic signs. As a result, signs of this kind remain available for other traders and the public at large as long as distinctive character has not been acquired through use in trade.

Several region and country reports also note that cultural or religious signs are often held not to be inherently distinctive. The basic protection requirement of distinctive character may therefore function as an efficient safeguard against the registration and protection of these signs as trademarks, for instance in the case of simple religious signs that are not combined with some other sign. Reliance on the protection requirement of distinctiveness, however, also means that cultural or religious signs become eligible for trademark registration and protection the moment the necessary capacity to distinguish goods or services is acquired as a result of use of the sign in the course of trade. A relatively liberal review of the requirement of distinctive character may therefore lead to the registration of signs of cultural or historical significance as trademarks.

In the case of certain non-traditional trademarks, such as shape marks and colour *per se*, the requirement of distinctiveness can constitute a substantial hurdle to registration and protection. In several countries, registration normally depends on a showing of distinctiveness acquired in the course of trade.

Findings with regard to inherent limits of exclusive rights

The region and country reports confirm that the basic requirement of use in the course of trade can play an important role in keeping certain forms of using trademarked signs free. Use for news reporting, criticism and comment, parody, cultural displays, non-profit public exhibitions and, more generally, non-commercial purposes, does not necessarily amount to relevant use in the course of trade.

The application of a strict notion of trademark use may also create breathing space for references to the trademark that are not perceived as indications of commercial origin, such as references to the trademark made in order to express ideas and opinions. Use for comparative advertising and, more generally, use serving information purposes in the context of advertising may be found to fall outside the exclusive rights of the trademark owner on the grounds that the reference to the trademark made for the comparison or the information purpose will not be perceived as an indication of commercial origin by consumers. However, the reports do not indicate a consistent worldwide trend with regard to comparative advertising.

A strict application of infringement criteria can also be crucial to the creation of room for socially or culturally important use in the field of the protection of well-known marks against dilution. Some country and region reports confirm that the necessity to prove a relatively high degree of recognition among the public for attaining the status of a well-known mark, and a relatively high threshold for a showing of impairment of distinctiveness, tarnishment of reputation or depreciation of goodwill, can ensure that the well-known sign concerned remains available for social and cultural discourse. In several countries and regions, recognition among the specific purchasing public of the goods or services concerned may be sufficient for

obtaining the status of a well-known mark. There are also countries where specific criteria to determine the eligibility of a trademark for enhanced protection against dilution have not clearly evolved from jurisprudence yet.

Findings with regard to limited exceptions

Specific exceptions to trademark rights are not necessarily widespread in all regions and countries. Exceptions that could be identified in the reports include *bona fide* use of:

1. a personal name, address, geographic name or place of business;
2. indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production and other characteristics of goods or services;
3. functional features of a container, shape, configuration, colour or pattern;
4. indications concerning the intended purpose of a product or service, particularly in the case of accessories or spare parts;
5. prior rights that have been acquired in good faith; and
6. in comparative advertising.

Exceptions may also relate to use of a trademark for the resale of goods, in respect of which trademark protection has been exhausted after the first sale under the control of the trademark owner.

Several trademark laws explicitly provide for exceptions for the purposes of news reporting, criticism and review, and parody, for instance to counterbalance enhanced protection of well-known marks against dilution. In some countries, exceptions can be found that cover non-commercial private use and references to a trademark in speeches, scientific or literary works and other publications.

Different approaches to the preservation of the public domain

The fact-based analysis of trademark laws shows that the legal instruments offered by trademark law to keep signs and certain forms of use free are employed in various ways in the examined regions and countries to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public.

However, the analysis also shows differences in the way the measures are applied with regard to certain types of signs or forms of use. While, for instance, generic signs may be excluded from trademark protection altogether in some countries, registration may be allowed in other countries when a generic sign has obtained a distinctive character as a result of its use in trade.

Similarly, functional product characteristics are generally excluded from trademark protection in many countries irrespective of their potential distinctive character. In other countries, the general protection requirement of distinctive character is deemed sufficient to ensure the availability of functional product features.

In some countries, religious signs may generally be excluded from trademark protection on the grounds that registration would be contrary to morality or public order. Other countries may accept religious signs for registration once it can be proven that the sign concerned has the required distinctive character.

Similarly, certain signs of cultural significance are generally excluded from trademark protection in some countries. In others, the regulation of trademark protection is left to the protection requirement of distinctiveness. The moment evidence of distinctive character can be provided, a sign of cultural significance may therefore be registered as a trademark. Comparable differences come to the fore with regard to the legal instruments keeping certain forms of use free. Many countries provide for exceptions that exempt the use of trademarked signs to indicate product characteristics, including the geographical place of origin. Use to indicate the intended purpose of goods or services is also exempted in many countries. In other countries, however, exceptions of this kind have not been adopted.

Differences can also be identified in the area of use for social and cultural purposes. While many countries rely on the inherent limits of trademark rights, in particular the confinement of protection to use in the course of trade and as a trademark, to offer breathing space for socially and culturally valuable use, other countries adopted specific exceptions to exempt use falling in this category, such as use in news reporting, for criticism and comment, and for parody.

Impact assessment

The outlined differences give rise to the question which criteria can be applied to determine the preferable strategy to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public. Considering the impact on the stakeholders involved, the following can be said.

A general exclusion from registration in the sense of an absolute bar to trademark registration and protection ensures that the sign concerned, in any case, does not become subject to trademark rights. On the one hand, this guarantees that use of the sign by other traders or the public at large always remains unencumbered by trademark rights. Trademark protection will not restrict the sign's availability.

On the other hand, a general exclusion regardless of whether a given sign is distinctive implies that, in cases where that sign indeed has a distinctive character, unencumbered use of the sign by competitors may cause confusion among consumers who perceive the sign as a reference to one particular commercial source. Advantages accruing from general availability for other traders and the public at large must thus be weighed against the potential risk of consumer confusion. In this context, alternative legal mechanisms, such as general protection against unfair competition, may be factored into the equation to determine whether the potential risk of confusion can be minimized through protection standards outside trademark law.

In comparison with an absolute exclusion of certain signs from protection, the regulation of the acquisition of trademark rights on the basis of the requirement of distinctiveness has the advantage of avoiding the potential risk of consumer confusion in cases where a sign is perceived by consumers as an indication of commercial source. Signs that are not distinctive remain ineligible for registration and protection as trademarks. This obstacle can be overcome, however, once a sign falling in this category has acquired distinctiveness as a result of use in the course of trade. The moment consumers perceive a non-distinctive, descriptive or generic sign as a source identifier, trademark laws relying on the requirement of distinctiveness thus acknowledge this changed status by awarding protection. In this way, use by competitors that is likely to mislead consumers can be prevented.

However, the regulation of the acquisition of protection on the basis of the requirement of distinctiveness does not fully guarantee the availability of the signs concerned. As there is a possibility of signs acquiring distinctiveness through use in trade, the bar to trademark registration and protection remains relative and unpredictable. On its merits, the acquisition of

trademark rights is left to the marketing efforts of traders and the impact of these efforts on the perception of consumers. Enterprises may see the possibility of acquiring trademark rights to a sign that is not inherently distinctive as an incentive to invest in the acquisition of distinctiveness. This potential risk of encouraging the creation of trademark rights in areas where signs were intended to be kept free is to be weighed against the advantage of protecting consumers against confusion.

The inherent limits of trademark rights can contribute substantially to the availability of trademarked signs for various non-commercial purposes. For instance, use for private, religious, cultural, educational or political purposes may be found not to amount to trademark infringement because it does not constitute use in the course of trade or use as a trademark. With the gradual expansion of trademark rights that can be observed in some countries and regions in the field of protection against dilution and unfair free-riding, these inherent limits of trademark rights, however, may become less reliable safe harbours for socially and culturally valuable use. The notion of use as a trademark, for instance, may be extended to cover not only the traditional use of trademarks as source identifiers but also the use of trademarks as communication instruments that represent a particular brand image and goodwill. Accordingly, it may become more difficult to trace the limits of actionable trademark use.

When, as a result of such a development, the inherent limits of trademark rights become less clear and foreseeable for potential users, trademark protection may have an increasingly deterrent effect on socially and culturally valuable use. Against this background, it can be advisable to reassure users of trademarked signs that certain forms of use are exempted from the control of the trademark owner by adopting specific exceptions to trademark rights for this purpose, such as free speech exemptions or exemptions for review or parody. In this way, the legal certainty that may no longer result from a clear understanding of the inherent limits of trademark rights could be strengthened, and socially and culturally valuable use could be encouraged.

The same rationale may justify the application of exceptions in other areas where it is not clear that infringement criteria, such as use in trade, use as a trademark and likelihood of confusion, would be applied in favour of use that should remain free. Exceptions may be adopted to confirm, for instance, the exemption of use of trademarked signs to describe the characteristics of goods or services, including their geographical place of origin, or the exemption of use to indicate the intended purpose of goods or services, such as spare parts. Hence, an assessment of the legal certainty resulting from the general understanding of the inherent limits of trademark rights in trade circles and among the public at large should inform the decision on whether infringement criteria, such as use in trade, use as a trademark and likelihood of confusion, are sufficient to support forms of use that should remain free, or whether the adoption of specific exceptions is required to offer sufficient legal certainty.

II. INTRODUCTION

At its fifth session, held from November 16 to 20, 2009, in Geneva, the Committee on Development and Intellectual Property (CDIP) agreed to undertake a study under the Project on Intellectual Property and the Public Domain.¹ The overall objective of the Project is established by Recommendations 16 and 20 of the WIPO Development Agenda. The present Study on Trademarks and the Public Domain belongs to the first steps in the implementation of these Recommendations. The Study serves the objective to deepen the analysis of the implications and benefits of a rich and accessible public domain and to explore how trademark laws and registration procedures aim at avoiding encroachment upon the public domain, which

¹ See the description given in WIPO document CDIP/4/3 Rev.

may occur through acts such as the misappropriation of signs belonging to a common patrimony, or abusive appropriation of signs that should remain usable by the public. To realize this objective, the Study explores the notion of “public domain” in relation to trademark law (following chapter III) before embarking on a fact-based analysis of the trademark laws in different regions and countries (chapter IV). The region and country reports explore tools and practices that are currently used by a representative number of WIPO Member States to avoid encroachment upon the public domain in the outlined sense. On the basis of a summary of the main findings of the reports (chapter V), the Study finally offers an impact assessment and concluding remarks (chapter VI).

III. THE NOTION OF “PUBLIC DOMAIN”

Trademark law does not draw a fixed temporal boundary line between that which is private and subject to individual ownership, and that which is public and part of the intellectual commons. In contrast to other intellectual property regimes, such as copyright and patent law,² the term of protection is not limited in trademark law. In principle, protection can be maintained as long as the trademark owner continues using the protected sign in trade.³ The reason for this rule of indefinite renewal lies in the rationales underlying the grant of trademark protection (following section A).

Nonetheless, the fact that trademarks do not fall into the public domain after a limited period of protection does not mean that trademark law does not provide for legal mechanisms for the preservation of the public domain. In line with the objectives underlying the protection system, these mechanisms are not based on limitations of the term of protection (section B). Instead, the requirements for obtaining trademark protection (section C) and several exclusions from protection (section D) function as a filter keeping certain signs free. If trademark protection is acquired, inherent limits of trademark rights (section E) and the freedom to adopt limited exceptions (section F) exempt certain forms of use from the control exerted by the trademark owner. Trademark law, therefore, provides several legal mechanisms that offer breathing space for the use of signs that should remain usable by the public, or that belong to a common patrimony (concluding section G).

A. RATIONALES OF TRADEMARK PROTECTION

To trace the conceptual contours of the public domain in trademark law,⁴ it is necessary to consider the rationales underlying the trademark system. Trademark law seeks to ensure *market transparency*. In a transparent market where distinctive signs are exclusively linked with the goods or services stemming from one individual commercial source, enterprises can clearly identify their offer in the marketplace, and consumers can easily individualize different

² Article 7(1) Berne Convention provides for a general minimum term of copyright protection of life of the author and 50 years after his death. Article 33 TRIPS provides for a term of patent protection of 20 years counted from the filing date.

³ See Article 18 TRIPS: “Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely.” The requirement of use follows from Article 19 TRIPS.

⁴ For a discussion of different conceptions of the public domain, see the various contributions to L.M.C.R. Guibault/P.B. Hugenholtz (eds.), *The Future of the Public Domain – Identifying the Commons in Information Law*, The Hague/London/New York: Kluwer Law International 2006; P. Samuelson, “Enriching Discourse on Public Domains”, *Duke Law Journal* 55 (2006), p. 111; and the various contributions to J. Boyle (ed.), “The Public Domain”, *Law and Contemporary Problems* 66 (2003), online available at <http://scholarship.law.duke.edu/lcp/vol66/iss1/>.

offers and express their preference by selecting one specific product or service.⁵ This, in turn, will help the public's preferred suppliers, products and services to prevail in the marketplace. Contributing to the regulation of supply and demand in this way, trademark law supports the proper functioning of markets. The guarantee of market transparency through trademark protection ensures fair competition between market participants, the protection of consumers against confusion and the efficient functioning of markets.

Trademark law could not realize these objectives, if the term of trademark protection was limited. A temporal limitation would have the effect that, after the expiry of protection, the trademark could freely be used by all market participants. In consequence, consumers could no longer rely on the trademark as an indicator of commercial source. The trademark could no longer contribute to market transparency and fair competition. It would lose its identifying function and the capacity to support the proper functioning of the market. For this reason, the trademark owner can renew the registration of the trademark indefinitely.⁶ The rule of indefinite renewal allows an enterprise to uphold the exclusive link with its trademarks as long as it keeps using them in trade.⁷ The distinctiveness of trademarks used on the market can thus be preserved, and consumers and the public at large are not misled.

Other intellectual property systems, such as copyright and patent law, seek to offer an incentive and reward for the creation of intellectual property, and support its disclosure and dissemination. In contrast to protection under the trademark regime, protection in these systems expires after a limited period of time that is deemed sufficient to secure the intended incentive and reward.⁸ After expiry, protected subject matter falls into the public domain and can be used freely. The constant enrichment of the public domain can thus be regarded as a corollary of the grant of protection. In the case of intellectual property systems of this type, the public domain comprises formerly protected subject matter that has become free after the expiry of protection. The public domain of cultural expressions, for instance, comprises formerly copyrighted material that is no longer protected.⁹ The public domain of technical knowledge comprises formerly patented know-how, in respect of which protection has expired.¹⁰

⁵ Cf. D. Gervais, *The TRIPS Agreement: Drafting History and Analysis*, 3rd ed., London: Sweet & Maxwell 2008, p. 266. With regard to the economic search costs argument that is related to this function of trademarks, see J. Griffiths, "A Law-and-Economic Perspective on Trade Marks", in: L. Bently/J. Davis/J.C. Ginsburg (eds.), *Trade Marks and Brands – An Interdisciplinary Critique*, Cambridge: Cambridge University Press 2008, p. 241; M. Strasser, "The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context", *Fordham Intellectual Property, Media & Entertainment Law Journal* 10 (2000), p. 375 (379-382). With regard to questions arising in the digital environment, see S.L. Dogan/M.A. Lemley, "Trademarks and Consumer Search Costs on the Internet", *Houston Law Review* 41 (2004), p. 777.

⁶ Article 18 TRIPS.

⁷ As Article 19 of the TRIPS Agreement indicates, use may be required to maintain a trademark's registration. The registration may be cancelled after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner.

⁸ See Article 7 Berne Convention and Article 33 TRIPS with regard to the international minimum terms of protection in the field of copyright and patent law.

⁹ Cf. S. Dussolier, *Scoping Study on Copyright and Related Rights and the Public Domain*, WIPO document CDIP/4/3/Rev./STUDY/INF/1, dated 7 May 2010, p. 6-7, for a discussion of different notions of public domain in the field of copyright and related rights.

¹⁰ For a more detailed discussion of the public domain and patent law, see J. Phillips, *Study on Patents and the Public Domain*, WIPO document CDIP/4/3 Rev./Study/INF/2, dated 27 April 2011. Cf. Also L. Bently/B. Sherman/D. Borges Barbosa et al., *Exclusions from Patentability and Exceptions and Limitations to Patentees' Rights*, WIPO document SCP/15/3, Annex 1, dated 2 September 2010.

B. MECHANISMS FOR PRESERVING THE PUBLIC DOMAIN

The fact that trademark protection can be renewed indefinitely does not mean that there is no public domain in trademark law. The protection system provides mechanisms for the preservation of the public domain that are in line with its objectives. As trademark law aims at a stable distribution of identifiers of commercial source among market participants to safeguard market transparency, signs enjoying trademark protection do not fall into the public domain after a limited period of time. However, the registration of a sign that is no longer used in the marketplace may be cancelled after an uninterrupted period of at least three years of non-use. As a result, the sign concerned becomes available anew for other market participants.¹¹ Signs that have become generic, moreover, may be invalidated on the grounds that they have become customary in current language. Constituting generic expressions, these signs become generally available for the public at large.¹² Under particular circumstances, a sign that is protected as a trademark may thus become available again or enter the common language.

Furthermore, trademark law leaves signs unaffected that are not eligible for, or excluded from, trademark protection. As the grant of trademark rights allows an enterprise to appropriate a sign in relation to the use on certain goods or services as long as it continues using the sign as a trademark, this boundary line between trademark protection and the public domain is of particular importance. It prevents enterprises from removing certain signs from the public domain.

C. INELIGIBILITY FOR TRADEMARK PROTECTION

Ineligibility for trademark protection may follow from the fact that a sign is incapable of serving as a trademark. Article 15(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement” or “TRIPS”) states that

“[a]ny sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark.”

This, in turn, indicates that signs are ineligible for protection when they lack the distinctive character necessary to identify the commercial origin of goods and services in the marketplace.¹³ The obligation of Paris Union Members to accept for filing and protection

¹¹ Cf. Article 19 TRIPS Agreement which also clarifies that cancellation does not take place where the trademark owner had valid reasons based on the existence of obstacles to genuine use. The cancellation action will often be brought by another market participant who wishes to use an identical or similar sign. Cancellation on the grounds that the trademark is no longer used by the proprietor, therefore, does not necessarily mean that the sign becomes freely available.

¹² At the international level, Article 6quinquies(B) No. 2 Paris Convention reflects genericism as a ground for refusing *telle quelle* registration and protection of trademarks stemming from other Paris Union Members. In national legislation, trademarks may not be invalidated automatically on the grounds that they have become generic. In the Benelux, for instance, Article 2.26(2)(b) of the Benelux Treaty on Intellectual Property allows the invalidation only in cases where the trademark owner contributed to the process rendering the trademark generic or omitted to take measures against this development. A trademark, therefore, does not necessarily fall into the public domain automatically when it becomes a customary expression in current language.

¹³ As to the question whether Article 15(1) TRIPS requires WTO Members to automatically accept each and every sign or combination of signs capable of distinguishing goods or services for trademark registration and protection, see C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement*, Oxford: Oxford University Press 2007, p. 179-180, referring to the WTO Appellate Body decision in United States – Section 211 Omnibus Appropriations Act of 1998, WTO Document WT/DS176/AB/R, dated 2 January 2002, para. 155: “Identifying certain signs that are capable of registration and imposing on WTO Members

trademarks duly registered in another country of the Union, for instance, does not concern trademarks that

“are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed.”¹⁴

Non-distinctive, descriptive and generic signs, therefore, need not be accepted for registration and protection under the international regulation of *telle quelle* protection.¹⁵ In many national trademark systems, this rule is reflected in absolute grounds for refusal. A non-distinctive sign simply cannot serve as a trademark. It is incapable of distinguishing the goods or services of one undertaking from those of other undertakings. The same may be said about descriptive and generic signs that are unlikely to be perceived and understood as an indication of commercial origin by consumers.

Signs that describe product characteristics, moreover, should remain at the disposal of all traders dealing with the products concerned. By the same token, generic signs constituting customary indications of goods or services in current language must necessarily remain freely available for other traders and the public at large. Apart from the lack of distinctive character, there is thus a need to keep descriptive and generic signs free.¹⁶

Trademark law satisfies this need by leaving non-distinctive, descriptive and generic signs unaffected as long as they are incapable of serving as an identifier of commercial source in trade. However, a sign that is not inherently distinctive may acquire the required capacity to distinguish goods or services as a result of use in trade. This is also reflected in Article 15(1) TRIPS:

“Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use.”

A non-distinctive, descriptive or generic sign incapable of distinguishing the goods or services of one undertaking from those of other undertakings may thus become a trademark – and be removed from the public domain – the moment it acquires the necessary distinctiveness as a consequence of use in trade. On the one hand, this additional rule in trademark law can be

[Footnote continued from previous page]

an obligation to make those signs eligible for registration in their domestic legislation is not the same as imposing on those Members an obligation to register automatically each and every sign or combination of signs that are capable of and eligible for registration under Article 15.1. This Article describes which trademarks are ‘capable of registration’. It does not say that all trademarks that are capable of registration ‘shall be registered’.

¹⁴ Article 6quinquies(B) No. 2 Paris Convention.

¹⁵ Article 6quinquies(A)(1) Paris Convention. Cf. M. Pflüger, “PC, art. 6quinquies”, in: T. Cottier/P. Véron (eds.), *Concise International and European IP Law*, 2nd ed, Alphen aan den Rijn: Kluwer Law International 2011, p. 235-241; H.P. Kunz-Hallstein, “Art. 6quinquies PVÜ – Grundlage einer einheitlichen Eintragungspraxis von Marken in der Gemeinschaft?”, *Markenrecht* 2006, p. 487; F.K. Beier, “Unterscheidungskraft und Freihaltebedürfnis – Zur Markenschutzfähigkeit individueller Herkunftsangaben nach § 4 WZG und Art. 6quinquies PVÜ”, *Gewerblicher Rechtsschutz und Urheberrecht International* 1992, p. 243; S.P. Ladas, *Patents, Trademarks, and Related Rights – National and International Protection*, Vol. II, Cambridge, Massachusetts: Harvard University Press 1975, p. 1211-1240; G.H.C. Bodenhausen, “Guide to the Application of the Paris Convention for the Protection of Industrial Property”, WIPO publication No. 611, Geneva: BIRPI 1969, p. 113-119.

¹⁶ Cf. J. Phillips, “Trade Mark Law and the Need to Keep Free – Intellectual Property Monopolies Have Their Limits”, *International Review of Intellectual Property and Competition Law* 36 (2005), p. 389; T. Sambuc, “Das Freihaltebedürfnis an beschreibenden Angaben und der Ware selbst nach dem Markengesetz”, *Gewerblicher Rechtsschutz und Urheberrecht* 1997, p. 403.

understood to make inroads into the public domain: trademark protection relating to signs that belonged to the public domain can result from marketing efforts that educate consumers to perceive a formerly non-distinctive, descriptive or generic sign as a reference to one particular commercial source. Once the required link is established in the minds of consumers, the sign can be protected as a trademark.

On the other hand, it is to be considered that trademark law seeks to protect consumers against confusion about the commercial origin of goods or services offered in the marketplace. The moment a non-distinctive, descriptive or generic sign is perceived as a reference to one particular commercial source, it becomes necessary, from this perspective, to inhibit other traders from use of that particular sign. Use of the sign by several market participants is likely to confuse consumers. As the sign is perceived as an indicator of one particular commercial source but used by several traders, consumers will be misled into believing that all products to which the sign is attached have the same commercial origin.

Hence, the exclusion of signs from trademark protection that results from the basic protection requirement of distinctiveness is not absolute. A sign that lacks inherent distinctiveness may acquire the necessary capacity to distinguish goods or services as a result of use in trade. In this case, the boundary line between trademark protection and the public domain thus depends on the requirements established by trademark offices and the courts to determine whether distinctive character has been acquired with regard to a given non-distinctive, descriptive or generic sign.

D. GENERAL EXCLUSION FROM TRADEMARK PROTECTION

The exclusion of signs from trademark protection can be stricter when it is based on the fundamental distinction between a trademark and the product or service to which it is attached.¹⁷ A trademark, by definition, is a source identifier attached to goods or services. It is not the product or service as such. This fundamental distinction can become particularly relevant with regard to certain types of non-traditional marks.

For instance, a shape that is required to obtain a particular technical result may be held to be ineligible for trademark protection because it constitutes an indispensable feature of the product itself rather than serving as a mere badge of origin. The same rationale can be invoked with regard to esthetic features affecting a product's value or quality: rather than constituting mere identifiers of commercial source, these essential features define the product itself. Accordingly, the view may be held that they cannot be regarded as trademarks.

The exclusion from trademark protection can also be explained in the light of the potential impact of protection on freedom of competition. Keeping essential technical or esthetic product features free for all traders seeking to offer a product with that particular technical or esthetic functionality, potential restrictions of competition that may follow from the grant of trademark rights can be avoided.

In the case of technical or esthetic functionality, the exclusion from trademark protection may be applied more strictly than in the case of the aforementioned non-distinctive, descriptive or

¹⁷ With regard to efforts to prevent trademark rights from becoming monopoly rights in the product itself, see Supreme Court of Canada, 17 November 2005, *Kirkbi AG/Ritvik Holdings Inc.*, 2005 S.C.C. 65, para. 52. As to the different lines of argument developed in this case, see B.W. Stratton/H. Lue, "Lego v. Mega Bloks in the Supreme Court of Canada: Ephemeral Rights in Toy Bricks", *Trademark Reporter* 96 (2006), p. 587; R.S. Levy, "The Lego Case: The Supreme Court of Canada Makes it Harder to Protect Product Shapes as Trademarks", *Trademark Reporter* 96 (2006), p. 596; R.H.C. MacFarlane/C.M. Pallotta, "Kirkbi Ag and Lego Canada Inc v. Ritvik Holdings Inc.: A Review of the Canadian Decisions", *Trademark Reporter* 96 (2006), p. 575.

generic signs. In national legislation, signs necessary to obtain a technical result or adding substantial value or quality to the product may generally be excluded from protection as a trademark, even if the sign concerned has acquired distinctive character as a result of the use made of it in trade. The exclusion from trademark protection, in other words, may be absolute in the sense that even distinctive signs of this nature could not be removed from the public domain through the acquisition of trademark rights.

Besides the absolute exclusion from trademark protection that may follow from the strict application of the rule that, by definition, a trademark is a source identifier attached to the product, but not the product itself, further instances requiring an absolute bar to trademark registration and protection are reflected in international trademark law. In the context of the regulation of *telle quelle* protection in Article 6quinquies PC, for instance, it is pointed out that Paris Union countries are not obliged to accept for registration and protection signs duly registered in other countries of the Union

“when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public.”¹⁸

Furthermore, Article 6ter PC excludes from registration and use as trademarks, or elements of trademarks,

“armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view.”¹⁹

The same rule applies to armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations.²⁰

Therefore, international trademark law recognizes the need to exclude certain official signs from trademark protection. It also leaves discretion to national authorities with regard to the identification of signs that are inappropriate for trademark registration and protection because of a conflict with morality or public order or their deceptive nature. On this basis, signs can generally be excluded from trademark protection, irrespective of whether the sign concerned is distinctive.²¹

¹⁸ Article 6quinquies(B) No. 3 PC.

¹⁹ Article 6ter(1)(a) PC.

²⁰ Article 6ter(1)(b) PC. See WIPO Document SCT/15/3, dated 14 October 2005, “Article 6ter of the Paris Convention: Legal and Administrative Aspects”, online available at www.wipo.int/sct. For commentary, see Cf. M. Pflüger, “PC, art. 6quinquies”, in: T. Cottier/P. Véron (eds.), *Concise International and European IP Law*, 2nd ed, Alphen aan den Rijn: Kluwer Law International 2011, p. 229-233; G. Pacek, “Marks as Imitations of State Emblems ‘From a Heraldic Point of View’”, *Journal of Intellectual Property Law & Practice* 2009, p. 673; S.P. Ladas, *Patents, Trademarks, and Related Rights – National and International Protection*, Vol. II, Cambridge, Massachusetts: Harvard University Press 1975, p. 1240-1247; G.H.C. Bodenhausen, “Guide to the Application of the Paris Convention for the Protection of Industrial Property”, WIPO publication No. 611, Geneva: BIRPI 1969, p. 94-99; G. Ronga, “Der Schutz von Kennzeichen zwischenstaatlicher Organisationen nach der Pariser Verbandsübereinkunft”, *Gewerblicher Rechtsschutz und Urheberrecht International* 1966, p. 148.

²¹ With regard to the question whether an exclusion from registration and use as a trademark because of a “cultural offence”, or the grant of trademark protection in a defensive sense, might also be appropriate in the area of signs and emblems of indigenous peoples, see S.R. Frankel, “Third-Party Trade Marks as a Violation of Indigenous Cultural Property – A New Statutory Safeguard”, *Journal of World Intellectual Property* 2005, p. 83; S.R. Frankel, “Trademarks and Traditional Knowledge and Cultural Intellectual Property Rights”, in: G.B. Dinwoodie/M.D. Janis (eds.), *Trademark Law and Theory: a Handbook of Contemporary Research*, Cheltenham: Edward Elgar Publishing 2008, p. 433.

At the international level, the need to keep certain signs free has also been recognized with regard to international nonproprietary names for pharmaceutical substances (INNs). In 1993, the World Health Assembly endorsed resolution WHA46.19 which states that trademarks should not be derived from INNs and INN stems should not be used as trademarks. It was recognized in this context that use of INNs should remain free and in the public domain. A practice of using INNs as trademarks could frustrate the rational selection of INNs and ultimately compromise the safety of patients by promoting confusion in drug nomenclature. Lists of Proposed and Recommended INNs are published regularly following meetings of the World Health Organization INN Expert Group.²²

An exclusion from trademark registration may also follow from practical requirements concerning the trademark register. For a sign to be entered in the register, a number of jurisdictions require that it be capable of graphical representation. Accordingly, the requirement of graphical representation can be found in many national trademark systems. In line with Article 15(1) TRIPS, national law may also require, as a condition of registration, that signs be visually perceptible. These registration requirements can become particularly relevant in the case of non-traditional trademarks. A smell or sound mark, for instance, is not visually perceptible. A smell mark may also be held not to be capable of graphical representation. As a result, smell and/or sound may remain outside the trademark protection system altogether.

E. INHERENT LIMITS OF EXCLUSIVE RIGHTS

Assessing the potential impact of trademark protection on the availability of signs, it is also to be considered that the exclusive rights of trademark owners are limited in several respects. In contrast to copyright law, trademark law does not grant a general right of “reproduction” or a general right of “communication to the public”.²³ In contrast to patent law, trademark law does not grant a general right of “making” and “using”.²⁴ Instead, Article 16(1) TRIPS describes the exclusive right of trademark owners as follows:

“The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner’s consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion.”

Hence, trademark protection against confusion can only be invoked with regard to those goods or services for which the trademark is registered. Use in the course of trade is a prerequisite for protection. In many national systems, this basic infringement criterion is accompanied by a further requirement of use “as a trademark”. Because of this additional requirement, use may

²² With regard to trademarks and INNs, see WIPO Documents SCT/24/5, dated 31 August 2010, SCT/19/4, dated 27 May 2008, and SCT/18/6, dated 12 September 2007. These documents are available online at www.wipo.int/sct. Lists of Recommended and Proposed INNs are accessible at www.who.int/medicines/publications/druginformation/inlists/en/index.html. For a discussion of the impact of brand names on therapeutic standards, see J.A. Greene, “What’s in a Name? Generics and the Persistence of the Pharmaceutical Brand in American Medicine”, *Journal of the History of Medicine and Allied Sciences* 66 (2011), p. 468.

²³ See Article 9(2) Berne Convention and Article 8 WIPO Copyright Treaty.

²⁴ Article 28(1)(a) TRIPS. However, see also J. Moskin, “Victoria’s Big Secret: Whither Dilution Under the Federal Dilution Act?”, *Trademark Reporter* 93 (2004), p. 842 (856-857), who insists on “a property right similar to copyright or patent.”

not be actionable, if it is unlikely to be perceived as an indication of commercial origin by consumers.²⁵ Furthermore, a claim based on protection against confusion requires a showing of likelihood of confusion. The existence of a likelihood of confusion shall be presumed only in double identity cases where a sign identical to the trademark is used for identical goods or services.²⁶

With regard to the aim to preserve the public domain, these inherent limits of trademark rights in the field of protection against confusion are of particular importance. Even if trademark protection is acquired, exclusive trademark rights in this field do not enable the trademark owner to exert general control over the use of the sign concerned. Use of the sign remains unaffected in areas of the market that are unrelated to the market segments in which the trademark owner is active. Use outside the realm of trade, such as non-commercial use for private, religious, cultural, educational or political purposes, may fall outside the scope of the exclusive right because it does not constitute use in the course of trade. Mere references to the protected trademark, for instance in the context of news reporting, criticism, review or parody, may not be actionable as long as the reference is not understood as an indication of commercial source. It may be found not to constitute use as a trademark under these circumstances. Finally, use is actionable only if it is likely to cause confusion. In the field of trademark protection against confusion several forms of use may thus remain free even after the acquisition of trademark rights.

However, the trademark rights awarded to ensure protection against confusion establish an exclusive link between a sign and an enterprise at least with regard to those goods or services, in respect of which the sign is registered as a trademark. This exclusive link offers sufficient legal security for substantial investment in the sign concerned. Through investment in advertising, an enterprise can educate consumers to associate a particular lifestyle or attitude with the trademark. The trademark becomes a channel of communication which the enterprise, provided that its marketing strategy is successful, can use to raise certain pictures, associations and expectations in the minds of consumers.²⁷ The process of adding these additional meanings to the trademark can result in the creation of a valuable brand image.²⁸ However, the free “independent” meaning which the sign had prior to the acquisition of trademark rights may be blurred by these marketing efforts.

When a sign of cultural significance is protected as a trademark, for instance, the sign’s original cultural meaning may gradually be superseded by commercial messages conveyed by

²⁵ As to the influence of the requirement of use as a trademark on the infringement analysis in trademark law, see A. Kur, “Confusion Over Use? Die Benutzung “als Marke” im Lichte der EuGH-Rechtsprechung”, *Gewerblicher Rechtsschutz und Urheberrecht International* 2008, p. 1; P.L. Loughlan, “Protecting Culturally Significant Uses of Trade Marks (Without a First Amendment)”, *European Intellectual Property Review* 2000, p. 328; I. Simon Fhima, “How Does “Essential Function” Doctrine Drive European Trade Mark Law?”, *International Review of Intellectual Property and Competition Law* 36 (2005), p. 401.

²⁶ Article 16(1) TRIPS.

²⁷ Cf. R. Cooper Dreyfuss, “Expressive Genericity: Trademarks as Language in the Pepsi Generation”, *Notre Dame Law Review* 65 (1990), p. 397 (397-399); J. Griffiths, “A Law-and-Economic Perspective on Trade Marks”, in: L. Bently/J. Davis/J.C. Ginsburg (eds.), *Trade Marks and Brands – An Interdisciplinary Critique*, Cambridge University Press 2008, p. 241 (255); R.S. Brown, “Advertising and the Public Interest: Legal Protection of Trade Symbols”, *Yale Law Journal* 108 (1999), p. 1619 (1619-1620); K.H. Fezer, “Entwicklungslinien und Prinzipien des Markenrechts in Europa – Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen”, *Gewerblicher Rechtsschutz und Urheberrecht* 2003, p. 457 (461-462); S. Casparie-Kerdel, “Dilution Disguised: Has the Concept of Trade Mark Dilution Made its Way into the Laws of Europe?”, *European Intellectual Property Review* 2001, p. 185 (185-186); M. Lehmann, “Die wettbewerbswidrige Ausnutzung und Beeinträchtigung des guten Rufs bekannter Marken, Namen und Herkunftsangaben – Die Rechtslage in der Bundesrepublik Deutschland”, *Gewerblicher Rechtsschutz und Urheberrecht International* 1986, p. 6 (14-17).

²⁸ See J.E. Schroeder, “Brand Culture: Trade marks, Marketing and Consumption”, in: L. Bently/J. Davis/J.C. Ginsburg (eds.), *Trade Marks and Brands – An Interdisciplinary Critique*, Cambridge University Press 2008, p. 161.

the trademark owner. Even though use of the sign for private, educational and cultural purposes does not necessarily fall within the scope of exclusive trademark rights, these forms of use outside the context of trade may still be influenced by the meanings and connotations attached to the sign by the trademark owner in the course of trade.²⁹ In the case of a sign of cultural significance enjoying cumulative copyright and trademark protection, for instance, trademark rights that are renewed after the expiry of copyright protection may influence the perception and use of the sign in a cultural context. Even though being no longer copyrighted, the material, therefore, does not fall into the public domain in its entirety.³⁰

Besides protection against confusion in the area of identical or similar signs and identical or similar goods or services, international trademark law provides for additional protection in the case of well-known marks. In line with Article 16(3) TRIPS, protection against the registration and use of a reproduction, imitation or translation of a well-known mark is to be offered also with regard to

“goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.”³¹

In addition, the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks reflects protection, irrespective of the goods or services for which the well-known mark is used or registered, against use that is likely to impair or dilute in an unfair manner the distinctive character of the well-known mark, or would take unfair advantage of the distinctive character of the well-known mark.³²

²⁹ Cf. K. Assaf, „Der Markenschutz und seine kulturelle Bedeutung“, *Gewerblicher Rechtsschutz und Urheberrecht International* 2009, p. 1; M.R.F. Senftleben, „Der kulturelle Imperativ des Urheberrechts“, in: M. Weller/N.B. Kemle/Th. Dreier (eds.), *Kunst im Markt – Kunst im Recht*, Baden-Baden: Nomos 2010, p. 75.

³⁰ With regard to the discussion on cumulative copyright and trademark protection, see WIPO document SCT/16/5, dated 1 September 2006, “Trademarks and Their Relation With Literary and Artistic Works”, online available at www.wipo.int/sct; S. Carre, “Marques et droit d’auteur: Métaphore d’une belle rencontre”, in: C. Geiger/J. Schmidt-Szalewski (eds.), *Les défis du droit des marques au XXI^e siècle*, Strasbourg: Litec 2010, p. 25; V. Vanovermeire, “Inschrijving als merk van een in het openbaar domein gevallen werk”, in: A. Cruquenaire/S. Dusollier (eds.), *Le cumul des droits intellectuels*, Brussels: Larcier 2009, p. 177; A. Ohly, “Areas of Overlap Between Trade Mark Rights, Copyright and Design Rights in German Law”, *Gewerblicher Rechtsschutz und Urheberrecht International* 2007, p. 704; M.R.F. Senftleben, “De samenloop van auteurs- en merkenrecht – een internationaal perspectief”, *Tijdschrift voor auteurs-, media- en informatierecht* 2007, p. 67; P.B. Hugenholtz, “Over cumulatieve gesproken”, *Bijblad bij de industriële eigendom* 2000, p. 240; D.W.F. Verkade, “The Cumulative Effect of Copyright Law and Trademark Law: Which Takes Precedence?”, in: J.J.C. Kabel/G.J.H.M. Mom (eds.), *Intellectual Property and Information Law – Essays in Honour of Herman Cohen Jehoram*, Den Haag/London/Boston: Kluwer 1998, p. 69; J.H. Spoor, *De gestage groei van merk, werk en uitvinding*, Zwolle: Tjeenk Willink 1990.

³¹ With regard to the question whether Article 16(3) TRIPS sets forth an obligation to adopt anti-dilution legislation at the national level, see particularly M. Handler, “Trademark Dilution in Australia?”, *European Intellectual Property Review* 2007, p. 307. For further commentary, see N. Pires de Carvalho, *The TRIPS Regime of Trademarks and Designs*, Austin/Boston/Chicago/New York: Wolters Kluwer 2011, p. 343-382; D. Gervais, *The TRIPS Agreement: Drafting History and Analysis*, 3rd ed., London: Sweet & Maxwell 2008, p. 274-279; C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement*, Oxford: Oxford University Press 2007, p. 188-193; A. Kur, “TRIPs and Trademark Law”, in: F.K. Beier/G. Schricker (eds.), *From GATT to TRIPS – The Agreement on Trade-Related Aspects of Intellectual Property Rights*, Weinheim 1996, p. 93 (107-108).

³² Article 4(b)(ii) and (iii) WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, WIPO publication No. 833, Geneva 2000, online available at www.wipo.int/about-ip/en/development_iplaw/. For commentary, see A. Kur, “Die WIPO-Vorschläge zum Schutz bekannter und berühmter Marken”, *Gewerblicher Rechtsschutz und Urheberrecht* 1999, p. 866.

These additional layers of trademark protection broaden the exclusive rights of trademark owners and their potential impact on the public domain. Depending on the scope of the protection of well-known marks against dilution in national law,³³ the trademark owner may be able to bring a lawsuit against unauthorized use of a competing sign that harms the highly distinctive character (blurring) or the reputation of the well-known mark (tarnishment), or unfairly exploits the mark's distinctiveness or reputation (unfair free-riding).³⁴ Anti-dilution protection of this type is not limited to the goods or services for which the trademark is registered. It does not require a showing of likely confusion. The requirement of use as a trademark – in the sense that the allegedly infringing use must be perceived as an indication of commercial source by consumers – may be relaxed as well.³⁵ To the extent that the specific infringement criteria to be fulfilled in anti-dilution cases, such as a showing of likely dilution and the establishment of the status of a well-known mark, do not constitute substantial hurdles under national law, the scope of trademark protection will thus be broadened considerably.³⁶ In national systems providing for broad anti-dilution protection, concerns have been raised about adverse effects on freedom of expression.³⁷ Culturally and socially valuable forms of

³³ With regard to the debate on the dilution doctrine in trademark law, see F.I. Schechter, "The Rational Basis of Trademark Protection", *Harvard Law Review* 40 (1927), p. 813; K.H. Fezer, "Entwicklungslinien und Prinzipien des Markenrechts in Europa – Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen", *Gewerblicher Rechtsschutz und Urheberrecht* 2003, p. 457 (464 and 467); S. Casparie-Kerdel, "Dilution Disguised: Has the Concept of Trade Mark Dilution Made its Way into the Laws of Europe?", *European Intellectual Property Review* 2001, p. 185 (188); R.S. Brown, "Advertising and the Public Interest: Legal Protection of Trade Symbols", *Yale Law Journal* 108 (1999), p. 1619 (1620); B. Beebe, "A Defense of the New Federal Trademark Antidilution Law", *Fordham Intellectual Property, Media & Entertainment Law Journal* 16 (2006), p. 1143 (1146-1147 and 1174); G.B. Dinwoodie/M.D. Janis, Dilution's (Still) Uncertain Future, *Michigan Law Review First Impressions* 105 (2006), p. 98.

³⁴ Cf. The overview given by I. Simon Fhima, "The Actual Dilution Requirement in the United States, United Kingdom and European Union: A Comparative Analysis", *Boston University Journal of Science and Technology Law* 12 (2006), p. 271.

³⁵ As to the debate on the requirement of use as a trademark, see S.L. Dogan/M.A. Lemley, "The Trademark Use Requirement in Dilution Cases", *Santa Clara Computer & High Technology Law Journal* 24 (2008), p. 541 (542): "By maintaining the law's focus on misleading branding, the trademark use doctrine keeps trademark law true to its ultimate goal of promoting competitive markets." However, see also G.B. Dinwoodie/M.D. Janis, "Confusion Over Use: Contextualism in Trademark Law", *Iowa Law Review* 92 (2007), p. 1597 (1657-1658): "Trademark use is simply too blunt a concept, no matter how defined, to capture the full range of values at play in these debates." For a summary of the debate, see M. Davison/F. Di Giandomasso, "Use as a Trade Mark: Avoiding Confusion When Considering Dilution", *European Intellectual Property Review* 2009, p. 443.

³⁶ For a discussion of different concepts of protection against dilution, see J.T. McCarthy, "Dilution of a Trademark: European and United States Law Compared", *Trademark Reporter* 94 (2004), p. 1163; M.R.F. Senftleben, "The Trademark Tower of Babel – Dilution Concepts in International, US and EC Law", *International Review of Intellectual Property and Competition Law* 40 (2009), p. 45, online available at <http://ssrn.com/abstract=1723903>.

³⁷ Cf. W. Sakulin, *Trademark Protection and Freedom of Expression – An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European Law*, The Hague/London/New York: Kluwer Law International 2010; C. Geiger, "Marques et droits fondamentaux", in: C. Geiger/J. Schmidt-Szalewski (eds.), *Les défis du droit des marques au XXI^e siècle*, Strasbourg: Litec 2010, p. 163; R. Burrell/D. Gangjee, "Trade Marks and Freedom of Expression: A Call for Caution", University of Queensland, TC Beirne School of Law, Research Paper No. 10-05 (2010), online available at <http://ssrn.com/abstract=1593258>; W. McGeveran, "Four Free Speech Goals for Trademark Law", *Fordham Intellectual Property, Media and Entertainment Law Journal* 18 (2008), p. 1205; P. Gulasekaram, "Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works", *Washington Law Review* 80 (2005), p. 887; P.N. Leval, "Trademark: Champion of Free Speech", *Columbia Journal of Law and the Arts* 27 (2004), p. 187; L. Timbers/J. Huston, "The 'Artistic Relevance Test' Just Became Relevant: the Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution", *Trademark Reporter* 93 (2003), p. 1278; R. Cooper Dreyfuss, "Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity", in: G.B. Dinwoodie/M.D. Janis (eds.), *Trademark Law and Theory: a Handbook of Contemporary Research*, Cheltenham: Edward Elgar Publishing 2008, p. 261; K. Aoki, "How the World Dreams Itself to be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms", *Loyola of Los Angeles Entertainment Law Journal* 17 (1997), p. 523.

use, such as use for the purposes of news reporting, criticism, review and parody, may fall within the ambit of protection against dilution. Against this background, it has been proposed to keep expressive use of the associations and meanings triggered by a well-known mark free as long as it does not encroach upon the mark's function of signalling the commercial origin of goods or services.³⁸ It has also been pointed out that the richness of associations and meanings attached to a trademark is the result of a joint effort of trademark owners and consumers alike. It is the consuming public that frequently imbues trademarks with connotations distinct from and sometimes unrelated to the advertising messages conveyed by the trademark owner.³⁹ As a result, trademarks become metaphors with complex meanings that should remain available for social and cultural discourse.

The impact of trademark protection on the public domain thus depends on the different layers of trademark protection at the national level. The acquisition of trademark rights does not afford the trademark owner general control over the use of the protected sign. The various infringement criteria, ranging from use in the course of trade to a likelihood of confusion or dilution, constitute inherent limits of trademark rights. Because of these inherent limits, protection against confusion may leave non-commercial use for private, cultural, religious, educational or political purposes largely unaffected. Protection against dilution, however, may give the trademark owner more general control over the use of the trademark that may interfere with socially and culturally valuable use, such as use for news reporting, criticism, review and parody.

F. LIMITED EXCEPTIONS

In addition to the outlined inherent limits of exclusive rights, trademark law also offers room for exceptions that exempt certain forms of use from the control of the trademark owner. At the international level, Article 17 TRIPS allows WTO Members to

“...provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.”

This international basis for the introduction of exceptions at the national level has been interpreted in the framework of WTO dispute settlement in the case *EC – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*.⁴⁰ The WTO Panel dealing with Article 17 followed the approach taken previously in the patent case *Canada – Protection of Pharmaceutical Products* where the expression “limited exceptions” –

[Footnote continued from previous page]

³⁸ R. Cooper Dreyfuss, “Expressive Genericity: Trademarks as Language in the Pepsi Generation”, *Notre Dame Law Review* 65 (1990), p. 397.

³⁹ Cf. D.R. Gerhardt, “Consumer Investment in Trademarks”, *North Carolina Law Review* 88 (2010), p. 101; J. Litman, “Breakfast with Batman: The Public Interest in the Advertising Age”, *Yale Law Journal* 108 (1999), p. 1 (15-16); S. Wilf, “Who Authors Trademarks?”, *Cardozo Arts and Entertainment Law Journal* 17 (1999), p. 1; A. Kozinski, “Trademarks Unplugged”, *New York University Law Review* 68 (1993), p. 960. With regard to social media, cf. L.P Ramsey, “Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders”, *Buffalo Law Review* 58 (2010), p. 851. Moreover, see the critical comments on the limitation of trademark rights made by M. Richardson, “Trade Marks and Language”, *Sydney Law Review* 26 (2004), p. 193.

⁴⁰ See WTO Document WT/DS174/R, para. 7.650-7.651, based on a complaint by the US and the twin report WTO Document WT/DS290/R dealing with a parallel complaint by Australia. As to the interpretation of Art. 17 TRIPS, the reports are identical in substance. Following references concern the report on the US complaint.

also appearing in the patent section of TRIPS⁴¹ – had already been discussed.⁴² Interpreting the meaning of the requirement of limited exceptions, the Panel in the Canada patent case had clarified that the word “limited” had to be given a meaning separate from the limitation implicit in the word “exception” itself. It had to be read to “connote a narrow exception – one which makes only a small diminution of the rights in question.”⁴³ The reference point for determining limited exceptions was the curtailment of exclusive rights.⁴⁴

The WTO Panel in the EC trademarks case agreed on this reading⁴⁵ of the provision and embarked on the measurement of the extent to which a curtailment of exclusive trademark rights resulted from the exception at issue – EC legislation requiring prior trademarks, in specific circumstances, to coexist with later geographical indications. Referring to the fair use example given in Article 17 TRIPS itself, the Panel noted that fair use of descriptive terms was not limited in terms of the number of third parties who may benefit from the limited exception, nor in terms of the quantity of goods or services exempted under the limited exception.⁴⁶ Against this background, the Panel held that the EC coexistence regime kept within these conceptual contours and could pass the limited exceptions test.⁴⁷

With regard to the remaining “legitimate interests” test of Article 17, the Panel lent weight to the fact that the prohibition of an unreasonable prejudice to be found in corresponding tests in Articles 13 and 30 TRIPS had been omitted in the trademark provision. The Panel inferred from this omission “a lesser standard of regard for the legitimate interests of the owner of the trademark.”⁴⁸ However, every trademark owner had a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of her trademark.⁴⁹ Similarly, consumers had a legitimate interest in being able to distinguish the goods or services of one undertaking from those of another, and to avoid confusion.⁵⁰ The EC coexistence regime at issue allowed the refusal of the registration of a geographical indication in the light of the reputation and renown of a prior trademark, and the length of time that a prior trademark had been used. Moreover, it

⁴¹ Article 30 TRIPS.

⁴² See WTO Document WT/DS114/R, online available at www.wto.org. For comments on the WTO panel reports in the area of exceptions to intellectual property rights, see M.R.F. Senfleben, “Towards a Horizontal Standard for Limiting Intellectual Property Rights? – WTO Panel Reports Shed Light on the Three-Step Test in Copyright Law and Related Tests in Patent and Trademark Law”, *International Review of Intellectual Property and Competition Law* 37 (2006), p. 407; M. Ficsor, “How Much of What? The Three-Step Test and Its Application in Two Recent WTO Dispute Settlement Cases”, *Revue internationale du droit d’auteur* 192 (2002), p. 111; J. Oliver, “Copyright in the WTO: The Panel Decision on the Three-Step Test”, *Columbia Journal of Law & the Arts* 25 (2002), p. 119; D.J. Brennan, “The Three-Step Test Frenzy – Why the TRIPS Panel Decision might be considered Per Incuriam”, *Intellectual Property Quarterly* 2002, p. 213; J. Ginsburg, “Toward Supranational Copyright Law? The WTO Panel Decision and the “Three-Step Test” for Copyright Exceptions”, *Revue internationale du droit d’auteur* 2001, p. 13; P.B. Hugenholtz, “De wettelijke beperkingen beperkt. De WTO geeft de driestappentoets tanden”, *Tijdschrift voor auteurs-, media- en informatierecht* 2000, p. 197.

⁴³ See WTO Panel – Patents, WTO Document WT/DS114/R, para. 7.30.

⁴⁴ See WTO Panel – Patents, WTO Document WT/DS114/R, para. 7.31.

⁴⁵ Doubts as to the adoption of this interpretation in a trademark context are raised by C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement*, Oxford: Oxford University Press 2007, p. 194.

⁴⁶ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.654.

⁴⁷ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.659.

⁴⁸ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.671.

⁴⁹ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.664.

⁵⁰ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.676.

expressly addressed consumers by providing for the refusal of the registration of a geographical indication where the registration was liable to mislead consumers as to the true identity of the product. For these reasons, the Panel was satisfied that the legitimate interests of the trademark owner and consumers had been taken into account.⁵¹

International trademark law, therefore, offers breathing space for the adoption of exceptions to the exclusive rights of trademark owners. This additional flexibility can be used to exempt forms of use that are deemed particularly important for other traders or the public at large.⁵² The reference to fair use of descriptive terms in Article 17 TRIPS shows that, for instance, trademark protection relating to a descriptive sign can be counterbalanced by exempting use of the sign that is necessary to indicate the characteristics of goods or services. Trademark protection relating to a geographical name, therefore, need not prevent traders from the region concerned from use of the geographical name to indicate the geographical origin of their goods or services.

G. PUBLIC DOMAIN IN RELATION TO TRADEMARK LAW

In relation to the trademark system, the notion of “public domain” can therefore be understood to encompass all signs that are not protected as trademarks and all forms of using protected signs that fall outside the scope of the exclusive rights of the trademark owner. This notion includes, in particular,

1. all signs that are generally excluded from trademark protection;
2. all signs that do not satisfy the protection requirements of trademark law;
3. all forms of use that do not fall under the exclusive rights of the trademark owner;
and
4. all forms of use that are exempted from the exclusive rights of the trademark owner.

With regard to measures against the abusive appropriation of signs that should remain usable by the public, such as trademarks incorporating signs that are functional and descriptive, including geographically descriptive, and measures against the misappropriation of signs belonging to a common patrimony, such as state emblems, sacred signs, or signs of cultural significance, this notion of “public domain” reflects different options to secure the availability of the signs concerned.

Firstly, certain signs that should remain usable by the public, or that belong to a common patrimony, may be excluded from trademark protection altogether. A general exclusion implies that the signs concerned cannot be removed from the public domain through the acquisition of trademark rights.

Secondly, certain signs that should remain usable by the public, or that belong to a common patrimony, may be ineligible for trademark protection because they do not meet the substantive protection requirement of distinctiveness, or the registration requirement of being

⁵¹ See WTO Panel – Trademarks, WTO Document WT/DS174/R, para. 7.666 and 7.677.

⁵² As to the necessity of adopting appropriate exceptions to trademark rights in trademark systems offering broad protection, cf. G.B. Dinwoodie, “Lewis & Clark Law School Ninth Distinguished IP Lecture: Developing Defenses in Trademark Law”, *Lewis and Clark Law Review* 13/1 (2009), p. 99.

visually perceptible or capable of graphical representation. The effect of this ineligibility for trademark protection is less absolute than a general exclusion from protection. The moment the obstacle to the acquisition of trademark protection can be overcome, the sign concerned may be removed – within the inherent limits of trademark protection – from the public domain. Signs lacking inherent distinctive character, for instance, may acquire the required distinctiveness through use in trade.⁵³ Signs incapable of being graphically represented may become registrable with new technologies offering additional possibilities for the representation of signs.

Thirdly, signs in respect of which trademark protection has been acquired may still largely remain usable by the public, and still largely remain usable as a common patrimony, because of inherent limits of trademark rights. Use of a trademarked sign for non-commercial private, religious, cultural, educational or political purposes need not necessarily fall within the scope of trademark protection.

Fourthly, certain forms of using signs protected as trademarks may be exempted from the exclusive rights of the trademark owner on the basis of a limited exception.⁵⁴ With regard to these exempted forms of use, the protected sign remains usable by the public and as a common patrimony.

IV. FACT-BASED ANALYSIS OF TRADEMARK LAWS

To explore the application of the legal mechanisms which trademark law offers for the preservation of the public domain, the following fact-based analysis of trademark laws in different regions and countries offers a description of how those laws seek to prevent the misappropriation of signs belonging to a common patrimony, and the abusive appropriation of signs that should remain usable by the public.

As pointed out in the preceding chapter, the need to preserve the public domain depends on the scope and reach of trademark protection. If a certain type of sign is not eligible for, or excluded from, trademark protection, further measures to ensure availability for other traders or the public at large may not be necessary. If a certain form of use, *a priori*, does not fall under the exclusive rights of trademark owners, this form of use will remain unaffected by trademark protection, and the adoption of a specific exception may be deemed unnecessary. Therefore, the following region and country reports first provide an overview of signs eligible for trademark protection, the notion of use in trade, the notion of trademark use and the scope of protection in the region or country concerned (section 1 of the reports).

With regard to signs belonging to a common patrimony, international law, as indicated above, prevents misappropriation by excluding – with certain limitations – state emblems and emblems of intergovernmental organizations from registration or use as trademarks.⁵⁵ At the country or regional level, further signs belonging to a common patrimony, such as sacred signs or signs of cultural significance, may be excluded from registration and use. Alternatively, trademark offices and the courts may keep these signs free by denying distinctive character or setting a high threshold for the acquisition of distinctive character through use. To provide an overview of the application of these instruments to prevent the misappropriation of common patrimony signs, the region and country reports discuss the

⁵³ Article 15(1) TRIPS.

⁵⁴ Article 17 TRIPS.

⁵⁵ Article 6ter Paris Convention.

exclusion of common patrimony signs from registration and use as trademarks, the determination of distinctiveness in relation to those signs, and exceptions to trademark protection that ensure the availability of trademarked common patrimony signs for certain forms of use (section 2 of the following reports).

The general availability of signs that should remain free for the public or for other traders can also be ensured by excluding signs of this nature from protection altogether, denying distinctive character, setting a high threshold for acquiring distinctiveness through use, and adopting exceptions that exempt forms of use that are in the public interest. The following region and country reports provide an overview of how these mechanisms are applied to prevent the abusive appropriation of signs that should remain usable by the public. This includes exclusions from protection, the determination of distinctiveness and exceptions to trademark rights (section 3 of the following reports).

Finally, the region and country reports offer a summary of the predominant legal instruments used in the region or country concerned to ensure the availability of signs that should remain usable by the public or that belong to a common patrimony (concluding section 4 of the reports).

A. AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION (ARIPO)*

The African Regional Intellectual Property Organisation (ARIPO) came into being with the conclusion of The Lusaka Agreement on the Creation of ARIPO.⁵⁶ ARIPO now has 17 Member States, namely, Botswana, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Sierra Leone, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. All except Mozambique were English colonies, but there are still significant differences between the trademark laws of the Member States, which the creation of ARIPO has not eliminated. The Banjul Protocol was not intended to unify the different trade mark laws and not all Member States have signed it.⁵⁷ The establishment of the African Union (AU) has not yet led to unification of the trade mark laws even though one of the objectives of the concept paper on “Establishing a Pan-African Intellectual Property Organisation (PAIPO)” is facilitating the rationalisation and harmonisation of IP standards.⁵⁸ The divergences are emphasised to indicate that this attempt to describe the main features of the ARIPO Member States’ trademark laws must perforce generalise.

The trade marks statutes of the following countries are examined and referred to by the abbreviations provided: Uganda– the *UTMA*,⁵⁹ Zimbabwe– the *ZimTMA*,⁶⁰ Kenya – the

* Bernard Martin, Associate Professor of Law, University of the Western Cape, Cape Town, South Africa. My sincere thanks go to the Director General, Mr Sibanda, and the Staff at ARIPO Headquarters, particularly my host, Mr J Kabare, for a most fruitful visit during May 2011.

The selection of the Member States included in this report was dictated solely by the impracticality of reporting on all Member States which would have created the danger of misrepresenting all by over-generalisation: no slight of any kind is intended towards the Member States not included.

⁵⁶ The treaty was concluded at a conference on 9 December 1976.

⁵⁷ The Administrative Council of ARIPO adopted the Banjul Protocol on Marks in 1993 and Botswana, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda and Zimbabwe are currently parties to it. The Banjul Protocol created an administrative mechanism in some ways similar to the system created by the Madrid Agreement of 1894 and the Protocol of 1989: a one stop multiple registration system.

⁵⁸ The concept paper” available at www.africa-union.org was prepared by an extraordinary conference of the African Ministers of Council on Science and Technology (AMCOST) 20-24 November 2006 in Cairo, Egypt.

⁵⁹ Uganda’s Trademarks Act 17 of 2010 which entered into force on 3 September 2010 is one of the most recent pieces of legislation among the ARIPO Members and for convenience is often used as a basis for discussion.

KTMA,⁶¹ Ghana – the *GTMA*,⁶² Mozambique – the *MozIPC*,⁶³ Zambia – the *ZamTMA*,⁶⁴ Tanzania – the *TanzTMA*,⁶⁵ Botswana – the *BotsIPA*,⁶⁶ Lesotho – the *LesIPO*⁶⁷ and Malawi – the *MalTMA*.⁶⁸

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

Many definitions of “sign” in the laws of ARIPO Member States are variations on the following one: “includes any word, symbol, slogan, logo, sound, smell, colour, brand label, name, signature, letter, numeral or any combination of them”.⁶⁹ A trademark is in essence “a sign or mark or combination of signs or marks ... Capable of distinguishing goods and services of one undertaking from those of another undertaking”.⁷⁰ Some definitions of sign or mark provide

[Footnote continued from previous page]

⁶⁰ Zimbabwe’s Trade Marks Act, Chapter 26:04.

⁶¹ The Trade Marks Act, Chapter 506.

⁶² Trade Marks Act 664 of 2004.

⁶³ Chapter IV of Mozambique’s Industrial Property Code, Decree 04 of 2006.

⁶⁴ Trade Marks Act Chapter 401.

⁶⁵ The Trade and Service Marks Act 1986.

⁶⁶ Botswana Industrial Property Act 1996.

⁶⁷ The Lesotho Industrial Property Order 5 of 1989.

⁶⁸ The Malawi Trade Marks Act, Chapter 49:01.

⁶⁹ The *UTMA* treats “mark” as equivalent to “sign” and s 1(1) provides the single definition for them. *ZimTMA* s 2(1) provides that a mark “includes a distinguishing guise, slogan, device, brand, heading, label, ticket, name, signature, word, letter or numeral or any combination thereof” and that a distinguishing guise for goods is “the shape or configuration of containers of the goods”. *ZamTMA* s 2 and *KTMA* s 2(1) define a mark in identical terms to the *ZimTMA*, but *ZamTMA* excludes distinguishing guise and slogan. The *GTMA* s 52 defines a mark as a trade mark. The *MozIPC* does not attempt to define a mark *per se*, but the definition of product and service mark and the provisions of article (art) 119 paras (d) to (f) indicate that a mark is considered to be a sign. *BotsIPA* s 2 and *LesIPO* s 2 define a mark as a visible sign capable of distinguishing goods or services of an enterprise. *MalTMA* definition is similar to *ZimTMA*. *TanzTMA* definition of trade or service mark makes it clear that a mark is a sign.

⁷⁰ *UTMA* ss 1(1)& 4(1), which confirms that the subject matter of trademark protection is a sign, providing that a sign or combination of signs capable of distinguishing goods or services “shall be capable of constituting a trademark”. *ZimTMA* s 2(1) and *KTMA* s 2(1) define a trademark as a mark which is used or proposed to be used in relation to goods or services for the purpose of (a) indicating a connection in the course of trade between the goods or services and some person having the right, either as proprietor or as registered user to use the mark, and (b) distinguishing the goods or services in relation to which the trademark is used or proposed to be used, from the same kind of goods or services connected in the course of trade with another person. *ZamTMA* s 2 and *MalTMA* s 2 define trademarks as marks which indicate a connection in the course of trade between the goods and the proprietor or registered user, but do not provide protection for service marks. *GTMA* s 1 defines a trademark as “any sign or combination of signs capable of distinguishing ... Including words..., numerals and figurative elements”. The *MozIPC* art 1 defines a product or service mark as distinctive, clearly visible or audible sign capable of distinguishing the products or services of one enterprise from those of another. *BotsIPA* s 53(1) by means of a prohibition indicates that a mark may only be registered if it is capable of distinguishing. *TanzTMA* s 2 defines a trade or service mark as a visible sign used or proposed to be used to distinguish goods or services and defines a visible sign as one which is capable of graphic reproduction and provides some unusual examples, such as relief, stamp, vignette and emblem. *LesIPO* does not refer to trademarks.

explicitly for non-traditional trademarks such as smells,⁷¹ colours,⁷² shapes,⁷³ containers⁷⁴ and sounds.⁷⁵ The Banjul Protocol, by providing that substantive examination of every application for registration of a trade mark shall be undertaken in accordance with the national laws of the State designated in the application, ensures that the national law of the designated Member State takes precedence in regard to matters of substance, thus avoiding the inadvertent registration of marks not permitted in terms of the relevant national law.

Distinctiveness is the essential characteristic of a trademark in terms of most statutes.⁷⁶ Many laws recognise a difference between distinctive signs and signs that have a capacity to distinguish. They give practical effect to that difference by dividing their registers into Parts A and B,⁷⁷ often providing that signs that are actually distinctive may be registered in Part A of the register,⁷⁸ while signs that have the capacity to distinguish may be registered in Part

⁷¹ See the *UTMA* (footnote 14 above). The viability of smell marks must be in serious doubt after the CJEU decision in the *Sieckmann*, case C-273/00 (12 December 2002), whose reasoning most ARIPO Member States will probably apply because they provide for primarily visual trademarks: *UTMA*s 4(3) – “A sign shall be capable of graphical representation in order to be registered”; the *ZimTMA* s 2(2)(a) – “visual representation”, but in terms of s 2(2)(b) use can also consist of “audible reproduction” (it is submitted, by analogy with the *Sieckmann* case, that mark must first be capable of visual reproduction); *KTMA* s 2(2)(a) – “printed or other visual representation” but allows for audible reproduction if the mark is “capable” of such; the *GTMA* definition of collective mark in s 2 speaks of a “visible sign”, and because s 8 indicates that a collective mark is a specially designated type of trademark, it is submitted that in Ghana a trademark is also primarily a visual entity; the *ZamTMA* defines use in similar terms to the *KTMA*; the *TanzTMA* defines a trademark as a visible sign, ie, one capable of graphic reproduction; *MalTMA* s 2(2) defines use as use of a printed or visual representation.

⁷² *MozIPC* art 119 (g) limits the use of colours as marks to circumstances in which there is a combination of them or a (single) colour is used with other elements, eg words or graphics, in a distinguishing manner; *TanzTMA* s 19(b), which prohibits registration of the colour of the goods, implies that the colours of their containers, wrappers or labels may be registered. Many statutes also recognise that limitation of a trademark to certain colours may affect its distinctiveness: see *KTMA* s 19(1); *ZimTMA* s 20(1); *ZamTMA* s 21(1); *MalTMA* s 21; *TanzTMA* s 17(1).

⁷³ *MozIPC* art 1(f); *ZimTMA* (see note 14 above) by virtue of the definition of distinguishing guise allows registration of the shapes of containers for goods. Some laws which do not provide expressly for shapes in their definitions (see the *UTMA* and *ZamTMA*). *ZimTMA* and *KTMA* mention three dimensional marks, just making explicit what is implicit in other Member States’ laws. *TanzTMA* s 19(b) prohibits registrations of marks that consist solely of the shape or configuration of goods or their containers) do allow their registration see *UTMA* s 23(5) which makes registration subject to the restriction that shapes may not consist *exclusively* of the shape of goods if it results from their nature, is necessary to obtain a technical result or adds substantial value to the goods, but the restrictions do not apply to the containers of goods - *MozIPC* art 119(d) is to similar effect; s 11(2) of *ZimTMA* provides that registration of a distinguishing guise, ie, the shape or configuration of a container for goods, shall not prevent *bona fide* use of any utilitarian or functional feature the guise embodies) while others prohibit it (*TanzTMA* s 19(b)).

⁷⁴ *UTMA*; *MozIPC* art 1(f).

⁷⁵ See the *UTMA* definition (footnote 14 above); the *ZimTMA* (footnote 14 above) mentions slogans.

⁷⁶ *UTMA* s 4(1) provides that a sign that is capable of distinguishing may constitute a trademark, and defines distinctive in s 9(2). *TanzTMA* s 16(1) provides that a trademark may be registered if it is distinctive. *ZamTMA* and *MalTMA* both define distinctive in s 14(2). *MozIPC* art 110(a) provides that a mark must be capable of distinguishing the products or services of one enterprise from those of another. *LesIPO* s 26(1), *GTMA* s 5(b) and *BotsIPA* s 53(2)(a) prohibit registration of a mark that is incapable of distinguishing goods or services.

⁷⁷ *UTMA* s 2(4) and *KTMA*s 4(2) provide for their registers to be divided into Parts A and B. *ZamTMA* s 6(2) provides for 4 parts, A to D, Part C for certification trade marks (s 42) and Part D for defensive registration of well known trademarks (s 32). *ZimTMA* s 5(2) also provides for division into four parts, Part C for certification marks (ss 42-50) and Part D for defensive marks (s 32). *MalTMA* s 6(2) also provides for Parts A-D: certification marks in Part C (s 42) and D for defensive marks (s 32). There are no divisions of this kind in *LesIPO*, the *BotsIPA*, *GTMA*, *MozIPC* and *TanzTMA*.

⁷⁸ The *UTMA* treats goods and service marks alike: s 9(1)(a) to (e) lists particulars of which a trademark must consist of or contain to be registrable in Part A, the essence of which is s 9(1)(e), “other distinctive mark”, thus requiring *actual distinctiveness*, and distinctive for purposes of s 9(1) is defined in s 9(2) as adapted to distinguish

B.⁷⁹The statutes define distinctiveness as adapted,⁸⁰ or apt,⁸¹ to distinguish, or capable of distinguishing,⁸² whether this capability is inherent or is acquired by use or other circumstances.⁸³ None of the statutes that provide for Part A and Part B registrations indicate that trade marks may be moved from one part to the other. The statutes allow for identical trade marks to be registered in both parts, therefore, if a trade mark which was registered in Part B met the requirements for registration in Part A by virtue of use, for example, it could be registered in Part A without removing it from Part B. The advantage of having Part B registration is that even if the trade mark is not actually distinctive, but has the capacity to distinguish, eg by use, it enjoys protection from the time of registration.

1.2 Notion of use in trade

Some statutes do not define a trademark as an entity that must be used or proposed to be used,⁸⁴ while others do.⁸⁵ The pieces of legislation which do not define a trademark in utilitarian terms indirectly require use by virtue of (a) the purpose a trademark must serve, namely, to distinguish the goods or services of one undertaking from the goods or services of another which only makes sense within a trading context,⁸⁶ and, (b) the interpretation or definition of distinctive.⁸⁷ Statutes often define use of a trademark as the use of a printed or other visual representation of the mark.⁸⁸

Many statutes demand that trademarks be used in trade by penalising non-use for a significant period of time, often by removal from the register.⁸⁹ Some statutes also penalise the absence of an intention to use the trademark at the time of registration.⁹⁰

[Footnote continued from previous page]

goods or services connected with the proprietor from other goods or services. The content of *ZamTMA* s 14(1) and *KTMA* s 12(1) is similar to s 9(1) of the *UTMA*. See also *ZimTMA* s 12(1) and *MalTMA* s 14(1).

⁷⁹ *UTMA* s 10(1) deals with goods marks and s 10(2) with service marks; *ZimTMA* s 13(1) covers both goods & services; *KTMA* s 13 (1) for goods and services; and *ZamTMA* s 15(1) and *MalTMA* s 15(1), both for goods.

⁸⁰ *UTMA* s 9(2); *ZamTMA* s 14(2), *MalTMA* s 14(2) and *KTMA* s 12(2).

⁸¹ *ZimTMA* s 12(2).

⁸² *TanzTMA* s 16(2).

⁸³ *UTMA* s 9(3); *ZamTMA* s 14(3); *KTMA* s 12(3); *ZimTMA* s 12(3); and *TanzTMA* s 16(3); *MalTMA* s 14(3)(b).

⁸⁴ See *UTMA* s 1; *GTMA*s 1; *BotsIPA* s 2; *LesIPO* s 2; *MozIPC* art 1(f), but in terms of art 127 a declaration of intention to use the mark to be filed every five years

⁸⁵ See *ZimTMA* s 2(1), *ZamTMA* s 2(1), *TanzTMA* s 2, *KTMA* s 2(1) and *MalTMA* s 2(1).

⁸⁶ The *UTMA* definition requires it do so, and so does the *GTMA*.

⁸⁷ See footnotes 25 to 27 above.

⁸⁸ *UTMA* s 1(2); *TanzTMA* s 2; *ZamTMA* s 2(2). *ZimTMA* s 2(2)(b) and *TanzTMA* s 32(5) provide that audible reproduction also constitutes use; the *KTMA* definition is similar to that of the *ZimTMA*.

⁸⁹ Relevant provisions of the *UTMA* are: s 46(1)(b) permits removal after three years without any *bona fide* use; s 46(5) says that an applicant for removal may not rely on non-use that is the result of "special circumstances in the trade" and not an intention to abandon the trade mark; s 46(6) provides that use by someone under the control of the owner will be recognised as use for purposes of maintaining the registration, not restricting it to permitted user in terms of s 49; the Registrar or court may under certain circumstances impose a limitation on the registration rather than order removal in terms of s 46(3) for goods and s 46(4) for service marks – see also *ZimTMA* s 31(2), *MalTMA* s 31(2), *ZamTMA* s 31(2), *KTMA* s 29(2) and *TanzTMA* s 31(2). The following statutes permit removal for non-use after the period indicated: *GTMA* s 14 – five years; *LesIPO* s 30(4) – three years, subject to an exception similar to *UTMA* s 46(5); *BotsIPA* s 64(1) – three years, but s 64(2) contains a limitation

[Footnote continued on next page]

Statutes that provide for defensive registration of well-known trademarks,⁹¹ which proscribe the use of such trademarks in relation to goods or services other than those for which they are registered, exempt owners from the obligation to use the defensive trademark and do not even require an intention to use the trademark.⁹²

Most statutes provide for permitted use by registered users,⁹³ and such use is widely regarded as use by the trademark proprietor.⁹⁴ Some laws allow the use of identical, substantially identical or associated trademarks to be accepted as equivalent to use of each other.⁹⁵ The application to or other act of use of a trademark in relation to goods which are to be exported often constitutes use of the trademark in the country to which the goods are to be exported.⁹⁶ None of the statutes examined indicate that non-commercial use of a trademark is proscribed, but the courts may interpret trade sufficiently widely to allow charitable entities that collect funds to further their aims, to register trade marks.⁹⁷ The lack of direct authority means it cannot be said with any degree of conviction that charitable, cultural or religious use of a trade mark without any profit motive will constitute trade mark use which could possibly give rise to

[Footnote continued from previous page]

similar to *UTMA* s 46(5); *TanzTMA* s 35 – three years; *KTMA* s 29(1)(b) – five years; *ZamTMA* s 31(1)(b) – 5 years; *TanzTMA* s 35(1) – 3 years; *MalTMA* s 31(1)(b) – 5 years; *ZimTMA* s 31(b) – 5 years. *MozIPC* art 127 penalises failure to file a declaration of intention to use by denying the mark enforceability (art 127(3)), empowers the director general of the Intellectual Property Institute to declare the registration lapsed, but allows a reversal on proof of use and filing a declaration (art 127(4)).

⁹⁰ See *UTMA* s 46(1)(a), which also provides that in the case of the applicant having been a body corporate about to be constituted (see s 53(1)), there was no *bona fide* use up to a month before the date of the application for removal; see also *KTMA* s 29(1)(a); *TanzTMA* s 31(1)(a); *MalTMA* s 31(1)(a); *ZimTMA* s 31(1)(a).

⁹¹ Defensive registration prevents the registration and use of a trade mark that is identical or deceptively similar to a well known trade mark. The registration is defensive because it is aimed at ensuring that persons other than the registered proprietor of the well known trade mark do not use that trade mark, even in relation to goods other than those in respect of which the trade mark is registered, despite the proprietor of the defensive mark not intending to use it. The defensive registration is not merely ensures transparency and purity of the register, but provides similar protection to a non-defensive or ordinary registration.

⁹² See *UTMA* s 47(1)(b) – the trademarks will qualify for registration in Part A as they must be distinctive to qualify for defensive registration; *ZimTMA* s 32(1), *ZamTMA* s 32(1) and *MalTMA* s 32(1) – trademark which must be registered in Part A, will be registered defensively in Part D; *KTMA* s 30(1) – trademark would be registered both ordinarily and defensively in Part A. The *UTMA* and *KTMA* require the trademark to consist of an invented word or words and *UTMA* also provides for an invented device or devices or a combination of words and or devices.

⁹³ See *UTMA* s 49(1); *MalTMA* s 33(1); *TanzTMA* s 42(1); *KTMA* s 31(1); *ZamTMA* s 33(1); *ZimTMA* s 33; *MozIPC* art 122, *LesIPO* s 32 and *BotsIPA* s 67 simply provide for licences; the *GTMA* contemplates, but does not specifically provide for licences (eg, s 14(1) permits expungement for non-use by the owner or a licensee).

⁹⁴ See *UTMA* s 49(3); *MalTMA* s 33(2); *TanzTMA* s 42(2); *KTMA* s 31(2); *ZamTMA* s 33(2); *ZimTMA* s 33(3).

⁹⁵ See *UTMA* s 54(1); *ZamTMA* s 35(1); *ZimTMA* s 35(1); *KTMA* s 33(1); *MalTMA* s 35(1); *TanzTMA* s 35(1)(d) for purposes of defeating an application for expungement for non-use.

⁹⁶ See *UTMA* s 55; *ZamTMA* s 36; *MalTMA* s 36; *KTMA* s 34; and *ZimTMA* s 36. It is, however, submitted that the courts are likely to follow the approach adopted by the SA Supreme Court of Appeal in *AM Moola Group Ltd v The Gap Inc* [2005] 4 All SA 425 which held that where the trademark was affixed to goods outside SA and the goods were being transhipped via SA, insulated from trade in SA, the SA trademark was not used.

⁹⁷ Some statutes restrict the meaning of trade, eg, *KTMA* which defines it as a business or professional occupation; *MozIPC* art 123(1) lists the persons who shall be entitled to apply for registration, and applying the principle of interpretation that the meaning of a word is determined by the words it is associated with, charitable institutions would be excluded. In *Bantu Football Club v Lesotho Football Association and Others* (2000 – 20004) Lesotho Appeal Cases 407, 411 the Court held that the appellant had a business reputation in relation to its activities as a football club: it is not clear, however, whether this was professional club.

infringement.⁹⁸ The courts of ARIPO Member States may follow the lead provided by the South African case of *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)*⁹⁹ and find that cultural use is not to be regarded as trade use: in that case mixed cultural commercial use was not found to infringe.

1.3 The notion of trademark use

A trademark is widely defined as an entity that must distinguish the goods or services of one business from those of another,¹⁰⁰ and it is fairly common for infringement to be defined as use of an identical or similar trademark under circumstances in which use will deceive or cause confusion.¹⁰¹ These considerations taken together mean that the mark must be used as a trademark,¹⁰² and sometimes statutes even specify that. The primary significance of use as a trademark is that it must be to indicate the origin of the goods or services: in *Nice House of Plastic v Moses Buule*¹⁰³ the High Court of Uganda (Commercial Court Division) held that for infringement to occur the allegedly infringing mark must be used “as a symbol that the goods originate from the proprietor of the mark thereon or that there is a connection in the course of trade between the goods and the mark or trademark”. Trademarks indicate origin by distinguishing the proprietor’s goods or services from goods and services that have their origin in other persons.

1.4 Scope of protection

Most trademark statutes analysed provide expressly that registration invests the proprietor with the exclusive right to use the trademark,¹⁰⁴ but there are some which do not express it, but which in effect do so.¹⁰⁵

Infringement is often defined as *use in the course of trade* of a mark identical or similar to the registered trademark on or in relation to goods of the same description, under circumstances in which there is a likelihood of deception or confusion. There are laws which, in addition, require the offending mark to be used in a manner that is likely to be taken as a trademark, or

⁹⁸ This derives from the uncertainty surrounding the meaning of “trade”.

⁹⁹ 2006 (1) SA 144 (CC).

¹⁰⁰ See para 1.1 above. The *TanzTMA* requires that the trademark must distinguish in the course of trade

¹⁰¹ *UTMA* s 36 dealing with goods marks in Part A, specifies in sub-section (s-s) (2)(a) that the use must be taken to be use “as a trademark”, and s 37 with service marks in Part A contains a similar provision in s-s (2)(a); *ZamTMA* s 9(1)(a) for Part A and s 10(1) for Part B; *MozIPC* art 124(1) prohibits use in the course of business.

¹⁰² See *KTMA* s 7(1)(a) for Part A marks and s 8(1) which makes s 7(1)(a) applicable to Part B marks; *ZamTMA* ss 9(1) & 10(1); *TanzTMA* s 32(1)(a)(i); *MalTMA* s 9(1)(a); *ZimTMA* s 8(1)(a).

¹⁰³ UG Comm C 76 (23 April 2007) available at www.ulii.org/ug/cases/UGCommC/2007/76.html. See also *Anglo Fabrics (Bolton) Ltd & Another v African Queen Ltd & Another*, High Court of Uganda (Commercial Court Division) HCT – 00- CC- CS – 0632 – 2006: “A trademark, ..., is an indicator of source. It does not tell what the goods or services are but where they come from”.

¹⁰⁴ *UTMA* ss 36(1)& 37(1), respectively, for goods and service marks in Part A, and ss 38(1) & 39(1), respectively, for goods and service marks in Part B; *KTMA* s 7(1) for Part A marks and s 8(1) for Part B marks; *ZamTMA* s 9(1) for Part A & s 10(1) for Part B marks; *MalTMA* s 9(1) for Part A & s 10(1) for Part B marks; *GTMA* s 3; *MozIPC* art 124(1); *TanzTMA* s 31. *ZimTMA* does not define the nature of the registered right, but the definition of infringement in s 8 shows is an exclusive right.

¹⁰⁵ *LesIPO* s 29(1) provides that persons other than the owner may only use a registered mark with the owner’s agreement, and *BotsIPA* s 58(1) is almost identical, but requires agreement in writing.

importing a reference to the proprietor or registered user, or to goods with which the proprietor or registered user is connected in the course of trade,¹⁰⁶ and sometimes even that the use must be likely to cause injury or prejudice to the proprietor or registered user.¹⁰⁷

All the statutes provide protection against use of the identical trade mark in relation to goods or services in respect of which the trade mark is registered.¹⁰⁸ Protection is available in some cases even without the proof of a likelihood of deception or confusion: in the decision of High Court of Kenya, *Chloride Exide (K) Ltd & Associated Battery Manufactures Ltd v Zakayo Muchai Wainaina t/a Chloride Exide Solar*,¹⁰⁹ the defendant used the identical trademark, CHLORIDE EXIDE SOLAR, and the Court indicates that “[i]nfringement of a trademark is a tort of strict liability. All the Plaintiffs need to prove is that the Defendant imitated their trademark in order to prove infringement”. There is even statutory provision that a likelihood of confusion is presumed where the infringer uses the identical trademark.¹¹⁰

The use of similar trademarks in respect of (a) identical goods or services, and (b) in respect of similar goods or services, is also universally outlawed, where deception and or confusion is likely to result.¹¹¹ The courts take a variety of factors into account when deciding whether or not trademarks are deceptively or confusingly similar: in *Glaxo Group Limited v Snyer-Med Pharmaceuticals Ltd*¹¹² the High Court at Nairobi indicates that the factors mentioned in *Kerly’s Law of Trade Marks and Trade Names*¹¹³ are the appropriate ones. The High Court, in deciding whether or not SNYERCEF was deceptively or confusingly similar to ZINACEF, held that the marks have to be considered as a whole, and eventually found that the names were similar both phonetically and visually.¹¹⁴ The test for infringement is set out in *Anglo Fabrics v African Queen*¹¹⁵ as likelihood of confusion, which it explains is “the probability that a

¹⁰⁶ See *UTMA* ss 36(2)(a) & (b) and ss 37(2)(a) & (b); *KTMA* s 7(1)(b); *ZamTMA* ss 9(1) and 10(1); *TanzTMA* s 32(1)(a); *MalTMA* s 9(1) for Part A 7 s 10(1) for Part B marks; *KTMA* s 7(1) for Part A & s 8(1) for Part B marks.

¹⁰⁷ *KTMA* s 7(1)(d).

¹⁰⁸ Trademarks have to be registered in respect of particular goods or services: *KTMA* s 6; *UTMA* s 8; *MalTMA* s 8 (goods only); *ZamTMA* s 8 (goods only); *ZimTMA* s 7; *TanzTMA* s 15; *GTMA* s 4(2); *MozIPC* art 112(1) & (3); *LesIPO* s 27(1); *BotsIPA* s 54(1)(c).

¹⁰⁹ [2008] eKLR. *BotsIPA* s 60(1) provides that action can be instituted without the need to prove likelihood of confusion

¹¹⁰ *GTMA* s 9(5).

¹¹¹ See *UTMA* ss 36(2) and 37(1) for Part A, and ss 38(1) and 39(1) for Part B trademarks. *LesIPO* s 29(2) outlaws acts that make it likely that infringement will occur, and only mentions confusion; *ZamTMA* s 9(1) for Part A and s 10(1) for Part B trademarks; *ZimTMA* s 8(1) covers both Part A & B trade marks; *KTMA* s 7(1); *MozIPC* art 124(1); *GTMA* s 9(4) and s 9(2)(b), which outlaws acts which make infringement likely; *BotsIPA* s 60(2); *TanzTMA* s 32(1) use of identical or so nearly resembling the trademark as to be likely to cause confusion.

¹¹² [2010] eKLR.

¹¹³ 10 ed (1972) 450-456.

¹¹⁴ The Court found that the Registrar had erred in truncating the names by excluding the suffix “CEF” and then finding that the prefixes “SNYER” and “ZINA” had no meaning. The Court referred to a number of decisions, but of particular significance is *London Overseas Trading Co Ltd v The Raleigh Cycle Company Ltd* [1959] EA 1012 in which the Court found that “LALE” was phonetically identical to “RALEIGH” on the basis that it was common for Ugandans to pronounce an “R” as an “L”. The Court pointed out, however, that too much weight cannot be given to one factor such as the likely users since it was argued that both antibiotic preparations were only available on prescription so confusion was unlikely; the Court pointed out that telephonic orders still made confusion possible. See also *Glaxo Group Ltd v J B Chemicals & Pharmaceutical Ltd* [2004] UGCA 5 in which the Court found that the likelihood of confusing RANTAC and ZANTAC was high.

¹¹⁵ See footnote 45 above.

reasonable consumer in the relevant market will be confused or deceived, and will believe the infringer's goods or services come from, or are sponsored or endorsed by, the complainant or that the two are affiliated".

The defensive registration provided protects *exceptionally* well-known trademarks against dilution,¹¹⁶ most likely both in the form of blurring or tarnishment.¹¹⁷

Statutes that divide their registers into two parts generally provide for different levels of protection: Part A, distinctive, trademarks are "taken to be valid in all respects" after a period of time,¹¹⁸ but this does not apply to trademarks that are capable of distinguishing registered in Part B.¹¹⁹ Part B trademarks, therefore, enjoy a lower level of protection to those in Class A, because they are always vulnerable to attack on their validity.

Well-known trademarks quite often also enjoy greater protection than other trademarks: they may not even be used on goods other than those for which they are registered.¹²⁰ The requirement that they must be well-known, and in some cases, that the marks must be invented words or symbols,¹²¹ appears to be regarded as justifying the additional protection.

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs from registration*

Exclusions of signs falling within the protection of Art 6^{ter} of the Paris Convention are found in numerous statutes. Some statutes prohibit the registration of marks which reproduce, *imitate or contain features* of coats of arms, flags, emblems, coins, escutcheons, shields or other official symbols belonging to States, municipalities, national or foreign public entities or intergovernmental organisations unless the State or organisation has authorised it;¹²² and *reproduce* official inspection or warranty stamps or seals or *private emblems* or the name of the Red Cross or similar organisation.¹²³ The courts of countries whose statutes do not contain such exclusions could exclude signs falling within those categories on the grounds that they are deceptive.¹²⁴ they may lead the public to believe that the applicants are connected with the

¹¹⁶ This derives from the requirement that the use must be "likely to detract from its distinctive character" in *UTMA* s 47(1).

¹¹⁷ There is nothing in the provision to suggest exclusion of one form or the other.

¹¹⁸ See *UTMA* s 18(1); *KTMA* s 16(1); *ZimTMA* s 16; *ZamTMA* s 18(1); *MalTMA* s 18(1). The relevant period in terms of all is seven years except *ZimTMA* which provides for a period of five years. All provide that the rule does not apply in cases of registration obtained by fraud.

¹¹⁹ See *UTMA* S 18(2); *ZamTMA* s 18(2); *KTMA* s 16(2); *MalTMA* s 18(2).

¹²⁰ This is sometimes effected by registering them in Part D, as in the cases of *ZamTMA* s 32, *ZimTMA* s 32 and *MalTMA* s 32, but this is not universally the case, see *UTMA* s 47 and *KTMA* s 30. See *UTMA* s 47(1)(b) – the trademarks will qualify for registration in Part A as they must be distinctive to qualify for defensive registration; *ZimTMA* s 32(1), *ZamTMA* s 32(1) and *MalTMA* s 32(1) – trademark which must be registered in Part A will be registered defensively in Part D; *KTMA* s 30(1) – both ordinary and defensive registrations in Part A.

¹²¹ The *UTMA* and *KTMA* require the trademark to consist of an invented word or words or in the case of the *UTMA*, may also be an invented device or devices or a combination of words and or devices.

¹²² *MozIPC* art 110(d); *GTMA* s 5(e) prohibits the registration of such marks, and s 46 proscribes the unlawful use of Ghana's official badges; *BotsIPA* s 53(1)(d); *TanzTMA* s 19(c); *LesIPO* s 26(2)(d).

¹²³ *MozIPC* art 110(e).

¹²⁴ *UTMA* s 23(1), *ZimTMA* s 14(1)(a), *ZamTMA* s 16, *MalTMA* s 16, *KTMA* s 14.

relevant public institution. The symbols, flags, emblems and insignia of cultural and religious institutions, the signs associated with the history and traditions of a country could be denied registration on the grounds that to allow registration would be against morality or public policy. The High Court at Nairobi could have decided *Mathew Ashers Ochieng v Kenya Oil Ltd & Kobil Petroleum Ltd*,¹²⁵ the “Proudly Kenyan” case on the basis that it is against public policy for one person to have exclusive rights to the words “Proudly Kenyan”. Ochieng had registered the trade mark “Proudly Kenyan” in class 35 for use in advertising business management, business administration and office functions and founded a Proudly Kenyan society whose members he allowed to use the trade mark. The defendants had circulated stickers marked “Proudly Kenyan” to promote their businesses and Ochieng sought to interdict them from doing so. Some of the most important statements the Judge made are: “as a matter of practice, the court cannot allow a party to ... Obstruct the right of the public to use or employ common words attributable to a group of people or cause”; “the interest of an individual to secure a fair value for his intellectual effort or investment of capital or labour must be weighed against the interest of the public as a whole in its economic, cultural, religious, political and social development and identification”; “proudly Kenyan is widely used and is familiar within the public domain, therefore not party can restrict its use”. The last quote indicates that the courts are unlikely to countenance any person appropriating signs that have cultural significance, with the only limitation being that it should be relevant to the particular society, which would make it uncertain whether an artistic work, such as the Mona Lisa, or a musical work, such as Für Elise, would be protected. Public policy may, however, also demand that where a work has fallen into the public domain upon the expiry of copyright, no person should be able to acquire trade mark rights in respect of the work: allowing registration would undermine the public right to the work on the expiry of the limited copyright monopoly, but there is a dearth of direct authority.¹²⁶

The circumstances under which a person may register a certification mark¹²⁷ or collective mark,¹²⁸ though not dealing with exclusions, make an important indirect contribution to protecting the public interest:¹²⁹ a person¹³⁰ who conducts trade in the goods certified is prohibited from registering a certification mark,¹³¹ and applications for registration generally

[Footnote continued from previous page]

¹²⁵ [2007] eKLR available at <http://www.kenyalaw.org> in which the Court cited *Reddaway v Banham* (see para 2.2 below) with approval.

¹²⁶ There may be a case for dealing with the position differently where copyright still subsists.

¹²⁷ The *UTMA* allows for the registration of marks that are adapted to distinguish goods which are certified by a person (in most cases an artificial person –board or association) in respect of origin, material, mode of manufacture, quality, accuracy or other characteristic from goods not so certified: s 13(1) for goods & s 13(3) for services; *MozIPC* art 123(3) confers the right to register certification marks on corporate entities which “oversee, control or certify economic activities” or designate products or services as coming from certain regions; *ZimTMA* s 42; *ZamTMA* s 42; *GTMA* s 2; *MaITMA* s 42(1); *BotsIPA* ss 2 & 65; *LesIPO* ss 2 & 31; *KTMA* does not define them, but s 40A(1) provides that such marks may distinguish the goods of members of an association from those of non-members.

¹²⁸ They are signs which are capable of distinguishing the common characteristics such as origin or quality of goods or services of enterprises which use the sign subject to the registered owner’s control: see for example, *BotsIPA* s 65; *LesIPO* s 31; *GTMA* s 8. *MozIPC* arts 123(2) and 123(3) define collective and certification marks, but do not provide special rules governing them.

¹²⁹ *UTMA* s 44(5) enjoins the registrar to ensure that registering a certification mark is to the advantage of the public.

¹³⁰ The singular person does not include the plural, in the form of an association of persons, in this instance.

¹³¹ *UTMA* s 13(2) for goods and s 13(4) for services; proviso to s 42(1) of *ZimTMA*; proviso to s 42 of *ZamTMA*; proviso to *MaITMA* s 42(1); *MozIPC* art 123(3) contains an indirect prohibition by restricting the right to register them, and so does *KTMA* s 40A(1) which allows associations to register collective trademarks; the reference to

[Footnote continued on next page]

have to be accompanied by draft regulations for the use of such marks. Regulations are characteristic of associations that represent the collective and common interests of particular groups of traders. The public interest is also protected by the stipulation that even though a person may register a certification mark which serves in trade to designate the geographical origin of goods or services,¹³² the trademark owner shall not interfere with or restrain the use of such signs in honest industrial or commercial practice;¹³³ the trade mark owner may not prevent someone using the trade mark to make a *bona fide* description of the character or quality of the goods.¹³⁴ The statute of one Member State even specifically requires that consideration be given to what is to the advantage of the public.¹³⁵

2.2 Distinctive character and acquisition of secondary meaning

The statutes of most Member States recognise that distinctiveness can be acquired by use,¹³⁶ and, because they have the common law as part of their legal heritage,¹³⁷ it is possible for signs to acquire a secondary meaning. The acquisition of a secondary meaning is the principal mechanism by which otherwise descriptive signs can become distinctive.¹³⁸ In *Brooke Bond Kenya Ltd v Chai Ltd*,¹³⁹ the Court of Appeal at Nairobi found that the words “Green label” were distinctive of the appellant’s product, whereas in *Mathew Ashers Ochieng v Kenya Oil Ltd & Kobil Petroleum Ltd*¹⁴⁰ the High Court at Nairobi found on the facts that the words “Proudly Kenyan” which were registered as a trade mark were not distinctive of the business of the person applying for an injunction. The threshold for acquiring distinctiveness by acquiring a secondary meaning is high: in the English decision of *Reddaway v Banham* Lord Herschell indicated that the word or words must be “so far associated with the goods of a particular maker that it is capable of proof that the use of them by themselves without explanation or

[Footnote continued from previous page]

“regulations governing the use” in *GTMA* s 8(1) implies that an association of persons (see *ZimTMA* s 44(2) which requires an applicant to submit draft rules governing the use of the certification mark). *ZamTMA* s 42(8) and *MalTMA* s 42(8) only allow assignment or transmission of certification mark with the registrar’s consent.

¹³² *UTMA* s 13(6); *KTMA* s 40A(5) which s 40A(6) makes all the provisions of the *KTMA* applicable to collective marks except where indicated otherwise; *ZamTMA* s 42(3) makes ss 12 & 13 applicable to certification marks; *ZimTMA* s 43 makes ss 10 & 11 applicable; *MalTMA* s 42(3) makes ss 12 & 13 applicable.

¹³³ *UTMA* s 13(7).

¹³⁴ *ZamTMA* s 13(b); *KTMA* s 11(b); *ZimTMA* s 11(b).

¹³⁵ *ZimTMA* s 47(c) & (d).

¹³⁶ *UTMA* s 9(3); *ZamTMA* s 14(3); *KTMA* s 12(3); *ZimTMA* s 12(3); and *TanzTMA* s 16(3); *MalTMA* s 14(3)(b).

¹³⁷ The references in some cases almost treat English law as part of the national law of some ARIPO Members, eg, *Chloride Exide (K) Ltd & Associated Battery Manufactures Ltd v Zakayo Muchai Wainaina t/a Chloride Exide Solar* [2008] eKLR in which the Court cites Clerk & Lindsell on Torts (16 ed), *Payton & Co Ltd v Snelling Lampard & Co Ltd* (2) [1901] AC and *Reckitt & Colman Pty Ltd v Borden* [1990] 1 WLR 491. The Common Law heritage is also illustrated by the preservation of the right to sue for passing-off: *UTMA* s 35; *ZimTMA* proviso to s 6; *KTMA* s 5 savings clause; *TanzTMA* s 30; *ZamTMA* s 7; *MalTMA* s 7. In *Bata Shoe Company (Malawi) Ltd v Shore Rubber (Lilongwe) Ltd*, High Court of Malawi (Civil Cause 3816 of 1999) the Court granted the plaintiff an injunction even though its registered design for the shoes which the defendant allegedly copied had lapsed.

¹³⁸ The classical example of secondary meaning is the English case of *Reddaway v Banham* (1896) AC 199 in which the words “camel hair belting” were found to be distinctive of belting manufactured by a particular manufacturer.

¹³⁹ [1971] EA 10.

¹⁴⁰ [2007] eKLR available at <http://www.kenyalaw.org> in which the Court cited *Reddaway v Banham* with approval.

qualification by another manufacturer would deceive a purchaser into the belief that he was getting the goods of A when he was really getting the goods of B”¹⁴¹ and later in the judgment Lord Macnaghten indicated that “abroad, to the German manufacturer, to the Bombay mill-owner, to the up country native, it [camel hair belting] must mean Reddaway’s belting; it can mean nothing else”.¹⁴² The high threshold does not, however, eliminate the danger that individual or corporate traders may appropriate common patrimony signs, whether those signs are cultural, historical or religious. Public policy will still act as a safeguard.¹⁴³

2.3 Exceptions to trademark protection

The requirements for infringement that a sign must be used in the course of trade and that the sign must be used as a trademark,¹⁴⁴ indicate that the public has significant freedom to make non-trade use of signs from which trademarks have been constituted. The most significant aspects of this freedom are that the public may make fairly extensive use of the trade mark in the absence of the profit motive and where it is clear that the trade mark is not being used to indicate the origin of the goods. The absence of direct authority makes it highly uncertain what attitude the ARIPO Member States will adopt to the issue of comparative advertising, which though it does not directly involve use by the public is widely regarded as being in the public interest.

Many Member States have provisions in their statutes concerning trademarks becoming generic, but many statutes are somewhat ambivalent in their attitude towards genericism, which is a mechanism for preserving the public domain. Some statutes provide that registration may be invalidated if the owner’s act or inactivity has resulted in it becoming the common name in the trade for goods or services for which it is registered.¹⁴⁵ The reference to the owner’s act or inactivity invests the owner with the power to prevent the sign becoming generic by virtue of trade use; the fact that the sign has acquired even a high degree of cultural or religious significance does not result in the trade mark becoming generic. Other statutes start with the general rule that if after a trademark has been registered, the word or the words of which it consists or which it contains becomes or has become, the name or description of an article or substance, the trademark does not become invalid for that reason *alone*.¹⁴⁶ Those statutes in which the general rule is that genericism alone does not invalidate a trade mark, often qualify the general rule and the mark may be invalidated, under circumstances where (i) among persons who carry on trade other than by use of the trademark in relation to the *owner’s goods*, the word or words are a well-known and established name of or a description of a substance or article;¹⁴⁷ or (ii) the word or words are the only practical name or description of an article or substance previously manufactured under a patent which has expired more than two years previously.¹⁴⁸ These provisions require the generic use to be

¹⁴¹ 1894 AC 199 (PC) 210.

¹⁴² See note 87 above 219.

¹⁴³ See para 2.1 above.

¹⁴⁴ These are discussed in paragraphs 1.2 and 1.3 above.

¹⁴⁵ See *GTMA*s 12(2). *MozIPC* art 110 (h) excludes generic, common, ordinary or descriptive features of products or services from protection.

¹⁴⁶ *UTMA* s 42(1) for goods and s 43(1) for service marks; *MalTMA* s 20(1); *KTMA* s 18(1); *ZimTMA* s 19(1); *ZamTMA* s 20(1); *MozIPC* art 110(h).

¹⁴⁷ The use should not be by a registered user or the owner of a certification mark: see *UTMA* s 42(2)(a); *MalTMA* s 20(1)(a); *KTMA* s 18(1)(i); *ZimTMA* s 19(1)(a); *ZamTMA* s 20(1)(i).

¹⁴⁸ *UTMA* s 42(2)(b); *KTMA* s 18(1)(i); *ZamTMA* s 20(1)(ii); *ZimTMA* s 19(1)(b); *MalTMA* s 20(1)(b).

well entrenched, and the circumstances described in (ii) ensure that there was sufficient time for other names to develop once the patent monopoly expired, even though the period is somewhat arbitrary. A trademark that falls within the circumstances described in (i) or (ii) above: (a) is treated as wrongly remaining on the register; or (b) may result in the registrar or court requiring the owner to disclaim the exclusive right to use the trade mark in relation to the article, substance, goods or goods of the same description.¹⁴⁹

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

An outstanding example of the recognition of the public right to use certain signs is found in *Ochieng v Kenya Oil Ltd & Another*,¹⁵⁰ in which the High Court at Nairobi refused the proprietor of a registered trade mark “Proudly Kenyan” an injunction. The Court said in the course of its decision that “the interest of an individual to secure a fair value for his intellectual effort or investment of capital or labour must be weighed against the interest of the public as a whole in its economic, cultural, religious, political and social development and identification” and later on that “proudly Kenyan is widely used and is familiar within the public domain, therefore, no party can restrict its use, whether for business or otherwise.” This decision provides a clear indication that the courts will not countenance the registration of signs that will undermine the public interest.

The trademark laws of many Member States do not allow the registration of matter that is contrary to law or morality,¹⁵¹ which is identical to or similar to well-known trademarks,¹⁵² or the use of which would be contrary to law.¹⁵³ Some statutes prohibit registration of a scandalous matter;¹⁵⁴ and some the prohibit registration of the names of chemical elements, or chemical compounds in respect of chemical substances or preparations,¹⁵⁵ one of the reasons for this being to avoid trade mark law being used to extend the patent rights which were previously enjoyed. Some other prohibited marks are ones which are likely to deceive or confuse as to the nature, geographical origin, manufacturing process, characteristics or suitability of the relevant goods or services.¹⁵⁶ One statute even outlaws the registration of a mark if the applicant intends, or it is possible for the applicant, to use the mark to practise unfair competition.¹⁵⁷ One Member State also prohibits the registration of marks that are customary

¹⁴⁹ See *UTMAs* 42(3), which applies when either set of circumstances set out in s 42(2) prevails; see also *ZamTMA* s 20(2); *ZimTMA* s 19(2); *KTMA* s 18(2); *MalTMA* s 20(2).

¹⁵⁰ See footnote 84 above.

¹⁵¹ See *UTMA* s 23(1); *MozIPC* art 110(b); *GTMA* s 5(c); *ZimTMA* s 14(1)(a); *ZamTMA* s 16; *BotsIPA* s 53(1)(b); *TanzTMA* s 19(a); *KTMA* s 14; *MalTMA* s 16; *LesIPO* s 26(2)(b).

¹⁵² *GTMA* s 5(f); *BotsIPA* s 53(1)(e); *TanzTMA* s 19(d); *MozIPC* art 110(f); *KTMA* s 15A(4); *LesIPO* s 26(2)(e) & s 26(2)(g).

¹⁵³ See *ZimTMA* s 14(1)(b) and s 14(1)(e) which prohibits registration of a mark which would not be entitled to protection in a court of law; *ZamTMA* s 16 which contains a similar prohibition to *ZimTMA* s 14(1)(e).

¹⁵⁴ *UTMA* s 23(1); *ZimTMA* s 14(1)(c); *ZamTMA* s 16; *KTMA* s 14; *MalTMA* s 16.

¹⁵⁵ See *UTMA* s 23(2), but in terms of s 23(4) the prohibition does not apply to words used to denote only a brand or make of the element or compound of a particular owner provided it is used in association with a suitable name or description open to public use; *ZamTMA* s 20(3); *ZimTMA* s 19(3); *KTMA* s 18(3).

¹⁵⁶ *TanzTMA* s 19(a); *MozIPC* art 110(c); *LesIPO* s 26(2)(c); *BotsIPA* s 53(c); *GTMA* s 5(d).

¹⁵⁷ *MozIPC* art 119(h).

in current language or *bona fide* commercial practice,¹⁵⁸ ensuring that signs which are part of the general language of commerce are available to the public. The prohibitions and limitations discussed in this paragraph, despite differing widely from each other, can be brought under the broad principle that registration of such marks would be contrary to the public interest and therefore against public policy: though it would be more difficult to make out a case that their primary intent was the preservation of the public domain in the absence of direct authority, the public domain is enhanced by the prohibition.

The public interest in being able to use descriptive signs without interference by trade mark proprietors is recognised in many Member States,¹⁵⁹ which also do not allow registration of such marks.¹⁶⁰ There is also significant recognition of the public right to use trade marks as geographic indications.¹⁶¹ The prohibition on registration of shape marks contained in some statutes¹⁶² ensures that no person obtains a monopoly on the functional characteristics of goods, which all persons producing those goods may desire in order to provide the public with goods of the highest possible quality.

3.2 Acquisition of distinctive character

The absolute prohibitions on the registration of shapes or colours cannot be overcome, even by use. The relative prohibitions on the registration of descriptive words can be overcome by use, which engenders secondary meaning, eg, in *McGraw Hill Companies Inc v Nation Media Group Limited*,¹⁶³ the High Court at Nairobi found that the words “business week” taken together were not only distinctive and, therefore, registrable as a trademark, but constituted a well-known trademark in respect of goods registered in class 16 of the international classification, without any restriction or further qualification.¹⁶⁴ The possibility of use of a trade mark overcoming the descriptive character of a word/sign poses a threat of some significance to the public domain, since there is no mechanism for preventing persons making use of a word/sign on such a large scale or over a period of time which engenders an exclusive association between the word/sign and the goods or services of the person using the word/sign. Descriptiveness cannot be overcome in all cases, particularly where public policy considerations arise, as demonstrated by the *Ochieng v Kenya Oil Ltd*,¹⁶⁵ the “Proudly

¹⁵⁸ MozIPC art 119(f).

¹⁵⁹ UTMA s 24(c); ZimTMA s 11(1)(b); ZamTMA s 13(b); KTMA s 11(b); TanzTMA s 34(ii); MozIPC art 119(e); MalTMA s 13(b).

¹⁶⁰ See UTMA s 4(1) and 6(1) which allows a person to take advice from the registrar regarding the distinctiveness of a sign they intend to register; LesIPO s 26(2)(a); BotsIPA s 53(2)(a); TanzTMA s 16(1); GTMA s 5(b).

¹⁶¹ TanzTMA s 34(i); MalTMA s 13(a); ZimTMA s 11(1)(a)(i)&(ii); KTMA s 11(a); ZamTMA s 13(a).

¹⁶² See UTMA s 23(5) which makes registration subject to the restriction that shapes may not consist *exclusively* of the shape of goods if it results from their nature, is necessary to obtain a technical result or adds substantial value to the goods, but the restrictions do not apply to the containers of goods. MozIPC art 119(d) is to similar effect; ZimTMA s 11(2) provides that registration of a distinguishing guise, ie, the shape or configuration of a container for goods, shall not prevent *bona fide* use of any utilitarian or functional feature the guise embodies. TanzTMA s 19(b) outlaws the registration of the shape, configuration, colour or containers of goods.

¹⁶³ [2007] eKLR.

¹⁶⁴ Such trademarks are entitled to the protection of s 15A of the Kenyan TMA Chapter 506 of the laws of Kenya.

¹⁶⁵ See footnote 86 above where the facts are set out.

Kenyan” case. A combination of descriptive features and colours can also create distinctive signs.¹⁶⁶

3.3 *Exceptions to trademark protection*

Exceptions to infringement constitute some common limitations on the proprietor’s rights by providing that they do not: extend to genuine goods or services;¹⁶⁷ prevent a person using the trade mark to indicate that the goods in relation to which it is used are parts for or accessories to goods which are in fact connected with the trade mark proprietor or registered user, but allow nothing more;¹⁶⁸ interfere with the rights of a person who has used or whose predecessors in title have used the identical trade mark or one closely resembling it, prior to the registered proprietor’s use or the registration of the trade mark;¹⁶⁹ prevent any person indicating no more than that they provide services which may be used in relation to other services in relation to the trade mark is lawfully used;¹⁷⁰ prevent a person *bona fide* using their own name or the name of their predecessors in business or the geographical location of their business;¹⁷¹ prevent the use of the trade mark to indicate the character or quality of their goods¹⁷² or services;¹⁷³ or apply to use of the trademark on goods for export.¹⁷⁴

4. Conclusion

The trademark laws of most of ARIPO Member States discussed in this report contain provisions which prevent trademark proprietors from obtaining a complete monopoly of the signs that belong to a common patrimony or which other traders may legitimately wish to use in the course of their businesses.

Some Member States allow registration of non-traditional matter as trademarks: shapes, sounds, smells, colours and containers, while others do not allow for their registration or place restrictions on the right to register such entities, e.g. Shapes which are necessary to produce

¹⁶⁶ See *MozIPC* art 119(g) envisages the use of colour in conjunction with graphics, words or other elements in a particularly and distinguishing manner. Limiting marks to particular colours may influence their distinctiveness: *KTMA* s 19(1); *ZimTMA* s 20(1); *ZamTMA* s 21(1); *MalTMA* s 21; *TanzTMA* s 17(1), but s 19(b) prohibits registration of the colour of the goods themselves.

¹⁶⁷ See *UTMA* s 36(4)(a) & s 37(4)(a); *LesIPO* s 29(3); *BotsIPA* s 58(2); *MozIPC* art 124.6; *KTMA* s 7(3)(a), (c) & (d) and s 8(1); *ZimTMA* s 8(4)(a); *ZamTMA* s 9(3)(a); *MalTMA* s 9(3)(a); *TanzTMA* s 32(3)(a).

¹⁶⁸ *UTMA* s 36(4)(b); *ZamTMA* s 9(3)(b); *ZimTMA* s 8(4)(b); *KTMA* s 7(3)(b); *TanzTMA* s 32(3)(b); *MalTMA* s 9(3)(b).

¹⁶⁹ *UTMA*s 24(a) and s 41 also denies the registered proprietor the right to object to the registration under s 27 which provides for registration of identical or similar trade marks in cases of honest concurrent user or other special circumstances; *MozIPC* art 124(2); *ZamTMA* s 12; *KTMA* s 10; *ZimTMA* s 10; *MalTMA* s 12; *TanzTMA* s 33.

¹⁷⁰ *KTMA* s 7(3)(e)

¹⁷¹ *TanzTMA* s 34(i); *MalTMA* s 13(a); *ZimTMA* s 11(1)(a)(i)&(ii); *KTMA* s 11(a); *ZamTMA* s 13(a).

¹⁷² *TanzTMA* s 34(ii); *MalTMA* s 13(b); *ZimTMA* s 11(1)(b); *KTMA* s 11(b); *ZamTMA* s 13(b). See *UTMA* s 24(b), but provided the description is not likely to be taken as importing a reference to the owner or a registered user or goods which the owner or registered user is connected in the course of trade (s 36(2)(a)); *MozIPC* art 119(e).

¹⁷³ See *UTMA*s 24(c), which is also subject to a similar proviso to that mentioned in footnote 108 above (see s 37(2)(b)). Art 119(e) of *MozIPC* requires refusal of registration of marks that commercially designate the kind, quality, quantity, purpose, value, geographic origin or other characteristics of a product or service.

¹⁷⁴ See *UTMA*s 36(3). There is a similar limitation in respect of service marks registered in Part A (s 37(3)).

a technical result or colours per se. Actual distinctiveness or the capacity to distinguish, is the pivotal requirement in most statutes, which sometimes also prohibit the registration of descriptive signs. Many statutes recognise the possibility of distinctiveness being acquired by use, and use sometimes culminates in the sign acquiring a secondary meaning. Secondary meaning does allow inroads into the public domain, but not unreasonably because given that the passing-off action is widely recognised allowing registration of signs that have acquired distinctiveness does not make a significant additional inroad into the public domain: the statutes do no more than allow common law rights to be converted into statutory ones. Many Member States outlaw the registration of signs which constitute the coats of arms and official symbols or emblems of States and international organisations directly or indirectly, in the latter case through the prohibition on deceptive signs and those whose registration would be contrary to public policy or morality. The prohibition on deceptive signs and those which would be contrary to public policy or morality thus plays an important role in maintaining the balance between private rights and the public domain.

The restriction of rights to use in relation to particular goods or services, the requirement of use in trade and as a trademark, the penalties imposed for non-use, as well as the defences and exceptions to protection, contribute to ensuring that the public is not unduly deprived of common patrimony signs.

B. AFRICAN INTELLECTUAL PROPERTY ORGANIZATION (OAPI)*

At the dawn of independence for the majority of French-speaking African States¹⁷⁵, the registration of industrial property rights was the responsibility of the French National Institute for Industrial Property (INPI). Subsequently, some of these countries saw the need to create their own organ to take over the responsibility from INPI. This resulted in the creation of a regional body, the African and Malagasy Industrial Property Organization on September 13, 1962, in Libreville, Gabon. In 1976, the Malagasy Republic withdrew from the Organization giving rise to the negotiation of another agreement, the Bangui Agreement of March 2, 1977, creating the African Intellectual Property Organization (OAPI). This Agreement was revised on 24 February, 1999. Today, it is a regional grouping of sixteen mostly French-Speaking African States¹⁷⁶ with headquarters in Yaounde, Cameroon.

The objectives of OAPI include, *inter alia*, implementing and applying common administrative procedures deriving from a uniform system for the protection of industrial property¹⁷⁷ for all the Member States. The Organization thus receives applications for the grant of titles, registers, issues and publishes them. In the context of trademarks, it issues certificates of registration binding on all the sixteen Member States¹⁷⁸. It also follows up the maintenance in force of titles and registers any changes concerning them. Consequently, the Organization is at the centre of policy and decision making on intellectual property issues as a whole and industrial property rights in particular, and contributes extensively to their implementation.

* *Dashaco John Tambouto, Professor of Law, University of Yaoundé II, Yaoundé, Cameroon.*

¹⁷⁵ The majority of these States acceded to independence in the early 1960s.

¹⁷⁶ These countries include: The Republics of Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Congo, Cote d'Ivoire, Gabon, Equatorial Guinea, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal, and Togo.

¹⁷⁷ Bangui Agreement, Article 1(a).

¹⁷⁸ *Ibid.* Article 9.

The Bangui Agreement and its Annexes serve as national legislation for each of the Member States. This is evident from Article 3(1) which provides that rights relating to the field of intellectual property, as provided for in the Annexes to the Agreement, shall be independent national rights subject to the legislation of each of the Member States in which they have effect. Article 4(1) further provides that the Annexes to the Agreement contain, respectively, the provisions to be applied in each Member State and by Article 4(2), the Agreement and its Annexes shall be applicable in their entirety to every State that ratifies or accedes to the said Agreement. Annex III of this Agreement governs trademarks.

The implications of the above provisions are manifold. The trademark law for all the Member States is the Bangui Agreement, Annex III. The Member States have no independent trademark laws of their own. A certificate of registration issued by the Organization covers the sixteen Member States. The office practices for the entire region are noticeable at the Organization, the services responsible for industrial property in the Member States serving merely as deposit offices of applications for onward transmission to the Organization¹⁷⁹. An applicant not domiciled on the territory of any of the Member States may do so through the services of an agent¹⁸⁰. We may, therefore, without fear of contradiction aver that the administrative or office practices for the entire region are similar, if not identical. But we cannot be so certain of court judgments.

Article 18 of the Agreement is to the effect that final legal decisions relating to the validity of titles rendered in one of the Member States under the provisions of Annexes I to X of the Agreement shall be binding on all Member States, with the exception of decisions based on public policy and morality. Such a provision is not without shortcomings. Unlike what prevails in some other sub-regional groupings, for example the European Union with its Common Court, (the Court of Justice of the European Union - CJEU), which receives appeals from national courts on questions relating to the application and interpretation of EU trademark law¹⁸¹, no such court exists within the OAPI sub-region. How the implementation of Article 18 may be ensured in practice is difficult to understand. The situation becomes even more complicated because the OAPI trademark law is silent on a number of issues some of which constitute the terms of reference for this write-up. Consequently, we cannot avoid being critical in our approach to these unresolved issues.

With the above in mind, we may proceed to the examination of the scope of protection of trademarks under the Bangui Agreement, Annex III (Section 1), how the misappropriation of signs belonging to a common patrimony is addressed, if at all, under the Agreement (Section 2) and, lastly, how the abusive misappropriation of signs that should remain available for the public is tackled (Section 3).

1. Scope of trademark protection in general

The OAPI trademark law has a number of provisions on signs capable of attracting protection by way of registration as a trademark. Their maintenance in the Special Register of Marks depends on their appropriate use. From a reading thereof, the scope of protection afforded by the OAPI law stands out clear. These points are examined seriatim hereunder.

¹⁷⁹ *Ibid.* Article 6(2).

¹⁸⁰ *Ibid.* Article 6(3).

¹⁸¹ See WIPO Study "Trademark Law and the Public Domain", REPORT ON THE EUROPEAN UNION.

1.1 Signs eligible for trademark protection

The Bangui Agreement, Annex III, Article 2(1), is unequivocal on the types of signs eligible for trademark registration. It provides that:

“Any visible sign used or intended to be used and capable of distinguishing the goods or services of any enterprise shall be considered as a trademark or service mark, including in particular surnames by themselves or in a distinctive form, special, arbitrary or fanciful designations, the characteristic form of a product or its packaging, labels, wrappers, emblems, prints, stamps, seals, vignettes, borders, combinations or arrangements of colours, drawings, reliefs, letters, numbers, devices and pseudonyms”.

This provision calls for comments in as much as it is related to marks eligible for protection and the public domain. First, for a sign to attract protection under the OAPI trademark law, the sign in question must be *visible*. It is not just *any sign* that is eligible for trademark protection, but *any visible sign*. Consequently, unlike in other systems where there is the possibility of registering almost every sign, including non-traditional marks in the likes of taste marks, smells and sounds, this possibility is inconceivable under the OAPI trademark law. Olfactory marks are not visible although they may satisfy the requirements of other senses. Unfortunately, no authority exists yet on this point be it at the Organization or the courts. It remains to be seen, therefore, what attitude the OAPI authorities will adopt should anyone attempt to have such a sign registered as a mark. It is also understood that a mark under the OAPI trademark law may be a single sign or a combination of signs notwithstanding that Article 2(1) merely provides for *any visible sign* and not *any combination of signs*. Given that so far no application for registration of a combination of signs has been rejected at the Organisation, we may assume that the registration of a combination of signs is included in Article 2¹⁸². Second, Article 2(1) does not make graphical representation a requirement for a sign to be capable of registration as a mark. However, this provision should be read together with Article 8(d) which is to the effect that any application file for the registration of a sign as a mark must include, *inter alia*, a reproduction of the mark. Graphical representation of the sign to be registered as a mark is, therefore, also a requirement for registration under the OAPI trademark law. It has also been echoed in some quarters that the practice at OAPI is to limit examination of applications for registration of marks to form. This is not altogether unfounded. Article 14, Annex III, clarifies this matter. Article 14(1) provides that “For every application for registration of a mark, the Organization shall examine whether the conditions of form ... Have been met ...” Article 14(3) also provides that “Any application, in respect of which the conditions of form ... Have not been observed, is irregular”. The tenor of these provisions is that the OAPI trademark law lays much emphasis on the conditions of form. This strand of reasoning has also been confirmed by the submission of counsel for the plaintiff in *Affaire Société P. SA v Société N. T. S.*¹⁸³, with whom the court agreed.

It was contended in that case that under the OAPI trademark law the practice is not to examine marks on their merits but rather, that a system of opposition to the registration of marks is available to any interested party informed about the registration of a mark by another enterprise. While it is true that this is what prevails under the OAPI system, what is equally true is that the provision of the possibility for opposition is an indication that application files and signs are equally examined on their merits and that examination is not limited to form as such.

¹⁸² Hence in a number of oppositions to the Director General of OAPI for cancellation from the Special Register of Marks certain marks, we realize that some of the marks concerned included a Sign + Logo, a Sign & device or a Sign + label.

¹⁸³ Court of First Instance, Lomé, Togo, Civil and Commercial Division, Judgment no. 622 of 13 April, 2007 (Unreported).

For example, for signs contrary to public policy, morality or the law¹⁸⁴, or signs that reproduce, imitate or incorporate armorial bearings, flags or other emblems, etc.¹⁸⁵ examination of the applications and signs on their merits is carried out and registration will be refused *ex officio* if a sign contravenes the provisions of Article 3(c) and (e). In other words, the OAPI authorities will not have to wait for an opposition to be lodged before making their pronouncement. This was the case with the rejection of a mark bearing the flag of the European Union (EU) and 500 and 200 Euro banknotes by the Organization¹⁸⁶. The Organization did not have to wait for the EU to lodge opposition proceedings for that purpose. Again, a mark bearing the inscription of the Bank of Central African States (BEAC) and the face of a cfa100 franc coin was also rejected *ex officio* by the Organization¹⁸⁷.

These cases apart, for the majority of applications examination on merits is carried out only if – after a certificate of registration has been issued¹⁸⁸ and the mark is published in the Special Register of Marks¹⁸⁹ – an opposition is lodged for its cancellation. Should there be no opposition, almost every sign may be registered, including those belonging to the common patrimony. Opposition may be initiated by an interested party¹⁹⁰ or by someone with a prior right¹⁹¹. Where the sign offends public policy or good morality, it may be invalidated by the courts at the request of any interested party¹⁹².

While it is easy to identify holders of a prior right (a person with a priority claim by reason of an earlier registration or holders of earlier registered marks), or determine an invalidation for reasons of public policy or morality, the same cannot be said of any “interested party” contained in Article 18 which deals with opposition. No definition is given for the term “interested party” by the OAPI legislation. Can the term be interpreted to include State institutions (Ministerial Departments as a whole and ministries in charge of culture in particular), traditional councils, religious bodies, councils, mayors, etc.? In other words, can these authorities or bodies oppose the registration as a mark of common patrimony signs coming within their respective areas of competence? Even though it is not stated in the OAPI trademark law, the response is definitely in the affirmative. These authorities and bodies may be included in the definition of “interested party”.

Unfortunately, there is no court judgment to illustrate this point of view. Neither has any opposition to the grant of a mark been lodged by any of these authorities. However, we may assume that since the Organization will *ex officio* refuse the registration of a mark infringing the provisions of Article 3(c) and (e), for example, it will refuse or cancel registration of a sign in the public domain where an opposition is lodged by one of the said authorities.

¹⁸⁴ Bangui Agreement, Annex III, Article 8(2) as read with Article 3(c).

¹⁸⁵ *Ibid*, Article 8(2) as read with Article 3(e).

¹⁸⁶ Decision No. 09/0013/OAPI/DG/DGA/DPI/SSD rejecting an application for the registration of a mark of 16 March, 2009.

¹⁸⁷ See Decision No. 09/0014/OAPI/DG/DPI/SSD rejecting an application for the registration of a mark of 16 March, 2009

¹⁸⁸ *Ibid*. Article 16.

¹⁸⁹ *Ibid*. Article 17.

¹⁹⁰ *Ibid*. Article 18.

¹⁹¹ In fact, the majority of oppositions before the Director General of OAPI are based on this ground.

¹⁹² Bangui Agreement, Annex III, *op. Cit.*, Article 24.

Third, the list of signs capable of registration as trademark under Article 2(1) is not exhaustive. This is evident from the provisions of the article itself which uses the words *including in particular* followed by a list of examples. What is germane is that the sign must serve a functional purpose - distinguishing goods and services. Otherwise put, it must be capable of fulfilling the requirement of informing the public as to the origin of the goods or services. What is implicit from the foregoing is that a common patrimony sign not included in Article 3(e) used on or in connection with goods or services may also be distinctive. But since its registration may be challenged on other grounds such as, for example, that the sign is liable to mislead the public, or that it belongs to a cultural group, body, association or council, and that it should remain in the public domain and be available for all, its protection is assured by the OAPI trademark law.

1.2 *Notion of use in trade*

Under the OAPI trademark law a mark may be forfeited, invalidated¹⁹³, or cancelled from the Special Register of Marks, after the lapse of a period of five years of uninterrupted non use¹⁹⁴ in the course of trade. This is implicit from the wordings of Article 7(2) which provides with respect to the rights of the owner of a registered mark that it confers on him the “exclusive right to prevent all third parties from *making use in business* without his consent...”¹⁹⁵ of the mark. The phrase *making use in business* is unequivocal. The mark in question must be used in the course of trade or business and this cannot be interpreted to mean use for private purposes. True to say, we cannot decipher from a reading of the OAPI trademark law what use other than use in the course of trade or business could be. The courts have also not had the opportunity to indicate what such other uses could be. We may, therefore, only infer from a reading of the provision that such other use could be use for non-commercial or non-profit-making purposes. An indicative list of such uses may consequently include use of the mark for non profit-making traditional or religious ceremonies or celebrations, use during cultural displays or festivities by a village, group or association, and public exhibitions and, such other uses as provided for in Article 7(3) including, for instance, good faith use of descriptive indications¹⁹⁶. These do not attract protection by way of trademark and, therefore, fall outside the scope of trademark protection under the OAPI trademark law. Otherwise, use in the course of trade or business means use of the mark on or in connection with goods or services and that is what is covered by Annex III of the Bangui Agreement. This is evident from both the practice at the Organization and court decisions.

The trade in question must be one carried out by a business enterprise. The practice at OAPI brings to the limelight this dimension of use in trade. Notwithstanding that the law makes it possible for any interested party to oppose the registration of a mark within a period of six months from publication in the Special Register of Marks mentioned earlier, so far only business enterprises have done so through their attorneys. For example, in a Decision of the Director General of OAPI confirming the cancellation of the mark “MARBLE DESIGN” no.

¹⁹³ *Ibid.* Article 24.

¹⁹⁴ *Ibid.* Article 23.

¹⁹⁵ My emphasis.

¹⁹⁶ Article 7(3) provides: “... Registration of the mark does not confer on its owner the right to prohibit a third party from making use in good faith of his name or address, a pseudonym, a geographical name or adequate information concerning the nature, quality, quantity, purpose, value, place of origin or time of production of his goods or rendering of his services in so far as the use in question is limited to the purpose of mere identification or information and cannot mislead the public as to the source of the goods or services”.

58616¹⁹⁷, the opposition was at the initiative of a corporation, *la société PHILIP MORRIS PRODUCTS SA*, the other party being another corporation, *la société MELFINCO SA*. Similarly, another opposition to the registration of the mark FAKYAMTE + Logo no. 58712¹⁹⁸ was lodged by *les Ets ROBERT PINCHOU*, a commercial company. In fact, in these proceedings the opposing parties were all well established business enterprises¹⁹⁹. We may conclude, therefore, that the notion of use in trade entails use of the mark by a business enterprise for commercial purposes, that is, on its goods or in connection with its goods or services.

The notion of use in trade has equally been addressed by some courts in the sub-region during infringement actions. In *Affaire Société N. Et WBF v Société S. O. CORP*²⁰⁰ the validity of the trademark SUNWATT registered at OAPI, was questioned by the appellants who contended that *Etablissement C* which had deposited the said mark did not have legal personality, the absence of which rendered the mark invalid. Otherwise put, the argument of the appellant was that since *Etablissement C* was not a commercial company recognised as such by the law, it could not proceed to the registration of a sign for use as a mark of its own as that would constitute use for private or non-commercial purposes not covered by the OAPI trademark law. In such circumstances, a third party making use of the mark in question could use the private or non-commercial nature of his use as a defence should an infringement action be brought against him.

Unfortunately, once more, the court did not comment on this argument. From the judgment rendered, however, it is obvious that the argument was accepted. But we must hasten to add that for the purpose of use in trade under the Bangui trademark law, use by a third party (which must also be a business enterprise) will suffice²⁰¹. In *Affaire A. B. INC v Société B. B. C. B*²⁰², the High Court of Mfoundi in Cameroon, was quick to give recognition to this point of view²⁰³.

¹⁹⁷ See also the opposition to the registration of the mark "TAFAGUI ALUZINC + Logo" addressed to the Director General of OAPI. The opposing third party was a commercial company, *la société ACELORMITTAL DUDELANGE SA*.

¹⁹⁸ This opposition was upheld and in a Decision of the Director General of OAPI the mark "THE FAKYAMTE" no. 58712 was cancelled from the Special Register of Marks.

¹⁹⁹ In fact, commercial companies are regulated within the OAPI region by a sister Organization, the Organization for the Harmonization of Business Law in Africa (OHADA). The two Organizations have the same Member States. Under the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, commercial companies must be registered in the Trade and Moveable Property Register kept at the Registry of the Courts of First Instance of the Member States (Article 97) and have legal personality from that date of registration in the said Register (Article 98).

²⁰⁰ Court of Appeal, Civil Division, Abidjan, Cote d'Ivoire, Judgment No. 182 du 02 March 2007 (Unreported).

²⁰¹ Bangui Agreement, Annex III, *op. Cit.* Article 23(2).

²⁰² Judgment No. 18 of 13 October 1999 (Unreported); see also *Affaire Société v ETS L.*, High Court of Mfoundi, Cameroon, Civil Division, in Judgment No. 672 of 17 September, 2003 (Unreported).

²⁰³ See also the following cases: *Affaire ETS S v L. E. LTD*, Wilaya Nouakchott Court, Civil Division Judgment No. 23/2006, (Unreported), which was a request for the cancellation of a mark considered to have been registered in violation of a well-known mark; *Affaire Société RCFG v SOCIETE S*, High Court of Wouri, Douala, Cameroon, Civil Division, Judgment No. 697 of 07 July 2005 (Unreported), which was also a request for the cancellation of the mark "DELTA" registered with OAPI; *Affaire Société P. SA v Société N. T. S.*, Court of First Instance, Lomé, Togo, Civil and Commercial Division, Judgment No. 622 of 13 April 2007 (Unreported), which was a request for the cancellation of the registration of the mark "SIPA".

1.3 Notion of trademark use

From a reading of the OAPI trademark law, the notion of trademark use is clear even though it may not be as wide as it is understood to be, for example, under EU trademark law²⁰⁴. Ownership of a mark belongs to the person who first files for registration²⁰⁵ and such registration confers on him the exclusive right to prevent all third parties from making use in business without his consent, of identical or similar signs for goods or services that are themselves similar to those for which the trademark or service mark has been registered²⁰⁶. The notion of trademark use therefore means use of the mark to distinguish goods or services. This distinctive function of the mark is adumbrated in Article 2(1) which defines a mark as "...any visible sign used or intended to be used and *capable of distinguishing goods or services* of any enterprise..."²⁰⁷. That is confirmed in Article 21(6) which deals with failure to renew a registered mark and third parties. The effects of Article 21(6) are that even when there has been failure to renew a registered mark, such a mark cannot be registered for the benefit of a third party in respect of identical goods or services until three years have elapsed since the term of registration or renewal expired. Again, when an application for the registration of a sign as a mark is filed, such an application must be accompanied by a reproduction of the mark, including a list of the goods or services to which the mark applies²⁰⁸. This is to ensure that the mark will be used to distinguish the goods or services in question from other goods or services. The distinctive function of the mark is therefore primordial.

Some oppositions to the Director General of OAPI for cancellation of certain trademarks from the Special Register of Marks confirm the above assertion as they have all been predicated upon the fact that not only have the second marks been similar to the first registered mark, but also that they were used on or in connection with similar goods or services and were therefore not capable of distinguishing the goods or services of the two enterprises. Based on this argument, the Director General of OAPI had to cancel the marks "MAURIPAN + Logo" no. 58785 from the Special Register of Marks because it was identical to an earlier registered mark, "MAURIPAN", and used for similar goods and the mark "BRIDGESTAR & Device" no. 58796, because it was visually and phonetically similar to the mark "BRIDGESSTONE + Logo" and used for similar goods and services²⁰⁹. However, opposition to the registration of the mark "EMBASSY & Label" no. 57824 was rejected on the ground that it was not similar to "MARLBORO" although both marks were used in connection with the sale of cigarettes²¹⁰. The same strand of reasoning was adopted by the court in *Affaire A. B. INC. v Société B. B. C. B.*²¹¹, where the registration of the mark "BUDWEISER-BUDVAR" by *Société B. B. C. B.* Was rejected and its cancellation from the Special Register of Marks as infringing was ordered following an opposition by A. B. INC. Who were owners of the mark by reason of an earlier registration.

²⁰⁴ For better appreciation of this concept under the EU trademark law, see WIPO study "Trademark Law and the Public Domain", Report on the European Union, *op. Cit.*

²⁰⁵ Bangui Agreement, Annex III, *op. Cit.* Article 5(1)

²⁰⁶ *Ibid.* Article 7(1).

²⁰⁷ My emphasis.

²⁰⁸ *Ibid.* Article 8(d).

²⁰⁹ This was in a number of Decisions in which the mark "MAURIPAN + Logo" no. 58758 and "BRIDGESTAR & Device" no. 58796 were cancelled from the Special Register of Marks following opposition from other parties.

²¹⁰ This was in another Decision in which opposition to the registration of the mark "EMBASSY & Label" no. 57824 was rejected.

²¹¹ High Court, Mfoundi, Cameroon, Civil Division, Judgment No. 18 of 13 October 1999 (Unreported).

In addition to the above, the OAPI trademark law also proscribes the registration of marks devoid of distinctiveness either because they are generic or descriptive terms²¹². Such marks do not perform the required distinctive function as they merely designate the category to which the goods belong or give the characteristics of the goods.

1.4 Scope of protection

Article 3 of the OAPI trademark law specifies certain categories of signs that are excluded from trademark registration. These include, *inter alia*, marks devoid of distinctiveness, and marks identical to a mark that belongs to another owner and is already registered, or the filing or priority date of which is earlier, and that are liable to mislead or confuse the public or business circles. These aside, the list of signs capable of valid registration is not exhaustive. What is germane, however, is that once a sign does not fall under these categories and is validly registered, the trademark owner is endowed with certain exclusive rights which determine the scope of protection he enjoys under the OAPI legislation. In this regard, Article 7(1) and (2) of Annex III provides as follows:

“(1) Registration of a mark confers on its owner the exclusive right to use the mark, or a sign resembling it, in connection with the goods or services for which it has been registered and similar goods or services.

(2) Registration of a mark likewise confers on the owner the exclusive right to prevent all third parties from making use in business without his consent, of identical or similar signs for goods or services that are themselves similar to those for which the trademark or service mark has been registered where such use is liable to cause confusion. Where an identical sign is used for identical goods or services, a risk of confusion shall be presumed to exist.”

From a reading of this provision a number of points stand out clear for elucidation. First, the trademark owner has the exclusive right to use the mark or a sign resembling it in connection with his goods or services. Second, he also has the exclusive right to stop third parties from using for commercial purposes the mark for identical or similar goods or services – this is intended to avoid the risk of confusion that may result in the mind of the public or business circles from such use. While sub-paragraph (1) of Article 7 is clear in that in the exercise of his exclusive right the trademark owner may do as he pleases (within defined limits) with the mark or similar signs, in sub-paragraph (2) he can equally stop third parties from so acting with his mark for commercial or profit-making purposes because of the likelihood of confusion such use may create. So the test under the OAPI law is likelihood of confusion and not actual confusion. It suffices that the consuming public or business circles is likely to be confused when the goods bearing the marks are placed side by side and not that they are actually confused. Hence, in *Affaire Société N et WBF v Société S. O. Corp.*²¹³ the Abidjan Court of Appeal confirmed the judgment of the Court of First Instance of Abidjan recognizing the exclusive right of *Société S. O. Corp.* To the mark SUNWATT which forbade the appellant to distribute and market batteries (identical goods) bearing the trademark “SUNWATT” (identical mark) and ordered the cancellation of the mark registered by the appellant from the Special Register of Marks. Also in *Affaire Société C v ETS L. B. S.A.*²¹⁴, the defendant company was ordered to desist from using the trademark “SEDASPIR” for similar products – pharmaceutical

²¹² Bangui Agreement, Annex III, *op. Cit*, Article 3(a).

²¹³ See *supra*, footnote 26.

²¹⁴ High Court, Mfoundi, Yaounde, Cameroon Civil Division, Judgment No. 672 of 17 September, 2003 (Unreported).

products - and to pay damages to the amount of CFA 30 million francs to the plaintiff for damage suffered as a result of the commercial use of the infringing mark. The Court also ordered the cancellation of the mark from the Special Register of Marks.

The exclusive right to prevent third parties from making use in business of the mark is equally enjoyed by the owners of well known marks. In fact, Article 6 of the OAPI law authorizes the owner of a well known mark to apply to the court for invalidation, on the national territory of any of the Member States of the effects of the filing of a mark liable to be confused with the well-known mark. What Article 6 does not say, however, is whether the well-known mark must have been registered for identical or similar goods or services. And even though the opportunity cropped up in *Affaire ETS S. v L. E. Ltd*²¹⁵ which was an action for the cancellation of a mark which allegedly infringed a well-known mark, the Wilaya Nouakchout court did not adjudicate on the issue. The judge limited himself to reiterating the provisions of Article 6 – that the owner of a well-known mark has the exclusive right to use the mark and to prevent others from registering similar or identical marks. We begin to wonder, therefore, how the courts would tackle more delicate issues such as trademark dilution if they arise.

Article 5(3) of Annex III is also important for determining the scope of trademark protection under the Bangui law. It provides that where a mark has been filed by a person who at the time of filing knew or ought to have known that another person had a prior right to use the said mark, the holder of the prior right can file a claim of ownership of the mark with the Organization. This widens further the scope of protection which trademark owners enjoy. Consequently, grounded on this provision and the aforementioned Article 7(2), the Director General of OAPI could cancel from the Special Register of Marks a good number of marks following opposition by trademark owners with prior rights²¹⁶. Similarly, in *Affaire Société RCFG v Société S*²¹⁷, RCFG was owner of the mark “DELTA” which it used on and in connection with the sale of cigarettes. It had the mark registered and entered in the International Register of Marks, class 34, on 29 January, 1951, and successively renewed the same up to 26 January, 2001. On 14 February, 1984, RCFG granted a license to *Société S* to exploit the mark “DELTA” for its cigarettes from March 1985. In April 2005, *Société S* applied for and obtained the registration of the same mark (DELTA) with OAPI for its cigarettes with knowledge that the mark belonged to RCFG. Following a reversal of the Decision of the Director General of OAPI upholding an opposition by the High Commission of Appeal, RCFG initiated annulment proceedings and cancellation of the mark from the Special Register of Marks before the Wouri High Court in Douala. The court did not hesitate to describe the act of *Société S* as not only fraudulent but also as one done in bad faith. It ordered the cancellation of the mark from the Register.

As can be seen from this case, it is clear that under the OAPI trademark law the trademark owner must take appropriate steps to have his rights protected. Since the examination of marks on their merits is hardly carried out by the Organization²¹⁸, except where a mark infringes the provisions of Article 3(c) and (e) of Annex III, it is left to any interested third party to challenge the registration before the High Commission of Appeal by way of opposition, or apply for judicial review of an unsatisfactory decision of the High Commission at the court. Article 3(c) and (e) provides as follows:

²¹⁵ Wilaya Nouakchout, Judgment No 23/2006 of 29 August, 2006 (unreported).

²¹⁶ See, *supra*, Footnotes, 24, 35 and 36.

²¹⁷ High Court of Wouri, Douala, Cameroon, Civil Bench, Judgment No. 697 of 7 July, 2005 (Unreported).

²¹⁸ Bangui Agreement, Annex III, *op. Cit.* Article 14(3). It provides: “Any application, in respect of which the conditions of form referred to in Article 8, with the exception of paragraph (1) (b), and in Article 11 have not been observed, is irregular. ...”.

“A mark may not be validly registered if ...

(c) It is contrary to public policy, morality or the law;...

(e) it reproduces, imitates or incorporates armorial bearings, flags or other emblems, the abbreviated name or acronym or an official sign or hallmark indicating control and warranty of a State or intergovernmental organization established by an international convention, except where the competent authority of that State or of that organization has given its permission.”

In these cases, the sign is examined on its merits. On this basis, the Organization rejected, *ex officio*, a mark bearing the inscription BEAC (Bank of Central African States) and the face of a cfa100 coin²¹⁹ and another mark consisting of the flag of the European Union and a 500 Euros banknote²²⁰. For these signs to be registered, the consent of the competent authority is required.

2. Misappropriation of Signs Belonging to the Common Patrimony

The OAPI trademark law contains provisions against the misappropriation of signs belonging to the common patrimony, including rules on the determination of distinctiveness, and exceptions to trademark protection. The acquisition of secondary meaning is only implicit by reason of the fact that almost every sign can be registered except where there is opposition to the registration of a particular sign.

2.1 *Exclusion of signs*

Article 3(e) of the OAPI trademark law merely replicates the provisions of Article 6*ter* of the Paris Convention as concerns signs belonging to a common patrimony. It provides that a mark may not be validly registered if it reproduces, imitates or incorporates armorial bearings, flags or other emblems, the abbreviated name or acronym or an official sign or hallmark indicating control and warranty of a State or intergovernmental organization established by an international convention. As stated above, these signs are considered under the OAPI trademark law as constituting the domain of States or international Organizations. Where an application for the registration of any of such signs is submitted to the Organization, registration is refused *ex officio* by virtue of Article 3(e). This explains the rejection of the application by NEXTDREAM to register a mark that carried the inscription Bank of Central African States and a face of a cfa100F coin of the said Organization mentioned earlier. Similarly, as has been mentioned a number of times, the application by H COSMETIQUES CI SARL to register a mark that reproduced the flag of the European Union and 500 and 200 Euro banknotes was also rejected. These applications were rejected *ex officio* by the Organization.

It still remains to be determined, however, what attitude the Organization or the courts will adopt should there be misappropriation of a sign belonging to the common patrimony that is not included in Article 3(e). Two possibilities crop up here with probably different results. The first is where the sign is originally protected but subsequently enters the public domain as a result, possibly, of cancellation from the Special Register of Marks on the grounds of non-use²²¹, renunciation of the mark either wholly or in respect of some of the goods or services for

²¹⁹ See *supra*, footnote 13.

²²⁰ See *supra*, footnote 12.

²²¹ Bangui Agreement, Annex III, op. Cit. Article 23(1) provides as follows : “At the request of any interested party, the court may order the cancellation of any registered mark which, for an uninterrupted period of five years prior to the request, has not been used on the national territory of one of the member States, except where the registered owner has legitimate reasons for having failed to use it; the cancellation may be extended to all or part of

which the mark is registered²²², or failure to renew. Should this happen, the mark will no longer attract protection. It will become available to all, that is, enter the public domain or will then be said to belong to the common patrimony. It is important to note that the concept of public domain is contextualized here since the same mark may subsequently be registered by any interested third party even for identical or similar goods or services. If another registration is consequential upon failure to renew, however, it can only take place after the lapse of a period of three years from the date of failure to renew²²³. That was the basis for the registration of “JEUNE AFRIQUE ECONOMIE” by *Groupe International, d’Edition et de Publication* (G.I.D.P) in the year 2003 following a failure by *la Société FINCOM* to renew the registration of the mark on 22 November 1998. It was held by the OAPI authorities that because the mark had neither been renewed, restored nor been the subject of another application for registration in accordance with Articles 16, 24 and 19(6) of Annex III of the Bangui Agreement, 1977, it had entered the public domain, and that any person interested in the said mark could then apply for its registration and use as his mark²²⁴. After such registration, the mark automatically becomes his as from the date of registration with the attendant consequences – the exclusive right for him to use the mark or similar signs on or in connection with his goods or services, or to refuse others from using the mark on identical or similar goods or services. In fact, a subsequent application by FINCOM claiming ownership of the mark was rejected on the ground that the mark already belonged to G.I.D.P²²⁵ after valid registration in 2003.

The second possibility concerns other signs belonging to the common patrimony but not included in Article 3(e) of Annex III. What could such signs be and can anyone be allowed to acquire exclusive rights over them by way of registration as marks? The OAPI legislation does not address this issue. Neither have the various Member States legislated on this. We may therefore resort to Annex VIII of the same Agreement, for some examples of what may constitute signs belonging to a common patrimony. Annex VIII deals with copyright and related rights and provides as one of the exceptions to the exploitation of copyrighted works, the free use of images of works permanently located in public places²²⁶. It also provides for the protection of cultural heritage. Cultural heritage is defined to include folklore, sites and monuments and ensembles²²⁷. The question that crops up is whether anyone can be allowed to reproduce or incorporate such signs in their trademarks. To these signs we may add religious and traditional symbols. The OAPI legislator ought similarly to have identified and protected *ex officio* these signs and symbols against misappropriation by way of trademarks registration. Unfortunately, this is not the case and the result is that they may be registered and used as trademarks except where an interested third party opposes such registration. Interested parties in this context may include a number of persons or authorities. By way of examples, we may name ministerial departments responsible for the conservation and preservation of cultural heritage, religious bodies or associations, traditional rulers or councils,

[Footnote continued from previous page]

the goods or services for which the said mark was registered”. That non-use can result in the trademark being cancelled from the Special Register of Marks constituted the facts in issue in *Affaire Société B. A. T. v Société I. G. Ltd.*, High Court of Mfoundi, Cameroon, Civil Division, Judgment No. 17 of 13 October 1999 (Unreported).

²²² *Ibid.* Article 22(1).

²²³ *Ibid.* Article 21(6).

²²⁴ See generally Decision No. 0117/OAPI/DG/SCAJ rejecting the opposition to the registration of the mark “JEUNE AFRIQUE ECONOMIE” no. 48256 of 3 June, 2005.

²²⁵ See Decision No. 0121/OAPI/DG/SCAJ rejecting the claim of ownership of the mark “JEUNE AFRIQUE ECONOMIE” no. 48256 of 3 June, 2005

²²⁶ Bangui Agreement, *op. Cit.*, Annex VIII, Article 17.

²²⁷ *Ibid.* Article 67.

cultural groups or associations, business persons dealing with identical or similar goods or services, and even international organizations like the United Nations Education, Scientific and Cultural Organization (UNESCO), where a site, monument, portrait, etc. Has been identified to be preserved as the common heritage of mankind. It is obvious in these cases that the persons or institutions mentioned above may be interested parties.

The above, notwithstanding, it is my considered opinion that should the need arise, the Organization or courts may rely on other provisions of Annex III to forestall the misappropriation of other signs belonging to the common patrimony but not included in Article 3(e). The other paragraphs of Article 3 may be helpful here. For example, any attempt to register as a trademark a sign that reproduces or incorporates a monument, site, a work of art in a public place, a religious or traditional symbol, may be refused on the grounds that it is contrary to public policy or the law²²⁸, or that it may be misleading if it is given the unfortunate interpretation as being an indication of the source of the goods. Third parties may also oppose the registration of such a mark on the grounds that it is liable to mislead the public or business circles, notably as to the geographical origin, nature or characteristics of the goods or services in question²²⁹.

2.2 *Determining distinctive character*

The OAPI trademark law does not permit the registration of common patrimony signs coming within Article 6^{ter} of the Paris Convention except where the fiat of the competent authority of the State or Organization concerned has been sought for and received. Registration will be denied *ex officio* as no one can be granted exclusive rights over property constituting the domain of States and international organizations. However, common patrimony signs not included in Article 3(e) in the likes of monuments, historical sites, symbols, etc. May be registered if they are not merely descriptive of the goods or services even though such registration may be challenged by any interested party.

The distinctive character of a mark simply means that the mark must be able to distinguish the goods or services of the trademark owner from the goods or services of others and it does not matter whether or not it is a common patrimony sign. The OAPI legislation does not, however, distinguish between marks which are inherently distinctive and those which are not. Neither does the law make a distinction between strong and weak marks. This is probably explained by the fact that in the majority of cases, examination is limited to form. A mark is said to be devoid of distinctiveness under this law if it is either a generic term or it is descriptive. However, as already stated, it will only be refused registration if there is opposition by an interested third party. This explains the rejection of the registration of the mark "SIR HAWKINS" deposited by *La Société SPC* as a result of opposition lodged by "THE SCOTCH WHISKY ASSOCIATION LTD". It was contended that the inscriptions on the label "OLD WHISKY", "DE LUXE SCOTCH WHISKY" and "A BLEND OF THE OLDEST SCOTCH WHISKY", constituted a generic designation for the products and deprived the mark of distinctive character. The words "SIR HAWKINS" were also described as being merely descriptive and when associated with the other words could mislead consumers and the public as to the origin of the goods. Finally, it was averred that the expression "Sir" and the word "Hawkins", of Anglo-Saxon origin and similar to words used to designate drinks from Scotland and the United Kingdom, were merely descriptive and, therefore, misleading²³⁰. The mark therefore did not satisfy the requirement of inherent or acquired distinctive character.

²²⁸ Bangui Agreement, *op. Cit.* Annex III, Article 3(c).

²²⁹ *Ibid.* Article 3(d).

²³⁰ *Ibid.*

Also, opposition to the registration of the mark “RIVERDEM PARIS” was founded on the fact that the word “PARIS” included in the mark was a geographical location and could mislead both consumers and the public alike into believing that the products were made in Paris and not in Cameroon²³¹. In *Affaire Société RCFG v Société S*²³², this fact was again stressed. It should be recalled that in that case *Société S* registered with OAPI the mark “DELTA” as its mark for cigarettes contravening the prior right of *Société RCFG* over the mark by reason of an earlier registration. An opposition to the registration of the mark lodged by RCFG and upheld by the Director General of OAPI was reversed by the High Commission of Appeal. On application to the Wouri High Court for review of the Decision of the High Commission, the judge wondered aloud why the observations of the Director General that the use of such a mark could, *inter alia*, mislead the public and business circles and should not be registered, had not been taken into consideration. The mark “DELTA” registered by *Société S* was identical with the mark “DELTA” owned by RCFG. Both marks were used on or in connection with the sale of cigarettes. It was thus possible that the public be misled into believing that cigarettes produced by *Société S* and bearing the mark “DELTA” were the cigarettes of *Société RCFG*. Where there is no opposition to the registration, however, the mark remains valid even if it is descriptive.

The above notwithstanding, the sign in question must satisfy the distinctive function²³³. A sign does not serve this function under the OAPI law if it is incapable of distinguishing goods or services from other goods or services, that is, when it is used on identical or similar goods or services or in connection with identical or similar goods or services, it is liable to confuse or mislead the public²³⁴ or business circles. Similarly, where the mark is identical to a mark that belongs to another owner and is already registered²³⁵, or has an earlier filing or priority date, and they relate to the same or similar goods or services, or where it so resembles such a mark that it is liable to mislead or confuse the public²³⁶ or it is likely to mislead the public or business circles, notably as to the source, nature or characteristics of the goods or services in question²³⁷, it does not serve the distinctive function or cannot be said to have acquired distinctive character.

2.3 Acquisition of secondary meaning

That the registration of a sign belonging to the common patrimony as a mark may be allowed on the basis that the sign in question has acquired secondary meaning has not been addressed by the OAPI trademark law. That is not to say registration of such a mark is impossible. After all, under the Bangui Agreement, Annex III, examination of the sign to be registered as a mark is carried out on its merits only in respect of the grounds for refusal set forth in Article 3(c) and (e). Except for these cases where the Organization may refuse

²³¹ See Decision No. 0041/OAPI/DG/DAJ/SAJ cancelling the registration of the mark “RIVADERM PARIS” no. 52737 of 14 January, 2009; see also Decision No. 0086/OAPI/DG/SCAJ cancelling the registration of the mark “KILT ENGLISH CLUB PARIS” no. 49932 of 9 May, 2006 because of the association of the word “PARIS” to the mark.

²³² See *supra*, footnote 43.

²³³ For example, Decision No. 0035/OAPI/DG/DGA/DAJ/SAJ on the cancellation of the registration of the mark “OLD WHISKY Label” no. 54864 of 14 January, 2009 was based on the fact that the mark was descriptive.

²³⁴ Bangui Agreement, Annex III, *op. Cit.* Article 3(b) and (d).

²³⁵ For example, a number of oppositions addressed to the Director General of OAPI were based on the ground and as a result the following marks have been cancelled from the Special Register of Marks: “MARBLE DESIGN” no. 58615, “ROADMAN” no. 58148, “POSTMAN” no. 58146 and “AMERICAN LEADER + Logo” no. 58805; see also *Affaire Société RCFG v Société S (supra)*.

²³⁶ Bangui Agreement, Annex III, *op. Cit.* Article 3(b).

²³⁷ *Ibid.*, Article 3(d).

registration, *ex officio*, it is left to any interested third party to challenge the registration of any mark by way of opposition to the Director General of the Organization. Such opposition is also available for signs which have supposedly acquired secondary meaning by reason of prolong and intensive use.

2.4 Exceptions to trademark protection

The exclusive rights enjoyed by the holder of a trademark are not without limitations and it does not matter whether it is an ordinary mark or a mark that reproduces or incorporates a sign belonging to the common patrimony. This is especially so because under the OAPI trademark law, except for the signs listed in Article 3(e) of Annex III, all signs, whether or not belonging to the common patrimony, are subject to the same rules. This equally applies where the competent authority gives its fiat to have one of the common patrimony signs listed in Article 3(e) registered as a trademark. Consequently, for anyone to be able to enjoy the benefits of the OAPI trademark law, a number of conditions must have been satisfied. First, the mark in question must have been registered at the Organization. Article 5(2) provides to this effect that:

“No person may claim exclusive ownership of a mark by performing the acts specified in the provision of this Annex unless he has filed it for registration in accordance with the conditions prescribed in Article 8²³⁸ below.”

Where, therefore, trademark rights are acquired by use and not by registration, an infringement action can only be based on common law provisions and not on the OAPI trademark law. The offended party can, as such, rely only on the domestic legislation of the Member State where the infringing act has taken place and not on the Bangui Agreement, Annex III.

However, even where there has been registration, it does not confer on the owner of the mark the right to prohibit a third party from making use in good faith of his name or address, a pseudonym, a geographical name or adequate information concerning the nature, quality, quantity, purpose, value, place of origin or time of production of his goods or rendering of his services in so far as the use in question is limited to the purpose of mere identification or information and cannot mislead the public as to the source of the goods or services²³⁹. Neither does registration of a mark confer on its owner the right to prohibit a third party from making use of the mark in relation to goods that have been lawfully sold under the mark on the national territory of the Member State in which the right of prohibition is exercised, on condition that the goods have not undergone any alteration²⁴⁰. This is merely a translation of the principle of exhaustion of rights into the OAPI trademark law. The implication is that as long as the subsequent holder of the goods bearing trademark does not make any alterations such as removing the labels and affixing them on other goods or repackaging the goods, he can continue to deal with the goods bearing the trademark as he pleases. Unfortunately, this has not been the point in issue in any of the cases so far before the courts and it remains to be seen what interpretation they will give to this provision if an opportunity to further clarify its meaning arises.

²³⁸ Article 8 states the procedure for filing an application to obtain the registration of a mark. It equally states the contents of an application file.

²³⁹ Bangui Agreement, Annex III, *op. Cit.* Article 7(3).

²⁴⁰ *Ibid.* Article 7(4).

Second, the allegedly infringing use of the trademark must have been use in trade²⁴¹ and not use for private purposes. Use in trade, it should be recalled, entails use for commercial purposes. The trademark owner must have used the mark to distinguish his goods or services from the goods or services of other enterprises. In other words, the trademark must have been used to indicate the source or origin of the goods in question or, better still, capture the goodwill of the relevant public with respect to the goods or services. Where, therefore, the use made of the trademark is for cultural displays, non-profit making public exhibitions, or in accordance with the provisions of Article 7(2) and (3), such uses cannot be challenged by the trademark owner and, therefore, constitute an exception to trademark protection. Put differently, use of this type will not amount to trademark infringement.

3. Abusive appropriation of signs that should remain usable by the public

The OAPI trademark law is unequivocal in the protection it provides against the abusive appropriation of signs that should remain available to the public. It does so to ensure that nobody acquires exclusive rights over such signs that may have as a consequence the right to prevent others from using the signs.

3.1 *Exclusion of signs*

The OAPI trademark law does not allow just about every sign to be appropriated by way of trademark registration. Some of the signs belong to the common patrimony and remain available to all in the trade for use. Hence, Article 3 of Annex III provides a list of marks not eligible for registration. These include, *inter alia*, marks devoid of distinctiveness, notably owing to the fact that they consist of signs or matter constituting the necessary or generic designation of the product or the composition thereof²⁴² or that they are liable to mislead the public or business circles, notably as to the geographical origin, nature or characteristics of the goods or services in question²⁴³.

From the above, a number of issues are discernable. First, a generic term cannot be registered under the OAPI trademark law. These terms belong to the common patrimony and no one can be granted exclusive rights to such generic terms for the simple reason that this monopoly would entail the right to exclude others in the same trade from using the generic term. This was the decision of the Director General of OAPI cancelling the mark "OLD WHISKY Label" registered by *la Société de Fabrication de Vin du Cameroun* (SOFAMAC) following opposition from *le Syndicat Professionnel de l'Industrie du Whisky ecossaise* from the Special Register of Marks. It should be recalled that in the SIR HAWKINS decision described above²⁴⁴, the cancellation of trademark registration was also because the words inscribed on the label were said to be descriptive. Generic and descriptive terms are excluded from registration by virtue of Article 3(a) as they belong to the common patrimony and must be available to everybody in the trade.

Article 3(d) of Annex III equally proscribes the registration of a mark that is liable to mislead the public or business circles as to the geographical origin, nature or characteristics of the goods or services in question. If a misleading sign is registered, it may be successfully challenged by way of opposition. So under the OAPI trademark law references to

²⁴¹ *Ibid.* Article 7(2).

²⁴² Bangui Agreement, Annex III, *op. Cit.* Article 3(a).

²⁴³ *Ibid.*, Article 3(d).

²⁴⁴ *Op. Cit.*

geographical origin are basically not distinctive. This was confirmed in the RIVADERM PARIS decision described earlier²⁴⁵ where it was held that the inclusion of the word “PARIS” in the mark was deceptive for cosmetic products made in Cameroon. Similarly the mark “VOYAGE PARIS” was cancelled from the Special Register of Marks because it was misleading for a product made in Abidjan, Cote d’Ivoire²⁴⁶. The trademark “KILT ENGLISH CLUB PARIS” registered for perfumes was cancelled from the Special Register of Marks for the same reason²⁴⁷. The bottom line of these decisions is that the use of geographical names as marks or their inclusion in marks are deceptive as they convey to the consumer an association with the geographical name indicated either as the place of manufacture of the goods in question or of ingredients used in their production. An individual is not allowed to acquire exclusive rights over such words.

3.2 *Determining distinctive character*

It is evident from our discussion so far that the OAPI trademark law does not give any definition of distinctiveness or distinctive character. Article 2(1) merely states that a trademark is any visible sign used or intended to be used in trade and capable of distinguishing the goods or services of any enterprise. This is true for all types of marks. The determination of distinctive character can therefore only be properly understood in the light of signs not eligible for registration. These include descriptive, generic or deceptive marks in the sense of Article 3(a), (b) or (d). But for the few opposition cases based on the descriptive character of the marks discussed earlier²⁴⁸, cases or oppositions predicated upon the determination of the acquisition of distinctiveness or distinctive character are practically non-existent. In determining whether a trademark is distinctive the goods or services for which registration is sought and the perception of the relevant public will have to be taken into account. In other words, distinctive character is a question of fact. It may also be acquired through use. Marks are not classified into strong marks and weak marks under the OAPI legislation. Nor have some marks been singled out as being inherently distinctive. However, the acquisition of distinctive character certainly does not consist in testing a mark against Article 2(1) to determine whether or not it is capable of distinguishing the goods or services of one undertaking from other goods or services. If a sign is not distinctive but has been registered, it can be cancelled from the Special Register of Marks if an interested third party opposes the registration. Of course, although not expressly stated and even though neither the courts nor the Organization have had the opportunity to adjudicate the issue, trademarks which at a given time were devoid of distinctive character may become distinctive through the use that is made of them in the course of trade. It is for the party who asserts non-distinctiveness to establish the same through an opposition.

Put otherwise, it is not for the applicant to prove distinctiveness. All applications for registration of signs as trademarks at the Organization are received except where they offend the provisions of Article 3(c) and (e). After all, examination of the sign on its merits is hardly carried out. This renders unnecessary the need to prove distinctive character or the acquisition by use or otherwise of distinctive character of the mark. Consequently, it is for the

²⁴⁵ See *supra*, footnote 57.

²⁴⁶ Decision N 0089/OAPI/DG/SCAJ cancelling the registration of the mark “VOYAGE PARIS” no 49765 of 9 May, 2006.

²⁴⁷ Decision No 0086/OAPI/DG/SCAJ cancelling the registration of the mark “KILT ENGLISH CLUB PARIS” no 49932 of 9 May, 2006; see also the following decisions which were based on similar grounds: Decision No 088/OAPI/DG/SCAJ cancelling the registration of the mark “ECHIQUIER PARIS” no 49980 of 9 May, 2006 and Decision N 0087/OAPI/DG/SCAJ cancelling the registration of the mark “OPINION PARIS” no 49768 of 9 May, 2006

²⁴⁸ See, for example, the “SIR HAWKINS” and “OLD WHISKY Label” decisions, *op. Cit.*

party who seeks to rely on the fact that the mark is not distinctive to provide evidence to that effect.

3.2 Acquisition of secondary meaning

Acquisition of trademark rights by virtue of the fact that the sign has acquired secondary meaning consequential upon use has already been addressed in section 2.3. As the same rules apply in the context of signs that should remain available for the public, the issue need not be discussed here any further.

3.3 Exceptions to trademark protection

The exceptions to trademark protection under the OAPI trademark law have already been elucidated in section 2.4 above. These exceptions equally contribute to ensuring the availability of signs that should remain available for the public.

4. Conclusion

The protection of marks in the public domain is a subject of interest within the OAPI sub-region. Unlike in other sub-regions where there may be more than one trademark law, domestic and community legislation, the OAPI sub-region has one piece of legislation, the Bangui Agreement, Annex III. Consequently, this Annex sets out the provisions to be applied in each of the Member States. A certificate of registration issued by the Director General covers the sixteen Member States making it akin to a community trademark except that where the mark is annulled in one Member State for reasons of public policy and morality, the effects of such annulment are limited to the territory of the Member State concerned. Hence, the OAPI trademark law provides for a centralized system of issuing and publishing certificates of registration and this also holds true for marks in the public domain or marks belonging to the common patrimony.

The practice at OAPI is thus facilitated by a centralized system. However, the same cannot be said of court decisions. There is no common court which can hear appeals from national courts should there be a problem of interpretation of any of the provisions of Annex III. Consequently, interpretations may vary depending on the understanding of the judge handling a particular case. Lessons ought to be learnt from what prevails in other sub-regions but preferably from the system of the Organization for the Harmonization of Business Law in Africa (OHADA). OAPI and OHADA have practically the same Member States. The objective of both Organizations is to set up common rules applicable to all Member States. However, while OHADA has a Common Court of Justice and Arbitration (CCJA) competent to hear appeals from Member States and national courts on questions pertaining to the interpretation of the provisions of the OHADA Treaty and the Uniform Acts, OAPI does not. The necessity for the creation of such a court for the OAPI sub-region is therefore obvious. If seised, the court may have to give guidelines on what belongs to the public domain. This will avoid a situation where in an attempt to circumvent the exigencies of the Bangui Trademark law, domestic courts render diametrically opposed decisions for cases with similar or identical facts. The importance of such a court becomes even more obvious because by reason of Article 18 of the Agreement itself, final decisions relating to the validity of titles rendered in one of the Member State are binding on all Member States. Such titles may also include signs belonging to the common patrimony.

Again, for any mark to enjoy protection under the OAPI trademark law, the mark in question must not only be used in the course of trade, but it must also be registered. Without registration, resort may only be had to the common law provisions of the individual Member States. Common patrimony signs falling under Article 6*ter* of the Paris Convention are

excluded from registration by reason of Article 3(e) of the Bangui Agreement, Annex III. However, other signs belonging to the common patrimony such as religious signs and signs of cultural significance are not included in Article 3(e) and, therefore, are not explicitly excluded from trademark protection. Accordingly, these signs are available for registration and use. Exclusive rights can be acquired except where there is opposition to the registration of the sign by a business enterprise or other interested party. Considering the need to preserve common patrimony signs, this may be seen as an aberration. The time has come to revisit the OAPI trademark and to exclude common patrimony signs not covered by Article 3(e) from registration as well.

With regard to signs that should remain available for the public, it is equally to be noted that protection will not be available where the mark is generic, descriptive or deceptive such that it could mislead consumers or the public as to the origin of the goods. Protection will thus be unavailable, for instance, for marks reproducing a geographical location which may mislead the public as to the source of the goods. Even where trademark rights subsist, the owner cannot prevent third parties from making use in good faith of their names or address, pseudonyms, a geographical name or adequate information concerning the nature, quality, quantity, purpose, value, place of origin or time of production of their goods or rendering of services in so far as the use in question is limited to the purpose of mere identification or information and cannot mislead the public as to the source of the goods or services.

C. SOUTH AFRICA*

The focal point of South African trade mark law is the *Trade Marks Act* (the *TMA*),²⁴⁹ but South African law does protect common law trade marks by means of the action for passing-off. Historically, South Africa's trade mark legislation was from its earliest days fairly closely modelled on the British legislation: the earliest piece of legislation applicable to the whole of what is the Republic (it was then the Union) of South Africa, *The Patents, Designs, Trade Marks and Copyright Act* 9 of 1916, was modelled on the British *Trade Marks Act* of 1905;²⁵⁰ the replacement of the 1916 Act, *Trade Marks Act* 62 of 1963, was modelled on the 1938 British *Trade Marks Act*. The *TMA* represents a break with that history; it attempted to bring South Africa's trade mark law into line with European Union law at that time.²⁵¹

* Bernard Martin, Associate Professor, Faculty of Law, University of the Western Cape, Cape Town, South Africa.

²⁴⁹ Act 194 of 1993. All references to sections, unless otherwise indicated, are to those of the *TMA*.

²⁵⁰ During the era in which South Africa was not a Union, but four British colonies, the trade mark legislation was modelled on the British Act of 1875.

²⁵¹ The Memorandum on the objects of the Trade Marks Bill 1993, B174B-93 50 (which became the *TMA*) states that the objective of Bill is to bring SA law "into accordance with the European Directive". In *Century City Apartments Property Services CC v Century City Property Owners' Association* [2009] ZASCA 157 para 26 the Court indicated that our law is in many respects the same as that of the European Union and the UK which has based its law on the EU Trade Mark Directive of 104 of 1989. The decisions of the Supreme Court of Appeal (SCA), which is South Africa's highest Court of Appeal in non-Constitutional matters, are binding on all courts in the country. The ZASCA reports of are available at www.saflii.org.

1. Scope of trademark protection in general

1.1 *Marks eligible for trade mark protection*

The *TMA* defines a trade mark as any sign (the *TMA* uses the word “mark”) capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour or container for goods or any combination of the aforementioned.²⁵² A mark must be “used or proposed to be used by a person in relation to goods or services for the purpose of distinguishing the goods or services in relation to which the mark is used or proposed to be used from the same kind of goods or services connected in the course of trade with any other person”.²⁵³ A trade mark to be registrable must “be capable of distinguishing the goods or services of a person ... From [those] of another person”²⁵⁴ and the *TMA* provides that “[a] mark shall be considered capable of distinguishing ... if ... It is inherently capable of so distinguishing or it is capable of distinguishing by reason of prior use thereof”.²⁵⁵ Distinctiveness is, therefore, a primary requirement for constituting a trade mark, which can consequently not be descriptive. In *Rovex Ltd & Another v Prima Toys (Pty) Ltd*²⁵⁶ the Court cited, with approval, the Australian case, *Hornsby Building Information Centre Ltd v Sydney Building Information Centre Ltd*:

“There is a price to be paid for the advantages flowing from the possession of an eloquently descriptive trade name. Because it is descriptive it is equally applicable to any business of a like kind, its very descriptiveness ensures that it is not distinctive of any particular business [goods] and hence its application to other like businesses [goods] will not ordinarily mislead the public.”²⁵⁷

The specific reference to shape and colour in the definition of a “mark” implies that non-traditional trade marks can be protected;²⁵⁸ the requirement of “capable of being represented graphically”,²⁵⁹ however, restricts the range of marks that may be registered.²⁶⁰

²⁵² Section 2(1). This definition is not exhaustive, and is subject to Sections 9 & 10.

²⁵³ Section 2(1). Certification and collective trade marks are excluded from the definition; special provision is made for them in sections 42 and 43 of the *TMA* respectively.

²⁵⁴ Section 9(1).

²⁵⁵ See section 9(2). The prior use must be use as a trade mark: *Beecham Group plc & Another v Triomed (Pty) Ltd* 2003 (3) SA 639 (SCA) para 25, where the Court quotes extensively from para 65 of *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2003] RPC 2 (hereafter *Philips III*).

²⁵⁶ 1982 (2) SA 403 (C), 405E-H. *Rovex* appealed from a single Judge refusing to grant it an interdict restraining *Prima* from infringing its registered trade mark, FIRST LOVE, registered in respect of toys and playthings, by selling dolls under the name BABY LOVE. The Court found *Baby* and *First* so strikingly different that to grant the interdict would effectively confer on *Rovex* a monopoly of the word “love” in connection with dolls.
²⁵⁷ (1978) 140 CLR 216.

²⁵⁸ The Companies and Intellectual Property Commission (CIPC) in its former incarnation, the Companies and Intellectual Property Registration Office, issued a directive on the registration of non-traditional trade marks: (February 2009) 42 *Patent Journal* 460-461 providing for the following types of trade marks: three dimensional, colour, holograms, motion/multimedia, position, gesture, sound, olfactory (smell/scent), taste and texture. It is often difficult to establish the distinctiveness of shape marks: in *Beecham Group v Triomed* (footnote 7 above) an attempt to register the bi-convex shape of a pharmaceutical tablet failed as the shape was a reasonable technical solution to a problem (ease of swallowing and coating to prevent crumbling) - the Court followed *Philips III* (footnote 7) paras 73-85; *Lubbe NO & Others v Millennium Style (Pty) Ltd & Others*; *Lubbe & Others NNO v Millennium Style (Pty) Ltd* 2007 (6) SA 241 (SCA) involved a failed attempt to register a shoe shape and pattern as purchasers would regard this a part of the design, and seldom consider it an identification of source.

²⁵⁹ Regulation 13 of the Trade Mark Regulations published in GN R578 in Regulation Gazette 5493 of 21 April 1995, stipulates to be capable of graphic representation a trade mark must be capable of being represented in a form that can be recorded and reproduced. There is, however, provision for the Registrar to prescribe the form in

[Footnote continued on next page]

1.2 The notion of use in trade

The definition of a trade mark as a utilitarian entity demands that someone use²⁶¹ or propose to use it to indicate that goods or services are “connected in the course of trade” with its proprietor.²⁶² The requirement of indicating a connection in the course of trade means a person must use the trade mark in the course of commercial activity.²⁶³ The need for use in the course of trade also manifests itself in Section 27(1)(b) that provides for removal from the register of a trade mark that has not been used *bona fide* for five years;²⁶⁴ a key facet of *bona fide* use is that it must be in the course of trade.²⁶⁵ Trade, given its wide interpretation, would include use by, and or in relation to charitable causes.²⁶⁶ Non-commercial trade mark use, and even some forms of combined commercial and non-commercial use, is not proscribed.²⁶⁷

[Footnote continued from previous page]

which an applicant, whose trade mark cannot be represented in the ordinary manner (on paper annexed to form TM1), must deposit a specimen of the trade mark.

²⁶⁰ The need for a mark to be capable of graphical representation, suggests that notwithstanding the CIPC directive (footnote 10 above) it is likely that the SA courts will follow the CJEU decision *R Sieckmann*, case C-273/00.

²⁶¹ S 2(2) defines use as: “(a) the use of a visual representation of the mark; (b) in the case of a container, the use of such container; and (c) in the case of a mark which is capable of being audibly reproduced, the use of an audible reproduction of the mark”. The incorporation of the word “use” itself in the definition means it must bear its ordinary meaning: *Abdulhay Mayet Group (Pty) Ltd v Renasa Insurance Co Ltd* 1999 (4) SA 1039 (T) 1045E.

²⁶² The requirement in the definition of a trade mark that it must distinguish the goods or services in relation to which it is used from goods or services connected with other persons in the course of trade, implies that a trade mark indicates a connection in the course of trade with its proprietor or registered user.

²⁶³ In *AM Moola Group Limited & Others v The Gap Incorporated & Others* 2004 (2) SA 412 (SCA) (hereafter *Moola Group v The Gap* (1) which confirmed the decision in 2003 Commercial Law Reports 225(D)) the Court found that there was no trade mark infringement where the goods had been trademarked outside of SA, were in a sealed container in Durban harbour in transit headed for a port outside the borders of SA: there had been no trade in SA. The use of a trade mark on goods for export from SA does constitute trade mark use: Section 64 of the TMA. In *South African Football Association [SAFA] v Stanton Woodrush (Pty) Ltd t/a Stan Smidt & Sons & Another* 2003 (3) SA 313 (SCA) the Court found that the journalists who coined the phrase “Bafana Bafana” (which has become a popular name for South Africa’s national football team) had no *bona fide* claim to the phrase as a trade mark as they had not intended to use it in relation to good or services.

²⁶⁴ Section 27(1)(b) provides that that a trade mark may be removed where it was not used, *bona fide*, for a continuous period of five years or longer by the proprietor, a licensee or registered user. Use by a licensee or registered user is in terms of Section 38 is deemed to be use by the trade mark proprietor (s 38(2)).

²⁶⁵ *Arjo Wiggins Ltd v Idem (Pty) Ltd & Another* 2002 (1) SA 591 (SCA) para 9.

²⁶⁶ *Williams t/a Jennifer Williams & Associates v Life Line Southern Transvaal* 1996 (3) SA 408 (A); *Old Apostolic Church of Africa v Non-White Old Apostolic Church of Africa* 1975 (2) SA 684 (C). These were, however, cases of common law passing-off, not trade mark infringement, but the principle would apply to trade marks.

²⁶⁷ In *Laugh It Off Promotions CC v SAB International (Finance) BV t/a Sabmark International (Freedom of Expression Institute as Amicus Curiae)* 2006 (1) SA 144 (CC) (hereafter *Laugh It Off* (CC)) the appellant’s sale of T-shirts parodying a well known South African trade mark did not result in the trade mark rights taking precedence over the Constitutional right to freedom of speech, protected in terms of Section 16 of the Constitution, 1996. The Supreme Court of Appeal had found that the trade mark was used in trade and the trade mark right infringed: *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International* 2005 (2) SA 46 (hereafter *Laugh It Off* (SCA)).

1.3 The notion of trade mark use

A trade mark²⁶⁸ and trade mark infringement²⁶⁹ are both defined in a manner which indicates that for trade mark significance to attach, the use or proposed use of a mark must be in relation to goods or services. The need for use in relation to goods or services neither restricts trade mark use to, nor alters, the general rule that a trade mark use must be to fulfil the primary function of indicating the commercial origin of goods or services,²⁷⁰ but the courts have applied the requirement flexibly and given legal recognition to the distinguishing function.²⁷¹ The courts have also recognised that in the marketplace a trade mark functions as guarantee of quality,²⁷² but they have not elevated this into a legal guarantee. A number of cases have recognised the function of a trade mark as an advertising device,²⁷³ a function that is protected by means of the anti-dilution provision,²⁷⁴ which extends protection to a trade mark even under circumstances in which the offending mark is not used as a trade mark. The requirement that a trade mark be used in relation to goods or services does not restrict the range of marks that are capable of being used to constitute a trade mark: it does, however, limit the scope of a trade mark proprietor's rights. The courts have, notwithstanding the limitation of rights, found that use of a trade mark in comparative advertising, where the proprietor's trade mark is used to distinguish the competitor's goods, still constitutes infringement,²⁷⁵ and also that the manner in which a trade mark is used to inform the public of repair and maintenance services can result in the trade mark use being proscribed.²⁷⁶

1.4 Scope of protection

One obtains a good idea of the scope of trade mark protection in South Africa by examining the sub-sections of Section 34(1) of the *TMA*,²⁷⁷ each provides for a different form of infringement.

(a) The first form is constituted by the unauthorised²⁷⁸ use of "an identical mark or of a mark so nearly resembling it as to be likely to deceive or cause confusion" in relation to goods or

²⁶⁸ See para 1.1 footnote 5 above.

²⁶⁹ Each sub-section (s-s) of Section 34(1) requires use "in relation to goods or services". See para 1.4 below.
²⁷⁰ *Beecham Group v Triomed* (footnote 7 above) para 8; *SAFA v Stanton Woodrush* (footnote 15 above) para 13; *Die Bergkelder Bpk v Vredendal Koöp Wynmakery* 2006 (4) SA 275 (SCA) paras 6 & 7; *Verimark (Pty) Ltd v BMW AG* 2007 (6) SA 263 (SCA) paras 5 & 6; *Commercial Auto Glass (Pty) Ltd v BMW AG* 2007 (6) SA 637 (SCA) para 3.

²⁷¹ *Cadbury (Pty) Ltd v Beacon Sweets & Chocolates (Pty) Ltd* 2000 (2) SA 771 (SCA) paras 5 & 6. The debate whether the origin or distinguishing function is the primary one is hollow and sterile as the definition of a trade mark makes connection in the course of trade the basis for distinguishing goods and services.

²⁷² *AM Moola Group Ltd & Others v The Gap Incorporated & Others* 2005 (6) SA 568 (hereafter *Moola Group v The Gap* (2)) paras 38 & 39.

²⁷³ *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA) para 11; *Laugh It Off* (SCA) (footnote 19 above) para 13; *Laugh It Off* (CC) (footnote 19 above) para 40.

²⁷⁴ Section 43(1)(c) of the *TMA*: see para 1.4 below.

²⁷⁵ *Abbott Laboratories v UAP Crop Care (Pty) Ltd* 1999 (3) SA 624 (C) 637C-D; see below.

²⁷⁶ Such use is permitted by Section 34(2)(c); see *Commercial Auto Glass v BMW* (footnote 22 above).

²⁷⁷ The letters of the sub-sections of Section 34(1) corresponds with those used in this paragraph.

²⁷⁸ The proprietor's authority, whether express or implied (*Safari Surf Shop CC v Heavywater* [1996] 4 All South Africa Law Reports 316 (D) 323) is a good defence (*Protective Mining & Industrial Equipment Systems (Pty) Ltd (formerly Hampo Systems (Pty) Ltd) v Audiolens (Cape) (Pty) Ltd* 1987 (2) SA 961 (AD)) and

services for which the trade mark is registered. This is the primary form of infringement proscribing the unauthorised use of a mark as a trade mark,²⁷⁹ ie, to fulfil the “badge of origin” trade mark function.²⁸⁰ This type of infringement is established by proof of: unauthorised use; in the course of trade; of the registered trade mark or a deceptively or confusingly similar mark; as a trade mark; in relation to goods or services for which the trade mark is registered.²⁸¹

The plaintiff bears the onus of establishing: (i) that the objective circumstances, in which the trade mark is exhibited in relation to good or services,²⁸² indicate that the mark is used as a trade mark;²⁸³ (ii) that the use of the infringing mark creates the probability that a substantial number of “average customers”²⁸⁴ may be deceived or confused²⁸⁵ as to the origin of the goods or services.²⁸⁶

The most comprehensive discussion of the factors a court has to bear in mind in determining whether or not there is infringement, which are important factors when considering whether or not a trade mark is distinctive, is found in *Plascon-Evans*,²⁸⁷ in which the Court indicated that the marks themselves must be compared in the manner now described: The marks must be examined side by side and separately. The side by side comparison must be made with due regard to the manner in which they *could* be used in the marketplace,²⁸⁸ in accordance with the concept of notional user that includes “all possible fair and normal applications of the mark

²⁷⁹ *Commercial Auto Glass v BMW* (footnote 22 above) para 3; *Puma AG Rudolf Dassler Sport v Global Warming (Pty) Ltd* [2009] ZASCA 89 para 6; *Century City Apartments* (footnote 3 above) para 10.

²⁸⁰ *Verimark v BMW* (footnote 22 above).

²⁸¹ *Albion Chemicals (Pty) Ltd v FAM Products CC* 2004 (6) SA 264 (C) para 12.

²⁸² *Berman Brothers (Pty) Ltd v Sodastream Ltd* 1986 (3) SA 209 (A); *Puma v Global Warming* (footnote 31 above) para 11.

²⁸³ In *Verimark v BMW* (footnote 22 above) the Court found that even though the marks were visible in the advertisements Verimark had used the trademarked vehicle in the television and packaging advertisements for its Diamond Guard polish, and had not made infringing use of BMW’s trade marks, because “No-one, ..., would perceive that there exists a material link between BMW and Diamond Guard or that the logo on the car performs any guarantee of origin function in relation to Diamond Guard” (para 8). In *Commercial Auto Glass v BMW* (footnote 22 above), *per contra*, the appellant who sold replacement motor vehicle windscreens described them as “BMW E30 series 3” and “BMW E 36” windscreens in its advertisements and business papers. The Court rejected the defence that in terms of Section 34(2)(c) a registered trade mark is not infringed where there is “*bona fide* use of the trade mark in respect of goods or services where it is reasonable to indicate the intended purpose of such goods, ... Provided that such use is consistent with fair practice” because Commercial Auto Glass had failed to “unequivocally [make] it clear that the goods were not connected in the course of trade with the proprietor of the trade mark” which led it to “deduce that the Appellant wishes to obtain an unfair advantage from the use of the trade mark and does not wish to inform the public of the true facts concerning the origins of the [goods]” (para 14).

²⁸⁴ This notional customer would be imbued with average intelligence (*Bata Ltd v Face Fashions CC* 2001 (3) SA 844 (SCA) para 11), proper eyesight and be someone who exercises ordinary caution when buying (*Plascon-Evans Paints Ltd v Van Riebeeck Paints (Pty) Ltd* 1984 (3) SA 623 (A) 641B).

²⁸⁵ In *John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd* 1977 (3) SA 144 (T) 150H the Court said that deception means causing someone to believe something which is false and confusion means to cause bewilderment doubt or uncertainty. The Court also indicated that the confusion need not last (page 151C).

²⁸⁶ *Bata Ltd v Face Fashions* (footnote 36 above) para 8. Actual confusion bolsters a plaintiff’s case, but is not a required in terms of Section 34(1)(a).

²⁸⁷ See footnote 36 above, 640I-641D.

²⁸⁸ *Plascon-Evans* (footnote 36 above) 64G.

within the terms of the monopoly created in terms of the registration”.²⁸⁹ The court must exclude extraneous matter such as other aspects of the get-up,²⁹⁰ while undertaking a “global” appreciation of the marks,²⁹¹ the dominant features of each, if any, as well as the overall impression the marks make.²⁹² A court must consider the sense sound and appearance of the trade marks,²⁹³ take account of the dangers of deception and confusion which can arise where orders are placed telephonically, particularly where the words may be easily mispronounced.²⁹⁴ A court must also factor in the class of likely purchaser,²⁹⁵ and bears in mind the doctrine of imperfect recollection.²⁹⁶ In *American Chewing Products Corporation v American Chiclé Company* the Court quotes from the judgment in *Aristoc Ltd v Rysta Ltd*²⁹⁷ to the effect that

“The answer to the question whether the sound of a word resembles too nearly the sound of another ... , must nearly always depend on first impressions, for obviously a person who is familiar with both words will neither be deceived nor confused. It is the person who only knows the one word, and has perhaps an imperfect recollection of it, who is likely to be deceived or confused. Little assistance therefore is to be gained from a meticulous comparison of the two words, letter by letter and syllable by syllable pronounced with the clarity expected from a teacher of elocution. The court must be careful to make allowance for imperfect recollection and the effect of careless speech on the part not only of the person seeking to buy under the trade descriptions but also of the shop assistant ministering to that person’s wants.”

(b) Unauthorised “use of a mark which is identical or similar to the trade mark registered, ... In relation to goods or services which are so similar to the goods or services in respect of which the trade mark is registered, [that] there exists the likelihood of deception or confusion”. This type of infringement is different from the previous type by virtue of the requirement that the use must be in relation to goods or services which are *similar* to those for which the trade mark is registered.

This secondary or extended protection, operates within a penumbral zone of goods or services that are so similar to those in respect of which the trade mark is registered, that use of the mark creates a likelihood of deception or confusion: the likelihood that a substantial number of average consumers being led to believe that there is a material link, connection or association between the goods and the trade mark proprietor. The court takes all the surrounding circumstances into account when deciding whether or not the goods or services are sufficiently similar to have the proscribed result, and of particular importance are factors such as the

²⁸⁹ *Plascon-Evans* (footnote 36 above) 641H-I. The monopoly is constituted by the class in which the trade mark is registered, subject to any disclaimers (which may, eg, exclude certain goods) made in terms of section 15.

²⁹⁰ *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd* 2001 (3) SA 563 (SCA) para 7.

²⁹¹ *Cowbell AG v ICS Holdings Ltd* 2001 (3) SA 941 (SCA) paras 10 & 13.

²⁹² *Bata Ltd v Face Fashions* (footnote 36 above) paras 11 & 12; *Century City Apartments* (footnote 3 above) para 13.

²⁹³ *Plascon-Evans* (footnote 36 above) 641G.

²⁹⁴ *S Wainstein & Co (Pty) Ltd v Buffalo Salt Works & Packaging Co* 1966 (3) 280 (T) 285F-G.

²⁹⁵ *Reckitt & Colman SA (Pty) Ltd v SC Johnson & Sons (Pty) Ltd* 1993 (2) SA307 (A) 315F.

²⁹⁶ *American Chewing Products Corporation v American Chiclé Company* (the *Chiclets* case) 1948 (2) SA 736 (A) 744; *John Craig (Pty) Ltd v Dupa Clothing Industries (Pty) Ltd* 1977 (3) SA 144 (T) 153D-G. Courts also consider the effect of imperfect perception when comparing device marks: *adidas Sportschufabriken Adi Dassler KG v Harry Walt & Co (Pty) Ltd* 1976 (1) SA 530 (T) 536B.

²⁹⁷ (1951) 62 RPC 86.

nature, uses and purposes of the goods or services, the class of likely customers and the channels through which trade in the goods is conducted.²⁹⁸ The degree of similarity between (i) the goods, on the one hand, and (ii) the trade marks, on the other, are interdependent on each other: the greater the difference between the goods the greater the degree of similarity that will be demanded of the marks, and *vice versa*.²⁹⁹

(c) Unauthorised use of a registered trade mark that “is well known in the Republic” where the use of the mark³⁰⁰ “would be likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark, notwithstanding the absence of confusion or deception”.³⁰¹ This form of infringement, commonly known as trade mark dilution, is aimed at preserving the value that resides in the commercial magnetism of a well-known trade mark,³⁰² rather than protecting the origin function; this justifies the absence of a requirement of deception or confusion. The requirements that distinguish this type of infringement from primary infringement are: the registered trade mark must be well-known in South Africa,³⁰³ the unauthorised use must be likely to (i) take advantage of the trade mark’s distinctive character, (ii) take unfair advantage of the trade mark’s repute, (iii) be detrimental to the trade mark’s distinctive character, or (iv) be detrimental to the trade mark’s repute. There must be more than mere superficial similarity between the marks,³⁰⁴ but they need not be confusingly similar, provided that the similarity is sufficient for the average consumer to form the impression that there is a material link between the *marks*.³⁰⁵ There is no need for any similarity between the goods or services, and even though use in relation to goods for which the trade mark is registered will fall within the ambit of Section 34(1)(c),³⁰⁶ it is not intended to protect a proprietor who cannot establish the requirements of the other two sub-sections of Section 34(1).³⁰⁷ The offending mark need not be used as a trade mark.³⁰⁸ Knowledge of a trade mark need not permeate the whole of South Africa for it to be well known.³⁰⁹

²⁹⁸ *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd* 1991 (4) SA 850 (A) 862.

²⁹⁹ *New Media Publishing (Pty) Ltd v Eating Out Web Services CC* 2005 (5) SA 388 (C) 394D-E.

³⁰⁰ Use of a similar mark would also fall within the ambit of the prohibition: *Bata Ltd v Face Fashions* (footnote 36 above) para 14 in which the Court indicated that a marked or close likeness is required.

³⁰¹ A mark which would fall foul of this provision could not be registered by virtue of Section 10(17) unless the proprietor of the registered trade mark consents.

³⁰² In *Bata Ltd v Face Fashions* (footnote 36 above) para 14 the Court indicated that this type of infringement introduced a new concept into SA law.

³⁰³ The TMA does not define the concept, but in *Triomed (Pty) Ltd v Beecham Group plc* 2001 (2) SA 522 (T) 556B-D the Court adopted the test devised by the Appellate Division in *McDonald’s Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd; McDonald’s Corporation v Dax Prop CC; McDonald’s Corporation v Drive-Inn Restaurant (Pty) Ltd and Dax Prop CC* 1997 (1) SA 1 (A) 19F: a reputation sufficient to sustain a common law action for passing-off (with regard to passing-off see *Capital Estate and General Agencies v Holiday Inns* 1977 (2) SA 916 (A); *Premier Trading v Sporttopia* 2000 (3) SA 259 (SCA)).

³⁰⁴ *Bata Ltd v Face Fashions* (footnote 36 above) para 14. The Court decided there must be a sufficiently close or marked similarity, not the slight or superficial resemblance it found on the facts.

³⁰⁵ The link must be similar to the kind the Court referred to in *Verimark v BMW* (footnote 22 above) para 8.

³⁰⁶ *Albion Chemicals v FAM Products* (footnote 33 above) paras 30 & 31.

³⁰⁷ *Klimax Manufacturing Ltd & Another v Van Rensburg & Another* 2005 (4) SA 445 (O).

³⁰⁸ *Verimark v BMW* (footnote 22 above) para 13.

³⁰⁹ *Safari Shop CC v Heavywater* (footnote 30 above) 327.

Dilution takes the forms of (i) blurring,³¹⁰ when the use results in detriment³¹¹ to the distinctive character or uniqueness of the mark,³¹² and (ii) tarnishment,³¹³ when it is likely to be detrimental to the mark's repute. The harm inflicted by either blurring or tarnishment must be substantial in an economic or trade sense.³¹⁴ Establishing that the defendant has taken unfair advantage of the repute or distinctive character requires proof that they derived a significant benefit.³¹⁵

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs from registration*

Section 10 of the *TMA* imposes an absolute prohibition on the registration of marks that fall within its ambit, and renders such marks liable to expungement if registered.³¹⁶ One of the key provisions, section 10(8), gives effect to Article 6*ter* of the Paris Convention, by prohibiting registration of a mark that contains or consists of the following entities belonging to South Africa or a country of the Paris Union: (a) The national flag or an unauthorised imitation of the flag; (b) The armorial bearings or State emblems or an unauthorised imitation of an emblem or armorial bearing; (c) Any official sign or hallmark, or an imitation, where the sign or hallmark indicates control and warranty, and it is used in relation to the same or similar goods without authorization from the competent authority; (d) The flag, armorial bearings or other emblem, or any imitation; the name or abbreviation of any international organisation to which one or more convention country belongs.³¹⁷ These prohibitions are rendered more effective by Section 48A which obliges the Registrar to keep a list of all prohibited marks in terms of Article 6*ter* of the Paris Convention.

The *TMA* also:

- prohibits registration of marks that indicate State patronage;³¹⁸

³¹⁰ *Verimark v BMW* (footnote 22 above) para 12.

³¹¹ Detriment demands unfairness: *Laugh It Off Promotions* (CC) (footnote 19 above) para 49; *Verimark v BMW* (footnote 22 above) paras 14 & 15.

³¹² It is not sufficient to establish that the consumer public will associate the marks – the evidence must establish that the infringing use has diminished the well known mark's capacity to distinguish: *Verimark v BMW* (footnote 22 above) paras 14 & 15.

³¹³ *Laugh It Off Promotions* (CC) (footnote 19 above) para 41.

³¹⁴ *Laugh It Off Promotions* (CC) (footnote 19 above) para 49.

³¹⁵ For example, free riding on the reputation of the well known trade mark, however, a mere mental association is not sufficient (*Verimark v BMW* (footnote 22 above) paras 14 & 15) if it does not facilitate sales of the infringer's products.

³¹⁶ Removal is made subject to Section 3 (in terms of which marks registered in terms of the repealed Act, 62 of 1963 are deemed registered under the *TMA*) and Section 70 (in terms of which the validity of trade marks on the registered at the date the *TMA* came into force are determined in accordance with the law in force on that date).

³¹⁷ These stipulations are subject to a proviso which obliges convention countries to notify SA in accordance with Article 6*ter*, the notification remaining in force, SA not having objected or having withdrawn the objection, more than two months have elapsed between the notification and the application for registration and authorisation. The prohibition in Section 10(8)(d) is subject to an exception which allows registration if the Registrar is of the view that the manner in which it is proposed to use the mark does not suggest a connection between the organisation and the mark nor is likely to mislead the public into believing there is a connection between the proprietor of the mark and the organisation.

³¹⁸ Section 10(9).

- permits the Minister of Trade and Industry to prohibit registration of specified marks by regulation;³¹⁹
- prohibits registration of marks that are: inherently deceptive;³²⁰ the use of which would be likely to deceive or cause confusion;³²¹ contrary to law;³²² *contra bonos mores*;³²³ likely to give offence to any class or person.³²⁴

The provisions just mentioned, as well as Section 12, which allows the Registrar to request authorisation where someone applies to register the name or a representation of a person, are capable of preventing registration of marks belonging to a common patrimony.³²⁵

2.2 *Distinctive character and acquisition of secondary meaning*

One of the key *TMA* provisions concerning distinctiveness is section 10(1) that renders the following marks unregistrable:

- a mark which is not capable of distinguishing as required by Section 9; or
- a mark that consists “exclusively of a sign or 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
- a mark that is customary, in either (i) the current language of a trade, or (ii) the *bona fide* or established practices of a trade.³²⁶

Trade marks are capable of distinguishing either because they are inherently distinctive,³²⁷ or have acquired distinctiveness by virtue of prior use as trade marks.³²⁸ A court conducts a two stage enquiry to determine whether as a matter of fact a mark has the capacity to distinguish: it asks whether the mark inherently has such capacity, and in the event of the answer no, whether prior use of the mark has imbued it with such capacity.³²⁹

³¹⁹ Section 10(10).

³²⁰ The mark may deceive concerning the origin, nature, quality or characteristics of the goods or services for which it is used.

³²¹ The likelihood can arise because the mark resembles other marks which are in use, but any such other mark must have a reputation in the marketplace: *Wm Penn Oils Ltd v Oils International (Pty) Ltd* 1966 (1) SA 311 (A) 317.

³²² This could be as a result of an infraction of some statutory provision or an infringement of copyright.

³²³ Use which is tainted with dishonesty or sharp practice would fall within this prohibition.

³²⁴ Section 10(12).

³²⁵ Persons may, for example, wish to register the images of prominent public figures such as former presidents of South Africa or other countries of the Paris Union.

³²⁶ Section 10(2): see *Century City Apartments* (footnote 3 above) para 19.

³²⁷ *Triomed v Beecham Group* (footnote 54 above) 532-533; *Die Bergkelder v Vredendal Koö p* (footnote 22 above) para 18. Invented words will often have this capacity.

³²⁸ Section 9: see footnotes 6 & 7 above.

³²⁹ *Beecham Group v Triomed* (footnote 7 above) para 20. The question of distinctiveness has to be determined as on the date on which the application is filed: *Die Bergkelder v Vredendal Koö p* (footnote 22 above) para 13.

The most common mechanism by which trade marks that are not inherently distinctive acquire distinctiveness is by developing a secondary meaning, the nature of which was described as follows:

“A name [mark] has a secondary meaning for purposes of passing-off once the association between it and the business or product which bears it is so close that, in the minds of the public, it is distinctive of that specific business or product, identifying such [business or product] rather than any other.”³³⁰

A secondary meaning, therefore, renders a descriptive mark distinctive,³³¹ creating a danger that marks that are part of a common patrimony can be appropriated. The possibility of once distinctive marks becoming generic descriptions to some extent acts as a counterbalance to the danger just mentioned:³³² the acquisition of a secondary meaning tilts the balance in favour of private acquisition, removing signs from the public domain, but where a once distinctive mark becomes generic the balance is tilted in favour of the public domain because the private individual loses the exclusive rights which took the sign out of the public domain. In *Century City Apartments* the trade mark “Century City” which had been distinctive of a particular urban development at the time of its registration, had now become well known as the name of the suburb in which the development had taken place: the words “Century City” had, therefore, fallen back into the public domain. The high standard for distinctiveness set in *Beecham plc v Triomed* is a corrective measure implemented by the courts, which are sensitive to the dangers.³³³ The high standard for distinctiveness just mentioned is evidenced by the Court saying that “no pharmacist will regard the shape alone as a *guarantee* that the tablet comes from Beecham”³³⁴ notwithstanding its view that the average pharmacist would *probably* be able to recognise an Augmentin tablet. A trade mark must, therefore, be so distinctive that it guarantees the origin of the goods, and because most common patrimony signs are not inherently distinctive, the high threshold does provide protection against their wholesale acquisition by private entities.

2.3 Exceptions to trade mark protection

There are prohibitions on registration which exclude a significant number of marks from trade mark protection. Some of these are:

- the shape, colour, configuration or pattern of goods which is necessary to produce a specific technical result or derives from the nature of the goods;³³⁵
- where the application is *mala fide*;³³⁶

³³⁰ *Boswell-Wilkie Circus (Pty) Ltd v Brian Boswell Circus (Pty) Ltd (Boswell Wilkie (N))* 1984 (1) SA 734 (N) 737G-H. This decision was confirmed in *Brian Boswell Circus (Pty) Ltd v Boswell-Wilkie Circus (Pty) Ltd* 1985 (4) SA 466 (A).

³³¹ The process by no means automatic: in *Beecham Group v Triomed* (footnote 7 above) the Court quotes *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 (ChD) 302: “There is an unspoken an illogical assumption that “use equals distinctiveness”.”

³³² For example, a trade mark becoming a geographical description in *Century City Apartments* (footnote 3 above).

³³³ See the sentence preceding footnote 113 below.

³³⁴ Para 24; emphasis added.

³³⁵ Section 10(5); see discussion of *Beecham Group v Triomed* at footnote 10 above.

- the container or the shape, configuration, colour or pattern of goods which is likely to limit the development of any art or industry.³³⁷

It will be recalled that in addition to these exclusions from protection, the *TMA* requires that a trade mark be used in the course of trade,³³⁸ and as a general rule, such use must be as a trade mark.³³⁹ The need for use in the course of trade makes it possible to use trade marks for non-commercial purposes such as for cultural reference, make mixed commercial and non-commercial use,³⁴⁰ and even use in a commercial context,³⁴¹ within limits.³⁴² The mixed commercial non-commercial use which was allowed in the *Laugh It Off (CC)* case,³⁴³ consisted of the appellant selling T-shirts parodying the respondent's famous "Black Label" trade mark. It can fairly be deduced from this that it is unlikely that cultural non-commercial use will be regarded as infringement: if the partial commercial motive was not sufficient to destroy the right of free speech, cultural use in the absence of such a motive is not likely to be outlawed.

The *TMA* creates a number of statutory defences to infringement, which limit the trade mark proprietor's rights.³⁴⁴ Use is excluded from infringement under the following circumstances:

- a *bona fide* description or indication of the kind, quality, quantity, intended purpose, value, geographical origin or other characteristic of their goods or services;³⁴⁵
- *bona fide* and reasonable indication of the intended purpose of the goods including spare parts and accessories, and services;³⁴⁶
- importation and sale of goods trademarked with the proprietor's consent;³⁴⁷

[Footnote continued from previous page]

³³⁶ Section 10(7). This provision applies where an applicant has an improper motive, eg to block the registration by the mark's true owner: a similar allegation was made in *Moola Group v The Gap (2)* (footnote 24 above).

³³⁷ Section 10(11): see *Beecham Group v Triomed* (footnote 7 above) para 30.

³³⁸ See para 1.2 above; *Moola Group v The Gap (2)* footnote 24 above. This requirement is bolstered by: (i) Section 10(3) which disallows registration where the applicant does not have a *bona fide* claim to proprietorship of the trade mark: see *SAFA v Stanton Woodrush* discussed at footnote 15 above; (ii) Section 10(4) which prohibits registration where the applicant has no *bona fide* intention to use the mark as a trade mark or permit someone else to do so in under Section 38: see *Rembrandt Fabrikante en Handelaars (Edms) Bpk v Gulf Oil Corporation* 1963 (3) SA 341 (A) and *Arjo Wiggins Ltd v Idem (Pty) Ltd* 2002 (1) SA 591 (SCA).

³³⁹ See para 1.3 above.

³⁴⁰ For example, in parody: *Laugh It Off (CC)* footnote 19 above.

³⁴¹ *Verimark v BMW*, footnote 22 above.

³⁴² *Commercial Auto Glass v BMW*, footnote 22 above.

³⁴³ See footnote 19 above.

³⁴⁴ The main defences are found in Section 34(2) of the *TMA*: only the ones relevant to the public domain are discussed.

³⁴⁵ Section 34(2)(b): see discussion of *Commercial Auto Glass v BMW* at footnote 35 above; *Century City Apartments* (footnote 3 above) para 18.

³⁴⁶ Section 34(2)(c): *Commercial Auto Glass v BMW*, footnote 22 above.

³⁴⁷ Section 34(2)(d): *Protective Mining & Industrial Equipment Systems (Pty) Ltd (formerly Hampo Systems (Pty) Ltd) v Audiolens (Cape) (Pty) Ltd* 1987 (2) SA 961 (AD).

[Footnote continued on next page]

- *bona fide* use of the utilitarian features of a container, shape, configuration, colour or pattern that is a registered trade mark;³⁴⁸
- use in relation to goods or services to which the registration does not extend.³⁴⁹

The defences (exclusions) just set out ensure that the public and other traders, whose interests coincide with those of the public since they introduce competition which is in the public interest, are not unreasonably deprived of the most effective means of communication with regard to goods and services; trade marks and the symbols from which they are constituted are first and foremost communication devices. It is important to note that these defences do not in any way compromise the functioning of a trade mark as a badge of origin. Taking the first defence, (a) above, as an example, it can be seen that it can only operate in respect of trade marks which incorporate a descriptive element, since it allows the public to use trade marks in order to communicate *characteristics* which are shared by all the relevant goods or services. For example, a fishmonger registers “Weskus Snoek”³⁵⁰ as a trade mark, but that would not prevent other fishmongers from saying that the snoek which they are selling emanates from the West Coast, since such snoek are reputed to have different characteristics to those which are caught along the Southern Cape Coast, one of which is a thicker layer of subcutaneous fat. Similar observations may be made in respect of the other defences which operate to keep trade marks in the public domain under certain circumstances.

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

Many of the absolute grounds on which trade marks may be refused registration ensure that those marks are available for use by other traders and the general public and the courts have had to rebuff numerous attempts to use descriptive terms as trade marks, a notable one was *Selected Products Ltd v Enterprise Bakeries (Pty) Ltd*,³⁵¹ in which there was a claim of exclusive rights to “Coconut cookies”.³⁵²

A major reason why registration of marks that do not distinguish is prohibited is that it will create unjustified monopolies,³⁵³ which are inimical to the public interest. In *Century City Apartments*³⁵⁴ the Court affirmed the public interest in permitting everyone to use descriptive signs freely by not allowing one person to reserve them for their sole use by registering them

[Footnote continued from previous page]

³⁴⁸ Section 34(2)(e).

³⁴⁹ Section 34(2)(f).

³⁵⁰ This translates as West Coast Snoek, snoek being a popular type of fish in the Cape Province of South Africa.

³⁵¹ 1963 (1) SA 37 (C).

³⁵² Other notable instances are *Sea Harvest Corporation (Pty) Ltd v Irvin & Johnson Ltd* 1985 (2) SA 355 (C) – “prime cuts” in relation to fish; *Burnkloof Caterers (Pty) Ltd v Horseshoe Caterers (Green Point) Pty Ltd* 1976 (2) SA 930 (A) – a claim to “Bar-B-Que” in relation to a restaurant as against a competitor four kilometres away.

³⁵³ *Die Bergkelder v Vredendal Koöp* (footnote 22 above) paras 16 & 17.

³⁵⁴ See footnote 3 above, para 31.

as trade marks,³⁵⁵ quoting the decision of the Court of Justice of the European Union in *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v Boots- und SegelzubehörWalter Huber and Franz Attenberger*³⁵⁶ to the effect that “it is in the public interest that they [the geographical names] remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes”.³⁵⁷ The Court indicated that the nature of the goods and services in respect of which the trade mark is sought to be registered also plays a significant role in determining where the limits of the public interest lie.³⁵⁸ In *Century City Apartments* the Court held that the mark need not have an exclusively geographic meaning,³⁵⁹ having found that the “public ... Refers to it [Century City] as a place or location”;³⁶⁰ the Court took account that in future people might wish to use the name as a location from which their services originate.³⁶¹

South Africa’s leading authority on shape marks, *Beecham Group v Triomed*, held that the registration of a trade mark consisting of the shape of product that is attributable to a technical result was prohibited, also holding that the possibility of another shape attaining the result does not rescue the mark.³⁶² The Court explained that the rationale for this provision was “to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors” otherwise competitors would possibly be prevented from supplying a competing product incorporating the function or limiting their freedom to choose the technical solution to incorporate the function in their product. The Court in *Beecham Group v Triomed*³⁶³ also intimated that the prohibition would be given a broad interpretation and not be limited to situations where there was only one possible solution to the technical problem, saying that it was beside the point that alternative shapes could achieve the same results.³⁶⁴ In *Beecham Group v Triomed* the Court set a very high standard for distinctiveness when it said “no pharmacist will regard the shape alone as a guarantee that the tablet comes from Beecham” even though it had found that the average pharmacist would probably be able to recognise an Augmentin tablet.³⁶⁵

³⁵⁵ The Court relied on *Peek & Cloppenburg KG’s Application* [2006] ETMR 33 para 32. This prohibition is reflected in section 10(2)(b) and reinforced by Section 34(2)(b).

³⁵⁶ [1999] ETMR 585 para 26.

³⁵⁷ See footnote 3 above, para 31.

³⁵⁸ Para 33, where the Court referred to *Bellagio LLC’s Application* [2006] ETMR 79 in which the Court upheld the decision not to register Bellagio, the name of an Italian town, in respect of entertainment (class 41) and hotels (class 42) but to allow it for clothing (class 25) and retail services (class 35), because the travelling public was likely to associate the town name with hotels and entertainment.

³⁵⁹ See footnote 3 above para 44.

³⁶⁰ Para 40.

³⁶¹ Para 46.

³⁶² See footnote 7 above para 28, relying on *Philips III* (see footnote 7 above) para 84.

³⁶³ See footnote 7 above.

³⁶⁴ Para 30. The Court also refused to be distracted by the argument that the function of the tablet is to act as an antibiotic and that it was *that* technical result which the shape should be judged in relation to; it found that the technical results of engendering ease of swallowing and coating so as to prevent the tablet crumbling were specific technical results and, therefore, relevant.

³⁶⁵ Para 24.

3.2 Acquisition of distinctive character

The type of mark plays an important role in the decision whether it is available for use as trade marks, where the registration is subject to a prohibition: the prohibition in respect of shape marks is generally incapable of being overcome by use,³⁶⁶ whereas descriptive marks can become distinctive by virtue of use in trade.³⁶⁷ In South Africa, when it comes to descriptive marks, the law balances the exclusive rights which trade marks enjoy and the preservation of the public domain by using distinctiveness as a criterion.³⁶⁸ Descriptive signs generally fall within the public domain because the public must have the right to describe the relevant entities, whereas trade mark rights remove signs from the public domain. The high standard of distinctiveness required in cases such as *Beecham plc v Triomed* results in fewer signs leaving the public domain than would otherwise be the case, maintaining a balance. The standard of association which a descriptive mark must attain in order to be distinctive, is best described in relation to the acquisition of a secondary meaning, viz, that the association “between it [the mark] and the business or product which bears it [must be] so close that, in the minds of the public, it is distinctive of that specific business or product, identifying [that business or product] rather than any other”.³⁶⁹ This level of association must subsist among a substantial number of persons.³⁷⁰ The level of distinctiveness required for well known trade marks does not differ significantly from that required of other trade marks.³⁷¹ In *McDonald’s Corporation* the Court held that to qualify as a well known mark in South Africa, a trade mark need not be known by all sectors of society, just the relevant purchasing and potential purchasing public,³⁷² but the trade mark must have a reputation.³⁷³ Trade marks that do not fall into the well known category are fully protected even where they do not enjoy a reputation, but well known trade marks have the advantage of enjoying full protection even without registration. The attainment of the status of well known has a significant impact because if an otherwise descriptive mark attains that status,³⁷⁴ it is not available to other traders even if it is not registered in South Africa, and also because a well known trade mark enjoys extended protection against blurring and tarnishment.³⁷⁵

³⁶⁶ See footnote 110 above.

³⁶⁷ In *Century City Apartments* (footnote 3 above) the converse was established: the public habit of referring to “Century City” as a place or location (para 40) had resulted in the trade mark losing its distinctiveness. Public use would in similar manner establish the distinctiveness of an otherwise descriptive mark.

³⁶⁸ See para 2.2 above.

³⁶⁹ *Boswell-Wilkie Circus* (N) (footnote 82 above) 737G-H.

³⁷⁰ *Bata Ltd v Face Fashions* (footnote 36 above) para 8.

³⁷¹ Levels of distinctiveness are also recognised when considering the notion of similar goods the relative distinctiveness of the trade marks is taken into account: see *Eating Out Web Services* (footnote 50 above).

³⁷² See footnote 55 above 19F.

³⁷³ The reputation must be such that it will sustain a passing-off action. *Caterham Car Sales & Coachworks Ltd v Birkin Cars (Pty) Ltd* 1998 (3) SA 938 (SCA) held that the reputation required for passing-off had been set out in *Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 All ER 873, in which Lord Oliver said: “First he [the plaintiff] must establish goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services” (880g-h; emphasis added).

³⁷⁴ The trade mark will have had to attain distinctiveness by use: see para 2.2 above.

³⁷⁵ See para 1.4(c) above for a discussion of section 34(1)(c) of the TMA.

3.3 Exceptions to trade mark protection

South African trade mark proprietors cannot prevent other persons from using their trade marks which contain descriptive indications in the course of trade; but the use must also accord with honest business practice.³⁷⁶ A proprietor may even lose their trade mark protection if the trade mark becomes a “generic” description, such as a geographic indication.³⁷⁷ The need for a mark to be used as a trade mark before there is infringement also provides the public with a significant degree of leeway in using trade marks even within the trading context.³⁷⁸ The need for use as a trade mark is illustrated by *Verimark v BMW* in which the Court found that notwithstanding the fact that appellant had used the respondent’s trade mark in the course of trade there was no infringement because use of a trade mark even in the trading context only infringes if it indicates a connection in the course of trade between the goods and the trade mark proprietor, guaranteeing their origin. The Court found that this approach “gives effect to the purpose of the Act and attains an appropriate balance between the rights of the trade mark owner and those of competitors and the public”.³⁷⁹ In *Commercial Auto Glass v BMW* the Court summed up the objective of the primary and secondary forms of infringement³⁸⁰ as preventing misleading commercial “speech”; and also held that trade mark use that is not misleading is protected not only in terms of the Constitution but on ordinary trade mark principles.³⁸¹ these dicta express the broad policy foundation that the specific exceptions rest on and by which they are justified. One of the expressions of commercial free speech is comparative advertisement, but the most recent authority on the point, *Abbott Laboratories v UAP Crop Care (Pty) Ltd*³⁸² found that comparative advertising constituted trade mark infringement in terms of s 34(1)(a) of the TMA. The correctness of that decision was questioned, but the point not decided, in the *Die Bergkelder v Vredendal Köop*.³⁸³ until such time as the *Abbott Laboratories* case is actually overruled, the legal position set out in that case represents the law, with the unfortunate consequence that that form of commercial free speech is prohibited.

4. Conclusion

South African courts have interpreted the law in a manner which allow persons other than the trade mark proprietor to use trade marks to describe and indicate the names of goods and services for which they are used; this prevents trade mark proprietors from monopolising marks which other traders may legitimately wish to use or which rightly belong to a common patrimony.

The requirements of South African law permit registration of a wide range of marks, including non-traditional marks; the Companies and Intellectual Property Commission has even issued a directive on non-traditional marks. It is not envisaged that there will be difficulty registering

³⁷⁶ See section 34(2), the major portion of which is discussed in para 2.3 above.

³⁷⁷ See *Century City Apartments*, footnote 3 above.

³⁷⁸ See *Verimark v BMW*, footnote 22 above.

³⁷⁹ Para 7.

³⁸⁰ See paras 1.4 (a) & (b) above.

³⁸¹ See footnote 22 above para 8.

³⁸² 1999 (3) SA 624 (C). UAP produced a twenty page advertising brochure in which it compared its product, Perlman, to Promalin which was produced by Abbott, alleging that Perlman was the superior product.

³⁸³ See footnote 22 above para 11 footnote 15.

sound marks, but there are significant challenges to the registration of shape marks, and there are doubts concerning the registration of smell marks, given the requirement of capability of graphic representation.

The requirement that trade marks be used or proposed to be used to indicate origin ensures that exclusive rights are only conferred in respect of marks which will be used for genuine commercial purposes, so that the public is not deprived of marks it may legitimately wish to use, and this is backed up by provision for expungement for non use. The requirement of use as a trade mark bolsters the need for the mark to indicate trade origin ensuring that legitimate use for other purposes is not stifled.

The specific requirements for establishing one of the three forms of infringement, delineate the boundaries between legitimate and proscribed use, and are designed to impose an onus which cannot be so easily discharged that infringement is an obstacle to public use. The factors taken into account when marks are compared, however, provide ample protection for trade marks proprietors' interests.

The exclusions from registration of marks falling foul of Article 6^{ter} of the Paris Convention, which are contrary to law, public morality or likely to give offence, as well as the restrictions on registration of representations of persons, provide significant protection to the common patrimony. The possibility of descriptive marks acquiring a secondary meaning does allow for appropriation of some marks which the public might have wished to use, but the high standard of distinctiveness demanded ensures a balance. Exclusions such as those concerning technical solutions, *mala fide* applications, signs likely to limit the development of art and industry, as well as the statutory defences contribute to keeping proprietors' rights within acceptable bounds, counteracting the abusive appropriation of marks.

In sum: despite the wide range of marks which can be registered as trade marks, proprietors are unable to prevent descriptive use; the need for use in trade as a trade mark, and to establish primary and secondary infringement creates leeway for public and even commercial use; there is Constitutional protection for commercial free speech that is not misleading. These considerations combine to engender a healthy balance in South Africa between the exclusive rights which proper protection of proprietors' interests requires, and the maintenance of a vibrant public domain which allows significant freedom to use marks.

D. CANADA AND UNITED STATES OF AMERICA*

This report describes the manner in which the trademark laws of the United States and Canada are designed to preserve the public domain. More specifically, the report considers the extent to which the United States' Lanham Act³⁸⁴ and Canada's Trade-marks Act³⁸⁵ limit their subject matter and scope so as to maintain the public availability of signs that should remain available for common use. The primary purpose of both the Lanham Act and the Trade-marks Act is to promote a more efficient marketplace by protecting a commercial entity's exclusive right to use a sign that is distinctive of its goods or services. To this end, both laws propound very liberal standards with respect to what can qualify for trademark protection and provide a very broad scope of protection to what does qualify (Section 1). Yet both laws also explicitly limit the subject matter and scope of their protection with respect to signs that belong to a common patrimony (Section 2) and signs that should remain available

* *Barton Beebe, Professor of Law, New York University, New York, United States of America.*

³⁸⁴ 15 U.S.C. §§ 1051-1072, 1091-1096, 1111-1129.

³⁸⁵ R.S.C. 1985, c. T-13.

for public use (Section 3). In sum, though both laws are directed as a general matter towards the provision of private rights, they also contain substantial limitations on those rights with the purpose of safeguarding the public domain (Section 4).

1. Subject matter and scope of trademark protection in general

1.1 *Signs Eligible for Trademark Protection*

The potential subject matter of federal trademark protection in the U.S. is extraordinarily broad. As defined by the Lanham Act, “the term trademark includes any word, name, symbol, or device, or any combination thereof ... used by a person ... to identify and distinguish his or her goods ... from those manufactured or sold by others and to indicate the source of the goods.”³⁸⁶ In finding in 1995 that a color alone could qualify for Lanham Act protection, the U.S. Supreme Court read this statutory language quite expansively: “Since human beings might use as a ‘symbol’ or ‘device’ almost anything at all that is capable of carrying meaning, this language, read literally, is not restrictive. The courts and the Patent and Trademark Office [PTO] have authorized for use as a mark a particular shape (of a Coca Cola bottle), a particular sound (of NBC's three chimes), and even a particular scent (of plumeria blossoms on sewing thread).”³⁸⁷ Departing from a formalistic approach to determining the subject matter of trademark protection, the Court explained that “[i]t is the source distinguishing ability of a mark—not its ontological status as color, shape, fragrance, word, or sign—that permits it to serve” the “basic purposes” of reducing consumers’ costs of shopping and enhancing producers’ incentives to maintain consistent levels of product quality.³⁸⁸

Generally speaking, U.S. law provides that any perceptible sign may qualify for trademark protection so long as it is (1) distinctive of source, (2) used in commerce, and (3) non-functional. Accordingly, the PTO has registered as trademarks numerous sounds, scents, and product shapes or packaging designs.³⁸⁹ It has also registered such marks as “a velvet textured covering on the surface of a bottle of wine,”³⁹⁰ the exterior appearance of a building,³⁹¹ the manner in which the door of an automobile opens,³⁹² and various images in motion.³⁹³ With respect to flavor marks, the PTO recently rejected for registration the orange flavor of an antidepressant on the grounds that the flavor was not distinctive of source and was functional, but declined to establish any per se bar to the registration of flavors as trademarks in the future.³⁹⁴ U.S. courts, furthermore, have granted federal trademark protection to a wide

³⁸⁶ 15 U.S.C. § 1127.

³⁸⁷ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 162 (1995).

³⁸⁸ *Id.* at 164.

³⁸⁹ See, e.g., U.S. PTO Reg. No. 1299056 (Oct. 2, 1984) (sound of three chimes for television entertainment services); U.S. PTO Reg. No. 1639128 (Mar. 26, 1991) (scent of plumeria blossoms for thread); U.S. PTO Reg. No. 3365816 (Jan. 8, 2008) (design of a portable music player).

³⁹⁰ U.S. PTO Reg. No. 3155702 (Oct. 17, 2006).

³⁹¹ See, e.g., U.S. PTO Reg. No. 1045615 (Aug. 3, 1976) (exterior of McDonald’s restaurant).

³⁹² See U.S. PTO Reg. No. 2793439 (Dec. 16, 2003) (scissor doors of a Lamborghini).

³⁹³ See, e.g., U.S. PTO Reg. No. 2490649 (Sept. 18, 2001) (stylized eyes moving horizontally back and forth).

³⁹⁴ See *In re N.V. Organon*, 79 U.S.P.Q.2d 1639 (TTAB 2006).

variety of unregistered, three-dimensional designations of source, such as the interior décor of a restaurant.³⁹⁵

Canadian trademark law is substantially more restrictive than U.S. trademark law with respect to the kinds of subject matter that can qualify for registration. Section 2 of the Trade-marks Act defines the “trade-mark,” in relevant part, as “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others.”³⁹⁶ In 1987, the Federal Court of Canada interpreted this language to require that “[a] ‘mark’ must be something that can be represented visually.”³⁹⁷ The result is that the Canadian Intellectual Property Office (CIPO) has refused to register sound marks on the ground that such marks fail to meet the “represented visually” requirement.³⁹⁸ Furthermore, CIPO has never registered a smell, flavor, or texture mark. It has registered single colors, but only when they are applied to the surface of a three-dimensional object or are a feature of a trademark.³⁹⁹ CIPO has signaled that it is contemplating liberalizing its policies, however. In late 2010, it issued a Draft Practice Notice in which it proposed guidelines for the registration of hologram and motion marks.⁴⁰⁰

It is important to note that both U.S.⁴⁰¹ and Canadian⁴⁰² trademark law will protect unregistered marks. This is particularly important in the Canadian context where non-traditional marks such as sound or smell marks that are unregistrable at CIPO may nevertheless enjoy protection against passing off at common law or under Section 7 of the Trade-marks Act.⁴⁰³ In the U.S., unregistered mark protection has been accorded to a wide variety of designations of source, such as the design of a golf course hole,⁴⁰⁴ musicians’ faces,⁴⁰⁵ and even an artistic style.⁴⁰⁶

U.S. and Canadian trademark law differ in their treatment of the protectability and registrability of three-dimensional marks in the nature of product packaging or product configuration (“trade dress” in U.S. terminology, “distinguishing guise” in Canadian terminology). U.S. law holds that product-packaging trade dress may be inherently distinctive.⁴⁰⁷ Thus, provided that an applicant (or common law user) of the packaging can show that consumers would recognize the packaging as inherently distinctive of source, the applicant need not show that the packaging has acquired secondary meaning as a designation of source. U.S. law requires,

³⁹⁵ See, e.g., *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

³⁹⁶ Trade-marks Act, R.S.C. 1985, c. T-13, s. 2.

³⁹⁷ *Playboy Enterprises Inc. v. Germain* (1987), 16 C.P.R. (3d) 517 (F.C.T.D.), para. 10.

³⁹⁸ See, e.g., Application No. 0714314 (filed Oct. 6, 1992) (sound of MGM’s roaring lion).

³⁹⁹ See Practice Notice: Three-dimensional Marks, Canadian Intellectual Property Office, Dec. 6, 2000, <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr00183.html>.

⁴⁰⁰ See Draft Practice Notice: Non-traditional Marks, Canadian Intellectual Property Office, Nov. 8, 2010, <http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr02824.html>.

⁴⁰¹ See 15 U.S.C. § 1125(a).

⁴⁰² See Trade-marks Act, R.S.C. 1985, c. T-13, s. 7.

⁴⁰³ See *id.*

⁴⁰⁴ See *Pebble Beach Co. v. Tour 18, I Ltd.*, 942 F. Supp. 1513, 1541-42 (S.D. Tex. 1996).

⁴⁰⁵ See *Bi-Rite Enters. v. Button Master*, 555 F. Supp. 1188, 1198-1201 (S.D.N.Y. 1983).

⁴⁰⁶ See *Romm Art Creations Ltd. v. Simcha Int’l*, 786 F. Supp. 1126, 1134-40 (E.D.N.Y. 1992).

⁴⁰⁷ See *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000).

however, that an applicant show that product-configuration trade dress has acquired secondary meaning.⁴⁰⁸ In contrast, Canadian law requires that an applicant show that its distinguishing guise has acquired secondary meaning regardless of whether the guise takes the form of product packaging or product configuration.⁴⁰⁹

1.2 Trademark Use

Both U.S. and Canadian trademark law distinguish between at least two different conceptions of trademark “use.” The first conception of trademark use refers to the kind and degree of “use” that the trademark owner must make of its mark in order to establish exclusive rights in it. The second conception refers to the kind and degree of “use” that parties other than the trademark owner must make of the mark in order for them to be found liable for infringing the owner’s exclusive rights in the mark.

With respect to the first conception of use, going to the kind of owner conduct that will trigger exclusive rights, both the U.S. and Canadian trademark systems generally hold that use, rather than registration, creates exclusive rights; registration merely confirms the ownership interest that has already been established by use. More specifically, U.S. law will protect—and register—a trademark provided that the owner is making a “use in commerce”⁴¹⁰ of the mark in association with goods or services sold, transported, or rendered in commerce. This use must be a “bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.”⁴¹¹ The U.S. Lanham Act provides an “intent to use” basis for the registration of a mark that an applicant intends to use on goods or services in the U.S. in the near future, but the application will not mature to registration until the applicant can show actual use.⁴¹² The Canadian Trade-marks Act similarly provides for registration based on use⁴¹³ in association with “wares” or services⁴¹⁴ as well as on “proposed” use.⁴¹⁵ Canadian law, however, is more expansive than U.S. law in that it will register internationally well-known marks “made known” in Canada even if their owners have not themselves directly used the marks in Canada.⁴¹⁶

With respect to the second conception of use, going to the kind of defendant conduct that will trigger liability for infringement, both U.S. and Canadian law contain very significant requirements insulating from liability certain unauthorized third-party uses of marks. U.S. law generally holds that noncommercial uses will not trigger liability—for example, in the context of internet gripe or fan sites that do not engage in the sale or advertising of any goods or services.⁴¹⁷ More precisely, U.S. courts will find no liability if the defendant did not use the

⁴⁰⁸ See *id.*

⁴⁰⁹ See Trade-marks Act, R.S.C. 1985, c. T-13, s. 13(1)(a).

⁴¹⁰ 15 U.S.C. § 1127.

⁴¹¹ *Id.*

⁴¹² See 15 U.S.C. § 1052(b).

⁴¹³ See Trade-marks Act, R.S.C. 1985, c. T-13, ss. 2, 4, and 30.

⁴¹⁴ See Trade-marks Act, R.S.C. 1985, c. T-13, s. 4.

⁴¹⁵ See Trade-marks Act, R.S.C. 1985, c. T-13, ss. 2 and 30.

⁴¹⁶ See Trade-marks Act, R.S.C. 1985, c. T-13, s. 5.

⁴¹⁷ See, e.g., *TMI, Inc. v. Maxwell*, 368 F.3d 433, 437-38 (5th Cir. 2004) (noncommercial gripe site); *Taubman Co. v. Webfeats*, 319 F.3d 770, 774-75 (6th Cir. 2003) (noncommercial fan site).

plaintiff's mark "on or in connection with goods or services."⁴¹⁸ Similarly, Canadian law will find liability only when the defendant uses the mark commercially in connection with goods or services.⁴¹⁹ Finally, both U.S. and Canadian law generally require that the defendant use the mark at issue "as a mark," that is, as a designation of source for its own goods or services. U.S. and Canadian courts will typically not find liability if the defendant is using the mark at issue in a manner that merely describes its goods but does not indicate their source (for an obvious example, apple growers may use the term "apple" notwithstanding the computer company's exclusive rights in the mark with respect to certain goods and services).⁴²⁰ Under the rubric of nominative use, defendants may also use the plaintiff's mark to refer to the plaintiff (for example, in comparative advertising).⁴²¹

1.3 Scope of Protection

Both U.S. and Canadian law protect trademarks from unauthorized uses that confuse consumers as to the true source of goods or services as well as from unauthorized uses that, in the case of the U.S., dilute the distinctiveness of the mark, or in the case of Canada, depreciate the goodwill of the mark.

With respect to unauthorized confusing uses of trademarks, U.S. trademark law is arguably broader than its Canadian counterpart in the scope of protection that it offers. Section 32 of the Lanham Act prohibits any unauthorized use of a registered mark on or in connection with goods or services that "is likely to cause confusion, or to cause mistake, or to deceive."⁴²² Section 43(a) goes farther. It prohibits any person from making an unauthorized commercial use of a registered or unregistered mark that is "likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person."⁴²³ Despite the differences in terminology between the two sections, in practice, U.S. courts typically apply the same confusion analysis to both. Unlike most foreign jurisdictions, including Canada, U.S. statutory trademark law contains no explicit "double identity" provision (in which a defendant's unauthorized use of a mark identical to the plaintiff's on goods or services identical to the plaintiff's will presumptively trigger a finding of infringement). Instead, each of the federal circuit courts in the U.S. has developed its own multifactor test to determine the likelihood of consumer confusion regardless of whether the facts involve double-identity or non-double-identity⁴²⁴ conduct. These various Circuit tests are very similar. Each considers, among other factors, the similarity of the marks, the proximity of the goods, any evidence of actual confusion (including survey evidence), the defendant's intent, and the strength of the plaintiff's mark.

⁴¹⁸ See, e.g., *Bosley Medical Institute, Inc. v. Kremer*, 403 F.3d 672, 677 (9th Cir. 2005).

⁴¹⁹ See Trade-marks Act, R.S.C. 1985, c. T-13, s. 4. See also *British Columbia Automobile Assn. v. O.P.E.I.U., Local 378*, (2001) 85 B.C.L.R. (3d) 302 (B.C.S.C.); Kelly Gill & R. Scott Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition*, at 7.1(d) (2011).

⁴²⁰ See, e.g., *Car-Freshner Corp. v. S.C. Johnson & Son, Inc.*, 70 F.3d 267 (2d Cir. 1995); *Sunmark, Inc. v. Ocean Spray Cranberries, Inc.*, 64 F.3d 1055 (7th Cir. 1995). See also Trade-marks Act, R.S.C. 1985, c. T-13, s. 20(1)(b)(ii).

⁴²¹ See, e.g., 402 F.2d 562 (9th Cir. 1968); *New Kids on the Block v. News America Publishing, Inc.*, 971 F.2d 302 (9th Cir. 1992); *G. D. Searle & Co. v. Gilbert Surgical Supply Co.* (1960), 33 C.P.R. 51 (Can. Ex. Ct.); *Clairol International Corp. v. Thomas Supply & Equipment Co.* (1968), 55 C.P.R. 176 at 192, 194-195 (Can. Ex. Ct.).

⁴²² 15 U.S.C. § 1114(1)(a).

⁴²³ 15 U.S.C. § 1125(a)(1)(A).

⁴²⁴ See, e.g., *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492 (2d Cir. 1961); *Roto-Rooter Corp. v. O'Neal*, 513 F.2d 44, 45 (5th Cir. 1975); *Helene Curtis Industries, Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977); *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979).

The Canadian Trade-marks Act prohibits the unauthorized confusing use of trademarks in three ways. First, Section 19 prohibits any use of a mark identical to a registered mark on goods or services identical to those referenced in the registration.⁴²⁵ To satisfy this double identity provision, the plaintiff need not show confusion. Second, Section 20 prohibits any use of a mark similar or identical to a registered mark on any goods or services in a manner that is likely to lead consumers to believe that the defendant's and the plaintiff's goods or services come from the same source, or that the plaintiff sponsors, approves of, or has licensed the defendant's goods.⁴²⁶ Section 6(5) provides an illustrative list of factors that courts should consider to determine whether consumers are likely to be confused.⁴²⁷ The list includes factors relating to the similarity of the marks, the nature of the trade and goods or services at issue, and the strength of the plaintiff's mark. It should be noted that Section 20 allows even a confusing use of a registered mark provided that it is a bona fide use of a personal name, geographic name of a place of business, or descriptive use, so long as the use does not depreciate the goodwill of the registered mark.⁴²⁸ Third and finally, Section 7 provides protection to unregistered marks against passing off.⁴²⁹

With respect to forms of liability not based on consumer confusion, U.S. law provides protection against the dilution of marks used in commerce, be they registered or not. As of 2006,⁴³⁰ Section 43(c) of the Lanham Act specifies two forms of dilution: "dilution by blurring," which the Act defines as "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark,"⁴³¹ and "dilution by tarnishment," which the Act defines as "association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark."⁴³² To qualify for either form of antidilution protection, the mark must be "famous," that is, "widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner."⁴³³ Under this provision, marks that possess no more than "niche fame" in a particular category of trade or a limited geographic area cannot receive federal antidilution protection. Outside of the niche fame context, it has proven difficult to predict what level of recognition U.S. courts will require for a mark to qualify for federal antidilution protection. Apparently in an effort to reach what they perceived to be equitable

⁴²⁵ Trade-marks Act, R.S.C. 1985, c. T-13, s. 9.

⁴²⁶ Trade-marks Act, R.S.C. 1985, c. T-13, s. 20. For an example of a case in which a Canadian court found sponsorship confusion, see *Glen-Warren Productions Ltd. v. Gertex Hosiery Ltd.*, [1990] 29 C.P.R.3d 7 (Fed. Ct.) (finding that "even if sales of hosiery would not appear at first blush to be related to a beauty pageant, it is likely that consumers might assume the organizers of the Miss Canada pageant had in some way approved, licensed, or sponsored the use of its trade-mark by a business which markets hosiery under the "MISS CANADA" trade-mark, or that there was some business connection between Hosiery and the Miss Canada pageant").

⁴²⁷ Trade-marks Act, R.S.C. 1985, c. T-13, s. 6(5).

⁴²⁸ Trade-marks Act, R.S.C. 1985, c. T-13, s. 20.

⁴²⁹ Trade-marks Act, R.S.C. 1985, c. T-13, s. 7.

⁴³⁰ The Trademark Dilution Revision Act, which became law on October 6, 2006, significantly revised U.S. federal antidilution law. See Pub. L. No. 109-312, 120 Stat. 1730 (codified as amended at 15 U.S.C.A. § 1125(c) (West Supp. 2007).

⁴³¹ 15 U.S.C. § 1125(c)(2)(B).

⁴³² 15 U.S.C. § 1125(c)(2)(C).

⁴³³ 15 U.S.C. § 1125(c)(2)(A).

results, U.S. courts have sometimes offered federal antidilution protection to relatively obscure marks.⁴³⁴

Under U.S. federal law as of 2006, the antidilution plaintiff need only show a likelihood of dilution.⁴³⁵ In 2003, in *Moseley v. V Secret Catalogue*,⁴³⁶ the Supreme Court had interpreted the then-applicable statute to require a showing of actual dilution. As of 2006, the new law⁴³⁷ has overridden this Supreme Court ruling.

Section 43(c)(3) sets forth a variety of “exclusions” from liability for trademark dilution. Because of their relevance to the relation between U.S. trademark law and the public domain, the statutory language is quoted here in full:

“(3) Exclusions. The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with—

- (i) advertising or promotion that permits consumers to compare goods or services; or
- (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.”⁴³⁸

Notably, Section 43(c)(3)(A) does not apply in situations where the defendant is using the designation at issue as a mark, that is, as a designation of source for its own goods or services.⁴³⁹

In a body of doctrine comparable in effect to U.S. antidilution law, Canadian trademark law offers protection to registered marks against depreciation of their goodwill. Section 22 of the Trade-marks Act states: “No person shall use a trade-mark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto.”⁴⁴⁰ The Supreme Court of Canada has identified four elements that must be shown

⁴³⁴ See, e.g., *Shreveport La. Hayride Co., L.L.C. v. Kent*, 2009 U.S. Dist. LEXIS 41411 (W.D. La. May 14, 2009) (finding that the mark LOUISIANA HAYRIDE qualifies for federal antidilution protection); *Rhino Membranes & Coatings Inc. v. Rhino Seamless*, 2008 U.S. Dist. LEXIS 79491 (S.D. Tex. Sept. 30, 2008) (finding that the mark RHINO qualifies for federal antidilution protection). But see *Maker's Mark Distillery, Inc. v. Diageo N. Am., Inc.*, 2010 U.S. Dist. LEXIS 32810, at *63 (W.D. Ky. Apr. 2, 2010) (finding that the mark MAKER'S MARK is not sufficiently famous to qualify for federal antidilution protection despite “admitted parochial pride of many Kentuckians in this brand's success”).

⁴³⁵ 15 U.S.C. § 1125(c)(1).

⁴³⁶ 537 U.S. 413 (2003).

⁴³⁷ See supra footnote 430.

⁴³⁸ 15 U.S.C. § 1125(c)(3).

⁴³⁹ See *Louis Vuitton Malletier V. Haute Diggity Dog*, 507 F.3d 252, 266 (4th Cir. 2007).

⁴⁴⁰ Trade-marks Act, R.S.C. 1985, c. T-13, s. 22.

under Section 22: (1) the defendant must be using a sign similar or identical to the plaintiff's registered mark in connection with goods or services; (2) the plaintiff's mark must be "sufficiently well known to have significant goodwill attached to it";⁴⁴¹ (3) the plaintiff's mark must be used in a manner likely to have an effect on that goodwill; and (4) the likely effect would be to depreciate the value of the goodwill.⁴⁴² The Canadian Supreme Court has emphasized that "Section 22 does not require the mark to be well known or famous (in contrast to the analogous European and U.S. laws), but a defendant cannot depreciate the value of the goodwill that does not exist."⁴⁴³ The degree of mark strength that is necessary to trigger Canadian goodwill protection is thus lower than the comparable degree of mark strength required to trigger U.S. antidilution protection. However, the Canadian Supreme Court has implied that a plaintiff's goodwill must be "considerable" for Section 22 to apply.⁴⁴⁴ As with U.S. antidilution law, confusion is not a necessary element of a Section 22 cause of action. Furthermore, Section 22 requires that the defendant "use" the sign at issue in connection with goods or services as the term "use" is defined in Sections 2 and 4 of the Trade-marks Act, but it does not require that the defendant use the mark as a mark, that is, as a designation of source of its own goods or services.⁴⁴⁵

Section 22 of the Trade-marks Act contains no "exclusions" akin to those found in Section 43(c)(3) of the Lanham Act. However, the Section's requirement that the defendant "use" the sign at issue in connection with goods or services has been interpreted to permit the kind of critical commentary and other noncommercial conduct addressed by Section 43(c)(3).⁴⁴⁶

2. Misappropriation of signs belonging to a common patrimony

2.1 *Absolute Bars to Protection*

U.S. trademark law will not register or otherwise protect as a trademark any asserted exclusive right in common patrimonial designations. In compliance with U.S. obligations under Article 6ter of the Paris Convention, the Lanham Act excludes from registration any designation that "[c]onsists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof."⁴⁴⁷ For example, the PTO refused to register a mark consisting of a modestly stylized version of the Swiss flag above the words "Swiss Guard."⁴⁴⁸ The PTO will, however, allow the registration of marks that consist of elements of national flags or other common patrimonial indicia when these elements

⁴⁴¹ *Veuve Clicquot Ponsardin v. Boutiques Cliquot*, 2006 S.C.C. 23, at para. 46.

⁴⁴² *Id.*

⁴⁴³ *Id.*

⁴⁴⁴ *Id.* at para. 55.

⁴⁴⁵ See *Cie générale des établissements Michelin- Michelin & Cie v. C.A.W.-Canada* (1996), 71 C.P.R. (3d) 348 (Fed. T.D.); *Clairol International Corp. v. Thomas Supply & Equipment Co.* (1968), 55 C.P.R. 176 at 192 (Can. Ex. Ct.). See also Kelly Gill & R. Scott Jolliffe, *Fox on Canadian Law of Trade-marks and Unfair Competition*, at 7.8(e) (2011).

⁴⁴⁶ See, e.g., *Cie générale des établissements Michelin- Michelin & Cie v. C.A.W.-Canada* (1996), 71 C.P.R. (3d) 348 (Fed. T.D.), at para. 47.

⁴⁴⁷ 15 U.S.C. § 1052(b).

⁴⁴⁸ See U.S. PTO Trademark Manual of Examining Procedure, § 1204.01(a) (2011).

appear in highly stylized or incomplete form.⁴⁴⁹ The Lanham Act further excludes from registration any designation “which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.”⁴⁵⁰ This provision prevents, in particular, the registration of designations that “falsely suggest a connection” with intergovernmental organizations.⁴⁵¹ The PTO must show, however, that consumers would be confused by the false designation. Thus, the PTO will register marks evocative of national governments or intergovernmental organizations, such as representations of monuments, statutes, or buildings associated with the U.S. government (for example, an image of the Statue of Liberty or the White House)⁴⁵² or any other government or intergovernmental organization, provided that the marks do not disparage these symbols, falsely suggest a connection with the institutions they represent, or otherwise hold these institutions or symbols up to contempt.⁴⁵³

In a body of law related to trademark law and also implementing U.S. obligations under Article 6ter, U.S. law provides for specific statutory protection absolutely prohibiting the unauthorized use of various designations adopted by the U.S. government or particular national and intergovernmental organizations, such as the Red Cross,⁴⁵⁴ the Red Crescent,⁴⁵⁵ or the term “Olympics.”⁴⁵⁶ In a controversial case, the U.S. Supreme Court ruled that a gay rights organization could not use the term “Gay Olympics” without the authorization of the United State Olympic Committee, which had denied authorization.⁴⁵⁷

With respect to designations that refer to deceased individuals of cultural significance, the PTO will allow the registration of such terms if their use is not deceptive and if there is no longer any person entitled to assert a propriety right in the individual’s identity.⁴⁵⁸ Numerous names of historically significant individuals populate the PTO’s Principal Register.⁴⁵⁹ Recent case law in the U.S. has addressed the registrability of Native American designations. In 2004, the PTO denied registration to the designation apache for cigarettes on the ground

⁴⁴⁹ See U.S. PTO Trademark Manual of Examining Procedure, § 1204.01(b) (2011). For example, the PTO registered a mark one element of which consisted of the U.S. flag in the shape of the overall outline of the lower 49 states. See id.

⁴⁵⁰ 15 U.S.C. § 1052(a).

⁴⁵¹ See U.S. PTO Trademark Manual of Examining Procedure, § 1205.02 (2011).

⁴⁵² See U.S. PTO Trademark Manual of Examining Procedure, § 1204.02(d) (2011).

⁴⁵³ See id. at § 1203.03(b).

⁴⁵⁴ See 18 U.S.C. §708

⁴⁵⁵ See 18 U.S.C. §706a.

⁴⁵⁶ See 36 U.S.C. §220506(a). See also U.S. PTO Trademark Manual of Examining Procedure, § 1205.01(d) (2011).

⁴⁵⁷ See *San Francisco Arts & Athletics, Inc. v. U.S. Olympic Committee*, 483 U.S. 522 (1987).

⁴⁵⁸ See U.S. PTO Trademark Manual of Examining Procedure, § 1203.03(a) (2011). See also *Geo. Washington Mint, Inc. v. Washington Mint, Inc.*, 349 F. Supp. 255 (S.D.N.Y. 1972) (finding *GEORGE WASHINGTON MINT* for silver plates to be a protectable mark); *Lucien Piccard Watch Corp. v. Since 1868 Crescent Corp.*, 314 F. Supp. 329 (S.D.N.Y. 1970) (holding that *DA VINCI* for watches does not falsely suggest connection with deceased artist Leonardo Da Vinci); *In re MC MC S.r.l.*, 88 U.S.P.Q.2d 1378 (TTAB 2008) (holding that *MARIA CALLAS* for jewelry does not falsely suggest a connection with deceased opera singer Maria Callas).

⁴⁵⁹ See, e.g., U.S. PTO Reg. No. 1860780 (Nov. 1, 1994) (*CAESAR* for computer programs); U.S. PTO Reg. No. 3962490 (May 17, 2011) (*MOZART* for pesticides); U.S. PTO Reg. No. 3905515 (Jan. 11, 2011) (*BEETHOVEN* for pesticides); U.S. PTO Reg. No. 3013961 (Nov. 8, 2005) (*LINCOLN* for tobacco).

that it falsely suggested a connection with the Apache tribes.⁴⁶⁰ The applicant was a member of the Mohawk Indians of New York State, but was not in any way affiliated with any of the Apache tribes of the American Southwest. The PTO denied registration on the ground that the term “Apache” was sufficiently well-known in the American marketplace as to trigger a presumption that consumers would assume a connection between the cigarettes and the Apache tribes when no such connection existed.⁴⁶¹ More controversially, U.S. courts have so far declined to cancel the registrations of the mark Washington Redskins and related marks for a sports team based in the nation’s capital. In *Pro-Football, Inc. v. Harjo*,⁴⁶² a group of Native American activists argued that the name of the sports team was disparaging of Native Americans. Because several of the marks at issue had been registered in the 1960s and ‘70s, while the activists had all long since reached the “age of majority,” the court found that the activists had waited too long to file their action and thus that their lawsuit was barred on grounds of “laches.”⁴⁶³ However, in the currently-pending case of *Blackhorse v. Pro-Football, Inc.*,⁴⁶⁴ a new group of Native American activists, each of whom has only recently reached the age of majority, is again seeking the cancellation of the “redskin” marks on disparagement grounds. Because these plaintiffs are not subject to the laches defense, it is anticipated that the courts will be forced to address the substantive question of whether the marks at issue are disparaging of Native Americans.

Additionally, the Lanham Act prohibits the registration of any mark that “[c]onsists of or comprises immoral, deceptive, or scandalous matter.”⁴⁶⁵ On the basis of this provision, the PTO has refused registration to marks that use religious designations in a scandalous manner.⁴⁶⁶ Standing requirements in such cases are very liberal, so that nearly any person may seek to oppose or otherwise cancel a registration on these grounds. Typically, however, members of the relevant religious group bring the action.

Like the Lanham Act, the Trade-marks Act sets forth numerous restrictions on the registration of common patrimonial and culturally-significant designations. Canada fulfills its obligations under Article 6ter of the Paris Convention in Section 9 of the Act, which provides that “[n]o person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for,”⁴⁶⁷ any armorial, territorial, or civic designation of an entity listed under Article 6ter or otherwise covered by TRIPS.⁴⁶⁸ Section 9 further excludes from registration certain designations used without authorization and associated with the British Royal Family, the Governor General of Canada,

⁴⁶⁰ See *In re White*, 73 U.S.P.Q.2d 1713 (TTAB 2004).

⁴⁶¹ See *id.* at 1720.

⁴⁶² 565 F.3d 880 (D.C. Cir. 2009).

⁴⁶³ See *id.*

⁴⁶⁴ Cancellation No. 92046185, U.S. PTO (pending).

⁴⁶⁵ 15 U.S.C. § 1052(a).

⁴⁶⁶ See, e.g., *In re Reemtsma Cigarettenfabriken G.m.b.H.*, 122 U.S.P.Q. 339 (TTAB 1959) (refusing the registration of *SENUSSI*, a term denoting an Islamic sect, in connection with cigarettes). But see *In re Hines*, 32 U.S.P.Q.2d 1376 (TTAB 1994) (allowing *BUDDA BEACHWARE* to proceed to publication since practitioners of the Buddhist religion may file an opposition if they believe the term to be scandalous).

⁴⁶⁷ s. 9(1). Canadian courts have interpreted the “or otherwise” phrase to mean “in connection with a business.” See *Canadian Olympic Assn. v. Konica Canada Inc.* (1990), 1990 CarswellNat 640, [1990] F.C.J. No. 256, 1990 CarswellNat 640F, [1990] 2 F.C. 703, 35 F.T.R. 59, 30 C.P.R. (3d) 60, 69 D.L.R. (4th) 432, ¶18, Denault J. (Fed. T.D.).

⁴⁶⁸ Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(i).

or Canadian government or public entities.⁴⁶⁹ However, terms that allude “in a *general* way to royalty or a crown” may be registrable.⁴⁷⁰ With respect to historical personages, the Trade-Marks Act excludes from registration “the portrait or signature of any individual who is living or has died within the preceding thirty years,”⁴⁷¹ provided that the typical Canadian consumer would perceive the mark as such and that the applicant has not received authorization from the identified individual or his or her estate.⁴⁷² More generally, the Act prohibits the unauthorized use of “any matter that may falsely suggest a connection with any living individual.”⁴⁷³ Like U.S. law, Canadian law also restricts the use of various designations adopted by national and international organizations, such as the United Nations.⁴⁷⁴

Finally, the Trade-marks Act restricts the use of “any scandalous, obscene or immoral word or device.”⁴⁷⁵ On the basis of this provision, CIPO notes in its Trade-marks Examination Manual a British ruling that refused registration to a religious term used in a scandalous manner.⁴⁷⁶

2.2 *Culturally-Significant Designations and Source Distinctiveness*

To receive trademark protection in a culturally-significant designation, the commercial user of that designation must show not simply that its use is consistent with the requirements referred to in the previous subsection, but also that it is using the designation in a source-distinctive manner. In this regard, both U.S. and Canadian law are, in effect, quite liberal in their review of the source-distinctiveness of culturally-significant designations, such as the names of historical personages. U.S. law, for example, will typically assume that consumers will perceive the use of a famous historical name in connection with a product as an arbitrary usage. Thus, in analyzing the protectability of da vinci for jewelry, a U.S. court found that no consumer would believe that the fifteenth-century artist was responsible for the goods at issue.⁴⁷⁷ Courts have reasoned similarly in cases involving marks such as george washington mint for silver plates⁴⁷⁸ and medici classics for classical music performances.⁴⁷⁹ U.S. law has adopted the same approach with reference to historically-significant institutions or locations.⁴⁸⁰

⁴⁶⁹ See generally Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(a)-(o).

⁴⁷⁰ Canadian Intellectual Property Office, Trade-marks Examination Manual, at IV.8.2 (1996) (emphasis in original). See also *Distillerie Stock U.S.A. Ltd. v. Maple Leaf Distillers Inc.* (2005), [2005] T.M.O.B. No. 81, 2005 CarswellNat 2782, 2005 CarswellNat 2783 (T.M. Opp. Bd.) at paras 32-35.

⁴⁷¹ Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(l).

⁴⁷² See Trade-marks Examination Manual, at IV.3.11.

⁴⁷³ Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(k).

⁴⁷⁴ See Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(f)-(h) & (m).

⁴⁷⁵ Trade-marks Act, R.S.C. 1985, c. T-13, s. 9(1)(j).

⁴⁷⁶ See Canadian Intellectual Property Office, Trade-marks Examination Manual, IV.8.6 (1996) (citing *In Hallelujah Trade Mark* (1976), [1976] R.P.C. 605).

⁴⁷⁷ See *Lucien Piccard Watch Corp. v. Crescent Corp.*, 314 F. Supp. 329, 331 (S.D.N.Y. 1970). See also *Stephano Bros. v. Stamatopoulos*, 238 F. 89, 93 (2d Cir. 1916) (finding protectable the mark RAMESES for cigarettes).

⁴⁷⁸ *Washington Mint, Inc. v. Washington Mint, Inc.*, 349 F. Supp. 255 (S.D.N.Y. 1972).

⁴⁷⁹ *Medici Classics Productions LLC v. Medici Group LLC*, 590 F. Supp. 2d 548, 553 (S.D.N.Y. 2008).

⁴⁸⁰ See, e.g., U.S. PTO Reg. No. 2103999 (Oct. 7, 1997) (GETTYSBURG for cabinets and shelving).

Relatedly, where the mark at issue does not “uniquely and unmistakably”⁴⁸¹ point to a particular culturally-significant person or institution, the law will not prohibit registration. Thus, a court found that the mark *notre dame* for cheese did not falsely suggest a connection with the University of Notre Dame because the term “Notre Dame” also “serves to identify a famous and sacred religious figure and is used in the names of churches dedicated to Notre Dame.”⁴⁸² The court did not address the possibility that the use of a sacred term in connection with cheese might be perceived as scandalous.

2.3 *Limitations on Trademark Protection*

It is important to recognize that, in the U.S. and Canada, trademark rights in culturally-significant designations are subject to the same limitations in scope as trademark rights in any other designations. Thus, both U.S. and Canadian law will find no liability for noncommercial uses of such designations. Furthermore, third parties will not be found liable for using such designations in a descriptive sense (for example, to describe their own products) or a nominative sense (for example, to refer to the trademark owner). With respect to confusion-based causes of action, neither law will find liability for commercial uses of such designations other than as a designation of source. Stated more generally, neither law will prevent third parties from using such designations when such use will not confuse consumers as to the source of the goods to which the designations are attached.

With respect to dilution-based causes of action in the U.S., liability may be found for unauthorized non-confusing uses that dilute the distinctiveness of a mark’s owners mark, but only if (1) the mark qualifies as famous and (2) the owner can show that the association impairs the distinctiveness or tarnishes the reputation of the mark. This latter requirement may help significantly to limit the scope of trademark rights granted in culturally-significant signs, since it is typically difficult for the plaintiff to make the added showing that the mere association between the marks at issue will likely lead to the impairment of the distinctiveness or tarnishment of the plaintiff’s mark. With respect to depreciation claims in Canada, the mark owner must show “significant goodwill” and that this goodwill will be depreciated in value by a third party’s conduct. As with the U.S. requirement that the plaintiff show impairment of distinctiveness or tarnishment, the requirement in Canadian law that the plaintiff show depreciation of goodwill is typically very difficult to meet.⁴⁸³ This may again help to limit the scope of rights in culturally-significant signs.

U.S. law in particular has a large set of cases dealing with the issue of unauthorized parodic uses of trademarks.⁴⁸⁴ Many of these cases are adjudicated in light of the general political and social goals of guaranteeing freedom of expression in line with the First Amendment, even if the First Amendment is never explicitly mentioned in the judge’s opinion. It appears that rather than engage the constitutional issue, U.S. judges are increasingly turning to the expedient of simply finding no likelihood of consumer confusion (and no likelihood of dilution) in allowing unauthorized parodic uses of otherwise protected marks.⁴⁸⁵ While most

⁴⁸¹ U.S. PTO Trademark Manual of Examining Procedure, § 1203.03(e) (2011).

⁴⁸² *University of Notre Dame Du Lac v. J.C. Gourmet Food Imports Co.*, 703 F.2d 1372, 1377 (Fed. Cir. 1983) (quoting the TTAB).

⁴⁸³ See, e.g., *Veuve Clicquot Ponsardin v. Boutiques Cliquot*, 2006 S.C.C. 23, at para. 67 (finding no likelihood of depreciation of the goodwill of the mark *VEUVE CLICQUOT* for champagne by the mark *CLICQUOT* for women’s wear shops).

⁴⁸⁴ See generally William McGeeveran, *Rethinking Trademark Fair Use*, 94 *Iowa L. Rev.* 49 (2008).

⁴⁸⁵ See, e.g., *Louis Vuitton Malletier V. Haute Diggity Dog*, 507 F.3d 252 (4th Cir. 2007).

controversies involving parodic uses that reach a court decision resolve in favor of the third party, it is crucial to recognize in the U.S. context the “chilling effect”⁴⁸⁶ that the mere threat of trademark litigation may exert on public domain speakers. Such speakers may not have the resources to defend themselves against a strike suit, with the result that the risk of such a suit may result in self-censorship.

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Descriptive Signs and Secondary Meaning*

Both U.S. and Canadian trademark law will deny protection to designations that are merely descriptive of the goods or services to which they are attached unless the commercial user of the designation can show that the designation has developed secondary meaning as a distinctive of source. The Lanham Act sets forth this rule in Sections 2(e) and 2(f);⁴⁸⁷ the Trade-marks Act does so in Sections 12(1) and 12(2).⁴⁸⁸ The assumption underlying this rule is that descriptive designations are not perceived by consumers as inherently distinctive of source, and in any event, such designations should be free for use by competitors unless consumers have come to perceive such designations as distinctive of a particular commercial entity.

U.S. and Canadian law apply roughly similar analyses to determine whether a descriptive designation has developed secondary meaning. Because the Lanham Act does not specify what kind of evidence will support a finding of secondary meaning, courts and the PTO have developed over time a set of factors that they typically use to analyze the issue. These include the duration and extent of the applicant’s or common law owner’s use and advertising of the designation, testimony of individual consumers, survey evidence, third-party uses of the designation and, in particular, the intent of such third-parties in using the designation.⁴⁸⁹ In Canada, by comparison, the Trade-marks Act specifies in Section 32(1) that the applicant seeking to register a descriptive mark on the basis that it has developed secondary meaning must submit an affidavit to CIPO “establishing the extent to which and the time during which the trade-mark has been used in Canada” along with any other relevant evidence. As in the U.S., Canadian courts and CIPO will place great weight on persuasive survey evidence.⁴⁹⁰ Both U.S. and Canadian trademark law have developed special rules relating to two important categories of descriptive marks: personal names and geographical designations. With respect to personal names, both laws generally hold that terms that consumers will perceive to be personal names are per se descriptive (rather than inherently distinctive). Thus, the applicant or common law user must show secondary meaning in the term to assert exclusive rights.⁴⁹¹

⁴⁸⁶ See generally William McGeeveran, Rethinking Trademark Fair Use, 94 Iowa L. Rev. 49, 61-66 (2008).

⁴⁸⁷ 15 U.S.C. §§ 1052(e) and 1052(f).

⁴⁸⁸ Trade-marks Act, R.S.C. 1985, c. T-13, ss. 12(1) and 12(2).

⁴⁸⁹ See generally J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition, at § 15 (2011). See also U.S. PTO Trademark Manual of Examining Procedure, § 1212.06 (2011).

⁴⁹⁰ See Kelly Gill & R. Scott Jolliffe, Fox on Canadian Law of Trade-marks and Unfair Competition, at 4.4(m)(v) (2011); Canadian Intellectual Property Office, Trade-marks Examination Manual, at IV.10.2.3 (1996).

⁴⁹¹ For U.S. law, see 15 U.S.C. §§ 1052(e)(4) and 1052(f). See also *E. & J. Gallo Winery v. Gallo Cattle Co.*, 967 F.2d 1280 (9th Cir. 1992). But see *Peaceable Planet, Inc. v. TY, Inc.*, 362 F.3d 986, 991 (7th Cir. 2004) (“Treating the personal-name rule as a prohibition against ever using a personal name as a trademark (in the absence of secondary meaning) would lead to absurd results, which is a good reason for hesitating to press a rule to its logical limit, its semantic outer bounds.”). For Canadian law, see Trade-marks Act, R.S.C. 1985, c. T-13, ss. 12(1)(a) and 12(2).

Even when the commercial user of the mark consisting of a personal name succeeds in showing secondary meaning, third parties (particularly those who personally bear the same name) may use the name in commerce provided that the use will not unduly confuse consumers and is not in bad faith.⁴⁹² In this regard, U.S. law in particular has grown over the past century less and less solicitous of a third party's right to use its own name in commerce when doing so may cause confusion with an already well-established and closely similar mark.⁴⁹³ Of course, non-commercial users of the name remain free to use the name in any noncommercial manner.

With respect to geographical designations other than those relating to wines and spirits, U.S. and Canadian law generally treat such designations as descriptive if the goods or services in connection with which the designation is used actually come from the geographic location identified and the relevant consumer population is aware of the geographic meaning of the term.⁴⁹⁴ The commercial user of such a term must therefore show that the term has acquired secondary meaning in order to assert the exclusive right to use it in the relevant category of goods or services.⁴⁹⁵ Even then, other commercial users of such terms may continue to use them in a descriptive or nominative manner provided that their use does not unduly confuse consumers as to the commercial source of the goods or services at issue.

With respect to geographical terms relating to wines and spirits, the U.S. and Canada fulfill their obligations under Article 23 of TRIPS in different ways. In Canada, Section 11 of the Trade-marks Act sets forth in detail the process by which CIPO maintains a list of "protected geographical indications" relating to wines and spirits that may not be registered unless the wine or spirit at issue originates from the geographic location indicated.⁴⁹⁶ Section 11's proscriptions apply to translations in any language of terms referring to such geographic locations. In the U.S., the Lanham Act contains no such provisions calling for a list of protected geographical terms relating to wines and spirits—though the recent U.S.-E.C. Wine Agreement has in effect created such a list.⁴⁹⁷ Instead, the PTO assesses on a case by case basis the registrability of geographic designations relating to wines and spirits when the wines or spirits at issue do not originate in the place identified by the geographic designation.⁴⁹⁸

3.2 *Generic Signs*

Under Section 2(e)(1) of the Lanham Act and Section 12(1)(b) of the Trade-marks Act, U.S. and Canadian law will refuse to register a specific subcategory of especially descriptive terms known as "generic" terms, even in the unlikely event that a commercial user of the term can show that the term has developed secondary meaning pointing uniquely to that user. Such terms are "common names that the relevant purchasing public understands primarily as describing the genus of goods or services being sold."⁴⁹⁹ Thus, for example, the PTO refused

⁴⁹² See generally *Basile, S.p.A. v. Basile*, 899 F.2d 35 (D.C. Cir. 1990).

⁴⁹³ See, e.g., *R.J. Toomey Co. v. Toomey*, 683 F. Supp. 873, 879 (D. Mass. 1988) ("[T]he old notion that an individual has an absolute right to use her surname when someone else has adopted the name first and established secondary meaning is dead.").

⁴⁹⁴ 15 U.S.C. § 1052(e)(2); Trade-marks Act, R.S.C. 1985, c. T-13, s. 12(1)(b).

⁴⁹⁵ 15 U.S.C. § 1052(f); Trade-marks Act, R.S.C. 1985, c. T-13, s. 12(2).

⁴⁹⁶ Trade-marks Act, R.S.C. 1985, c. T-13, s. 11.

⁴⁹⁷ Agreement Between the United States of America and the European Community on Trade in Wine, U.S.-E.C., Mar. 10, 2006, <http://www.ttb.gov/agreements/eu-wine-agreement.pdf>.

⁴⁹⁸ See 15 U.S.C. §§ 1052(a) and 1054.

⁴⁹⁹ In re *Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1344 (Fed. Cir. 2001).

to register the term “Analog Devices” for a company by that name selling such devices even when the company presented colorable evidence of secondary meaning among some consumers.⁵⁰⁰

3.3 *Functional Signs*

Both U.S. and Canadian trademark law will refuse to register or otherwise protect product packaging or configuration that is “functional” either in an aesthetic or utilitarian sense—again, regardless of whether the commercial user can show secondary meaning. In the case of *Kirkbi AG v. Ritvik Holdings Inc.*,⁵⁰¹ involving the protectability under trademark law of the design of Lego plastic bricks, the Supreme Court of Canada explained the rationale for the functionality bar to protection of utilitarian product designs: “At the root of the functionality principle in European law, as in Canadian intellectual property law, lies a concern to avoid overextending monopoly rights on the products themselves and impeding competition, in respect of wares sharing the same technical characteristics.”⁵⁰² U.S. law establishes the functionality bar to protection in Section 2(e)(5) of the Lanham Act, which prohibits the registration of any mark that is “comprises any matter that, as a whole, is functional.”⁵⁰³ Though U.S. courts remain in some disagreement over how to determine whether a product feature is functional either in a utilitarian or aesthetic sense, the U.S. Supreme Court has stated that “in general terms, a product feature is functional, and cannot serve as a trademark, if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”⁵⁰⁴ The statutory basis for Canada’s functionality bar to protection is found in Section 13(b) of the Trade-marks Act, which will allow the registration of a distinguishing guise provided that “the exclusive use by the applicant of the distinguishing guise in association with the wares or services with which it has been used is not likely unreasonably to limit the development of any art or industry.”⁵⁰⁵ While the statutory basis for Canadian functionality doctrine thus uses different terminology from the U.S. statutory section addressing functionality, Canadian courts have not placed great emphasis on the phrase “limit the development of any art or industry” and more commonly refer to the issue in terms of “functionality.”⁵⁰⁶

3.4 *Limitations on Trademark Protection*

As discussed in Section 2.3, both U.S. and Canadian law provide for significant limitations on trademark rights that are designed to protect public domain speech. These limitations apply equally as forcefully to descriptive marks that have acquired sufficient secondary meaning to

[Footnote continued from previous page]

⁵⁰⁰ See *In re Analog Devices Inc.*, 6 USPQ2d 1808 (TTAB 1988), *aff’d*, 871 F.2d 1097 (Fed. Cir. 1989).

⁵⁰¹ 2005 S.C.C. 65.

⁵⁰² *Kirkbi AG v. Ritvik Holdings Inc.*, 2005 S.C.C. 65, para. 52.

⁵⁰³ 15 U.S.C. § 1052(e)(5). The Act does not define the term “functional.”

⁵⁰⁴ *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 32 (2001) (quotation marks and citation omitted).

⁵⁰⁵ Trade-marks Act, R.S.C. 1985, c. T-13, s. 13(b). See also *id.* s. 13(2) and 13(3).

⁵⁰⁶ See, e.g., *Kirkbi AG v. Ritvik Holdings Inc.*, 2005 S.C.C. 65. But see *Celliers du Monde Inc. c. Dumont Vins & Spiritueux Inc.* (2001), (sub nom. *Dumont Vins & Spiritueux Inc. v. Canadian Wine Institute*) 15 C.P.R. (4th) 244 (Fed. T.D.) (finding that registration of an opaque white bottle design for wine would not “unduly limit the wine making industry”).

qualify for trademark protection. Descriptive terms used in such marks remain available to others for use in describing the characteristics of goods as well as for use in noncommercial speech. However, as also discussed above, in the U.S. context in particular, the mere threat of costly litigation may result in degradation of the public domain regardless of the design of the law in the books.

4. Conclusion

The subject matter of Canadian and, even more so, of U.S. trademark law has expanded dramatically over the past few decades, as has the scope of exclusive rights afforded to the trademark owner. Because they do not require a showing that the defendant's conduct causes consumer confusion as to the true source of the plaintiff's goods, U.S. antidilution law and Canadian protection against the depreciation of goodwill represent especially expansive forms of trademark protection for qualifying marks. However, basic limitations in both jurisdictions on the subject matter and scope of trademark protection are designed to preserve the public domain. With respect to the subject matter of trademark protection, both nations' laws seek to preserve for the public domain signs that should remain available for public use by denying protection to generic terms, functional product features, and common patrimonial designations. Both laws also refuse protection to other culturally-significant terms unless the applicant for registration or claimant of rights can show that it has some significant connection to the institutions, persons, or locations identified by those terms. U.S. and Canadian law also deny protection to descriptive trademarks unless the applicant or claimant can show that such marks have developed secondary meaning as designations of source. With respect to the scope of trademark protection, both nations' laws generally allow the unauthorized use of a protected mark when the use is noncommercial in nature. Furthermore, even when the unauthorized use is commercial in nature, the use may be allowed if it qualifies as a "nominative" or "descriptive" fair use, in which a speaker uses the trademark owner's mark in good faith either to refer to the trademark owner itself or to describe the characteristics of the speaker's goods. Against the background of both nations' constitutional commitments to the freedom of expression, both nations allow the unauthorized parodic and political uses of marks when such uses do not unduly confuse consumers as to the source of the parodic or political speech or of the products connected to that speech. Nevertheless, though both nations' laws are well-designed to maintain the public availability of signs that should remain available for common use, it is important to take into consideration how such laws work in practice.

E. CARIBBEAN REGION*

In the Commonwealth Caribbean there is established a Caribbean Community created and governed by the Treaty of Chaguaramas. In 2001, the Treaty of Chaguaramas was revised and ratified making provision for *inter alia* the protection of intellectual property rights. Under Art. 66 of the Revised Treaty the Council for Trade and Economic Development (COTED) is entrusted with the duty of promoting the protection of intellectual property rights within the Community. This mandate does not empower COTED to act as a regional court or tribunal to hear and determine upon any trademark infringement matters. Its portfolio does however include the harmonizing of trademark laws and practices. Presently however there is no harmonisation of the laws of the Caribbean countries. Each territory is governed individually by its domestic trademark legislation which varies from territory to territory. Additionally, unlike other communities of its kind, trademark registration, rights and enforcement are limited only to the territory in which the mark is registered. Essentially, a trademark owner, in order to have

* Tammy Bryan, Partner, George Walton Payne & Co., Bridgetown, Barbados.

protection throughout the entire Caribbean Community, must register the trademark in each Caribbean territory and in conformity with each territory's trademark laws.

The trademark legislation of all the Commonwealth Caribbean territories was originally modelled on the Trademark Acts 1938 of the United Kingdom (UK), due to colonial ties with the UK. In some of the territories, the UK trademark legislation still remains in force. However, some of the territories like Antigua & Barbuda, Barbados, Belize, Jamaica, St. Kitts & Nevis, St. Vincent & the Grenadines and Trinidad and Tobago, have in keeping with international trademark standards made modifications to their trademark legislation. In Cayman Islands and Grenada, the legislation, in relation to local trademark registration has not been revised and as a result their law only permits the registration of trademarks already registered in the United Kingdom (UK)⁵⁰⁷. However, new trademark legislation is being proposed in these jurisdictions. In Anguilla, Montserrat and the British Virgin Islands there is hybrid trademark legislation, as there is a Trademarks Act which governs local registration as well as statute making provision for UK based registrations⁵⁰⁸. It is also necessary to note that in the Bahamas, Bermuda, Guyana and the British Virgin Islands only registration in relation to goods is possible and the International Classification of Goods and Services (Nice Classification) is not used to classify the goods.

Against this backdrop, it is to be noted that in the Commonwealth Caribbean, the utilisation of trademark registration is not widespread. In most of the countries there are not many registrations of trademarks by citizens and residents. This lack of registration of trademarks has rendered jurisprudence in this area of law greatly undeveloped. In addition, there is a very limited number of cases before the Courts of the Caribbean territories in relation to the infringement of trademark rights. As a result, there has been no need for the establishment of any special trademarks court or tribunal in the individual jurisdictions or regionally to hear trademark or intellectual property matters.

In the circumstances where there has been a need to have trademark rights enforced by the local Courts, in addition to the legislation of the individual territory, the decisions of the courts of the UK, USA or other Commonwealth countries are heavily relied upon.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

In Bahamas, Bermuda, British Virgin Islands, Guyana, Jamaica, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago and Turks and Caicos Islands, a trademark may consist of all or some of following:

“a device, brand, heading, label, ticket, name, signature, word, words, added matter letter, figures, letter numeral or any combination thereof which is capable of distinguishing the goods and services (where applicable) of one undertaking from those of another undertaking.”⁵⁰⁹

⁵⁰⁷ Both the Acts in Cayman Islands and Grenada is called the Registration of United Kingdom Trademark Act.

⁵⁰⁸ In Anguilla UK registration are available at Part III of the Trademark Act 2002; In Guyana Part II provides for United Kingdom Trademark Registration; In both Montserrat and British Virgin Islands there is the Trademark Acts Cap. 15.23 and Cap. 158, respectively for local registration and the Registration of United Kingdom Trademarks Acts Cap. 15.24 and Cap. 157, respectively.

⁵⁰⁹ See, s 2 of the Antigua & Barbuda Trademark Act (TMA) of 2003; s 2 (1) of the Bahamas Trademark Act Cap. 322; section 1 (1) of the Bermuda Trademark Act Title 17 Item 43; s 2 (1) of the Guyana Trademark Act Cap 90:01; section 2 (1) of the Jamaica Trademark Act 25 of 2001; section 2 (1) of the St. Lucia Trademark Act Cap.

In Anguilla and Belize a trademark consists of

“words (including personal names), designs, letters, numerals, or shapes of good or their packaging or any combination thereof which is capable of distinguishing the goods and services of one undertaking from those of another undertaking.”⁵¹⁰

In Antigua & Barbuda, Barbados, Dominica, Montserrat and St. Kitts & Nevis, a trademark consists of

“any visible sign capable of distinguishing the goods or services of an enterprise.”⁵¹¹

It can be seen from the above, that the registration of non-traditional marks is not generally available in the Caribbean. However, in Jamaica, St. Lucia and St. Vincent & the Grenadines, provision is made for the registration of colour marks with Jamaica also providing for the registration of a “combination of colours”. Additionally, only St. Lucia and St. Vincent & the Grenadines provide for shape marks, with St. Vincent & the Grenadines, going the furthest by providing for sound marks.

Even though provision is made in St. Lucia and St. Vincent & the Grenadines for the registration of non-traditional marks, no such marks are registered in those countries. In Jamaica, however, the only non-traditional signs which have been registered are colour marks. Furthermore, though Cayman Islands and Grenada may indirectly (through the UK re-registration), make the registration of non-traditional marks possible, no such marks have been registered in these territories.

In light of the fact that a trademark is broadly stated as consisting of any visible sign, in Antigua & Barbuda, Barbados, Dominica, Montserrat and St Kitts & Nevis, non-traditional marks may possibly be registered, but again no attempts have been made in these countries to register non-traditional marks. Additionally, in some of the other named territories⁵¹² the trademark legislation provides that a trademark must “consist of” (or include) the signs named with the primary qualification of the mark being capable of graphical representation. On closer interpretation, this provision may give rise to the possible registration of non-traditional marks, where the mark being registered consists of a traditional and non-traditional signs both being elements of the trademark. This avenue has not been successfully explored in any Caribbean territory.

1.2 *Notion of use in trade*

“Use in the course of trade” is not specifically defined in the legislation of any of the Commonwealth Caribbean territories. Nevertheless, the language of some legislation states that the protection is granted to registered owners against infringement in the course of

[Footnote continued from previous page]

13.30; section 2 (1) of the St. Vincent & the Grenadines Trademark Act, 2003; section 2 (1) of the Trinidad & Tobago Trademark Act Cap. 82:81 and s 2 (1) of the Turks & Caicos Islands Trademark Act Cap. 132.

510 See, section 1 (1) (a) of the Anguilla Trademark Act 2002; section 5 of British Virgin Islands TMA Cap. 158; section 2(1) of the Belize Trademark Act Cap. 257 and section 2 (1) of the Montserrat Trademark Act Cap. 15.23.

511 See, section 2 of the Antigua & Barbuda Trademark Act, 2003; sections 4 and 5 of the Barbados Trademarks Act Cap. 319 section 2 of the Dominica Marks, Collective Marks and Trade Names Act, 1999 (MCM&TNA) and section 2 of the St. Kitts & Nevis Marks, Collective Marks and Trade Names Act, 2000 (MCM&TNA).

⁵¹² See, section 1 of Anguilla TMA 2002; section 2 of Montserrat TMA Cap. 15.23.

trade.⁵¹³ In Jamaica, for example, section 9 expressly states that a registered trademark is infringed by a person who, not being the proprietor of the trademark or a person authorized by him, uses in the “course of trade” a sign that is identical to the trademark, for goods or services being identical to the goods or services for which the trademark is registered.⁵¹⁴ The legislative interpretation of trademark rights being limited to use in the course of trade was reiterated in *Beal Industrial Limited v Trinidad Match Company*.⁵¹⁵ Essentially, protection is granted to a registered owner where there is use, by a defendant, of an identical mark or a mark likely to be mistaken for the registered mark in sales or distributions⁵¹⁶ or in an industrial or commercial way.⁵¹⁷ Additionally, the registered owner of a trademark is protected, where there is use of the mark on signboards, advertisements, invoices, business letters, documents, import and export, etc.⁵¹⁸

In some of the Caribbean territories trademark protection may also be extended beyond use in the course of trade as provision is made for an owner to institute proceedings against any person who uses the mark without permission or who performs acts which make it likely that infringement will occur or takes unfair advantage of or is detrimental to the registered mark.⁵¹⁹ Given that the “use of the mark” or the “act performed” were not expressly stated to be in the course of trade, acts outside the trade which infringe the rights of a registered owner, may be prohibited by invoking this section. It is to be noted that in the circumstances where the registered owner of a trademark is a religious or cultural organisation, use by that organisation of their trademark may amount to use in the course of trade.⁵²⁰

1.3 Notion of trademark use

Trademark use is, in the Commonwealth Caribbean, generally taken to be use as a trademark. There being no High court ruling on this issue, the language of the individual territories' legislation, serves as the only indicator as to the definition of trademark use. It can be said that trademark use is spoken of in relation to the goods and/or services to which the mark is registered.⁵²¹ Thus for example in St. Lucia, section 2(5) provides that use of a trademark in

⁵¹³ See, section 25 (1) of Belize TMA; section 5 (2) of Bermuda TMA Title 17 Item 43; section 6 of Guyana TMA; section 15 of Montserrat TMA; section 101 (3) of St. Vincent & the Grenadines TMA 2003; section 5 (1) of Trinidad & Tobago TMA Cap. 82:81 and section 33 (1) of Turks & Caicos TMA.

⁵¹⁴ Jamaica's TMA section 9 (2).

⁵¹⁵ JM 2005 SC 30 (Jamaica High Court decision, 2004/HCV01976).

⁵¹⁶ Section 66A of Trinidad & Tobago TMA.

⁵¹⁷ See, section 2 of The Bahamas Trademarks Act Cap. 322 and section 9 (8) of Jamaica TMA.

⁵¹⁸ See, section 24 (3) of Antigua & Barbuda TMA 2003; section 2 of The Bahamas Trademarks Act Cap. 322; section 49C (3) of Barbados TMA; section 5 (1) of Bermuda TMA; section 25 (4) of Belize TMA; section 6 (2) of Guyana TMA; section 9 (6) of Jamaica TMA 2001; section 15 (2) of Montserrat TMA; section 2 (11) (b) of St. Lucia Trademarks Act Cap. 13.30 and section 2 (c) of St. Vincent & the Grenadines TMA 2003.

⁵¹⁹ See, section 12 (1) of Anguilla TMA; section 6 (2) of Antigua & Barbuda TMA; section 25 (3) of Belize TMA; section 9 (2) of Dominica MCM&TNA and 9 (2) of St. Kitts & Nevis MCM&TNA 2000.

⁵²⁰ Barbados trademark registration no. 81/12689 owned by Family Evangelism Ministries Church Family & Design which is a religious organization; as well as the trademarks owned by the National Cultural Foundation of Barbados, an organisation established for work in national cultural matters. In Jamaica, the Jamaica Cultural Development Commission owns marks in relation to Jamaica Song Festival and other national cultural events.

⁵²¹ See, section 29 (1) of Anguilla TMA 2002; section 6(1) of Antigua & Barbuda TMA 2003; section 49C (2) of Barbados TMA; section 25 (4) of Belize TMA; section 5 (1) of Bermuda TMA; section 9 (1) of Dominica MCM&TNA 1999; section 13 (2) of Montserrat TMA; section 9 (1) of St. Kitts & Nevis MCM&TNA 2000; section 2(a) of St. Vincent & the Grenadines TMA 2003 and section 36 of Turks & Caicos TMA.

relation to goods and/or services means the use of a trademark upon, or in physical or other relation to, the goods and/or services.⁵²² Additionally, in the Bahamas, at section 2 a trademark is defined as a mark used or proposed to be used upon or in connection with goods for the purpose of indicating that they are the goods of the proprietor.⁵²³ Use of a sign other than in relation to goods or services may be deemed as not being use of a trademark, with the exceptions stated at section 1.2 above, where the sign is used in advertisements or on invoices, documents, etc. It is not clear and there is no case law to suggest that other forms of use other than hereinbefore mentioned and unlikely to be understood as an indication of commercial origin, are considered use pursuant to the legislation. In addition, under the Barbados legislation, unauthorised use is defined as using the mark on goods or packaging of goods. As will be seen below only in a specific circumstance and where a specific result is occasioned, use other than in the course of trade may be an infringement and therefore actionable.

1.4 *Scope of Protection*

In the Commonwealth Caribbean, any sign being registered as a trademark must be capable of distinguishing the goods and services of one enterprise from that of another.⁵²⁴ The protection is expressly afforded against the registration of any mark which is likely to deceive, mislead or cause confusion in the public.⁵²⁵ Thus an application to register any mark, will be refused where the mark is identical with or substantially identical to, or confusingly or deceptively similar to, or constitutes a translation of, a trademark in relation to those goods or services of the same description as the registered goods or closely related or similar goods or services where the mark so nearly resembles the other mark as to be likely to deceive or cause confusion.⁵²⁶ This likelihood of confusion or deception is in relation to one proprietor's goods being regarded as those of another proprietor.

It is to be noted that other infringement and passing off laws also give further protection to trademark owners in addition to the protection provisions granted under the various Trademark Acts.

Additionally, there is a provision for the protection of well-known marks. This provision prohibits the registration of a mark which is identical with, or confusingly similar to, or constitutes a translation of a trademark which is well known, for identical or similar goods or

⁵²² Section 2 (5) of St. Lucia Trademark Act Cap. 13.30.

⁵²³ The Bahamas TMA Cap. 322; section 2 of The Bahamas Trademarks Act Cap. 322 states "...of such trademark by virtue of manufacture, selection, certification, dealing with or offering for sale."

⁵²⁴ See, section (a) of Anguilla TMA; section 2 (i) of Antigua & Barbuda TMA; section 7 of The Bahamas TMA; section 4 of Barbados TMA; section 10 (2) of Bermuda TMA; section 2 of Belize TMA; section 4 (a) of Dominica MCM&TNA; section 11 (2) of Guyana TMA; section 2 (1) of Jamaica TMA; section 2 of Montserrat TMA; section 2 of St Kitts & Nevis MCM&TNA; section 2 of St. Lucia TMA; section 23 (2) of St. Vincent & the Grenadines TMA and section 10 (1) of Trinidad & Tobago TMA.

⁵²⁵ See, section 4 (c) of the Anguilla TMA; section 3 (2) of Antigua & Barbuda TMA; section 8 (1) of Barbados TMA; section 25 (3)(b) of Belize TMA; section 12 (1) of Bermuda TMA; section 4 of Dominica MCM&TNA 1999; section 14 (1) of Guyana TMA; section 7 (1) of Montserrat TMA; section 4 of St. Kitts & Nevis MCM&TNA; section 27 of St. Lucia TMA; section 26 of St. Vincent & the Grenadines TMA; section 5 (1) of Trinidad & Tobago TMA and section 7 of Turks & Caicos Islands TMA.

⁵²⁶ See, section 4 (g) of Anguilla TMA; section 2(vii) of Antigua & Barbuda TMA; section 5 of Barbados TMA; section 17 of The Bahamas TMA; section 37 (2) of Belize TMA; section 6 (2) of Bermuda TMA; section 13 (2) of British Virgin Islands TMA; section 4 (f) of Dominica MCM&TNA; section 13 of Guyana TMA; section 7 of Montserrat TMA; section 4 (f) of St. Kitts & Nevis MCM&TNA; s 28 of St. Lucia TMA; section 100 (2) of St. Vincent & the Grenadines TMA and section 11 of Trinidad & Tobago TMA.

services. Furthermore, protection is available where the goods or services are not identical or similar to those of the mark which is well known and registered, but where the use of the competing sign would indicate a connection between those goods and services and the owner of the well-known trademark and where the interests of the owner of the well-known trademark are likely to be damaged, prejudiced or adversely affected by such use.⁵²⁷ This provision therefore, under certain circumstances, grants protection to well-known marks regardless of whether or not the well-known mark is registered. Accordingly, in Trinidad & Tobago the Registrar refused the registration of an internationally known magazine named *Cosmopolitan* as there existed, in a particular area of Trinidad & Tobago, a well-known and read local “*Cosmopolitan Magazine*”.

A provision for the protection of well-known marks exists in the legislation of the Caribbean territories, except the Bahamas, Bermuda, Guyana, and Turks & Caicos Islands. There is no express provision under the Trademark Acts, in these territories, for the protection of well-known marks. However, other provisions under their Trademark Acts may indirectly give protection to well-known marks, as well as passing off laws. In the said territories there exists a provision for the registration of Defensive Trademarks⁵²⁸. This provision can, though operating differently, give protection to owners of well-known marks. It provides that where a mark is well-known for the goods for which it is registered and used and use in relation to other goods would likely be taken as indicating a connection in the course of trade between those other goods and the goods of the person owning the well-known mark, then the owner of the well-known mark can register the mark against the other goods as a defensive trademark, though he does not use or propose to use the trademark in relation to those other goods. This protection of well-known marks does not exist in the legislation of Cayman Islands and Grenada as only UK re-registration is available there.

From the abovementioned provision it is clear that a distinctive mark will undoubtedly distinguish the goods or services of one enterprise from that of another. However, where the mark is not so distinctive and may be similar to another mark in its representation and/or its goods and services, the test applied is whether the proposed mark is likely to deceive or cause confusion. The test for determining whether another mark, not being distinctive in its representation and/or goods or services, would if registered, be an infringement of a well-known mark, is the adverse effect or damage to the owner of the well-known mark.

In Bermuda there is further protection by section 20 which provides that the Registrar may refuse to register any trademark if it is proved to his satisfaction by the person opposing the application for registration that such mark is identical with or so nearly resembles as to be calculated to deceive or cause confusion, with a trademark which is already registered in respect of the same goods or description of goods in a country or place from which such goods originate. This provision offers a wider scope to trademark owners, especially where the mark is an internationally well-known mark, of the protection of their signs, notwithstanding the fact that their signs are not registered in Bermuda. While it is not a recognition of trademark rights granted in foreign countries, it assists evidentially in showing that a mark is well-known.

2. Misappropriation of Signs Belonging to the Common Patrimony

2.1 *Exclusion of signs*

⁵²⁷ See, section 4 (d) of Anguilla TMA; section 4 (d) of Antigua & Barbuda TMA; section 6 (d) of Barbados TMA; section 61 (2) of Belize TMA; section 4 (e) of Dominica MCM&TNA; section 7 (1)(d) of Montserrat TMA, section 4 (3) of St. Kitts & Nevis MCM&TNA; section 104 (4) of St. Lucia TMA and section 13A of Trinidad & Tobago TMA.

⁵²⁸ See, Bahamas TMA section 35 (1); Bermuda TMA section 30 (1); Guyana TMA section 29 (1) and Turks & Caicos Islands TMA section 33 (1).

The prohibition of the registration of signs belonging to common patrimony as stated under Art. 6ter of the Paris Convention is not found in all the legislation of all the Commonwealth Caribbean territories. There is an identical or a similarly worded provision to that of Art. 6ter in all of the Commonwealth Caribbean territories,⁵²⁹ except Guyana, St. Lucia and Turks & Caicos Islands. In Cayman Islands and Grenada as there is no local registration, no registration of their signs is possible as stated under Art. 6ter. Furthermore, the application of Art. 6ter would be indirectly applied in Cayman Islands and Grenada as they only allow UK registrations (re-registrations) and such a prohibition exists under the UK Trademarks Act 1994.

Without consent of the competent authority, legislation in each of the Caribbean territories prohibits registration of all or some of the following: flags, Coat of Arms, crests, seals, arms of city, borough, town, place, society and insignia of Government Departments, orders of chivalry or other national symbols, without consent of the competent authority. Such protection is not available in British Virgin Islands, Cayman Islands and Grenada. These three countries have not yet passed legislation granting protection against the registration of such signs. In two of the Republic territories in the Commonwealth Caribbean, Guyana and Trinidad and Tobago, exclusion from registration is also extended to any sign consisting of or imitation of or colourable imitation of or resembling so nearly as likely to lead the public to think that the owner of the mark has had the approval or is affiliated with the standard or banner of the President or Arms of the Office of the President.⁵³⁰ In the other monarchical territories, any signs consisting of or imitation of Her Majesty, a representation of the Sovereign or a member of the Royal Family, the Royal Crown or His Excellency, the Governor General are also excluded from registration.⁵³¹ Where there is the likelihood of the public being misled by the registration of any sign that suggests affiliation or approval by the Royal Family or His Excellency, the Governor General, registration or use as a trademark would also be refused. Additionally, in Bermuda, Guyana, Trinidad & Tobago and Turks & Caicos Islands without satisfying a prescribed condition the Registrar will refuse any application which consists of the words Red Cross, Red Crescent, Red Lion and Sun and representation of the red crescent moon or the red lion and sun, on a white or silver ground, the Geneva Cross and representations of the Geneva and other crosses in red or of the Swiss Federal Cross in white on a red ground or silver on a red ground or such representations in a similar colour or colours.⁵³²

There are other signs of common patrimony which are not stated in legislation but which Registrars deem to be signs incapable of being exclusively owned. These signs include words or pictures of national birds, flowers and trees, animals, fruit or parks and other such symbols. Where a mark consists solely of any of these signs it would be refused registration on the

⁵²⁹ See, section 4 (d) of Anguilla TMA; section 2 of Antigua & Barbuda TMA; section 12 of the Bahamas Subsidiary TMA; section 9 of Barbados TMA; sections 62 and 63 of Belize TMA; section 12 (2) of Bermuda TMA; section 4 of Dominica MCM&TNA; section 17 of Guyana Subsidiary TMA; section 8 (g) & (h) of Montserrat TMA; section 4 of St. Kitts & Nevis MCM&TNA and sections 13 & 14 of Turks & Caicos Islands TMA.

⁵³⁰ See, section 16 of Guyana TMA and section 78 of Trinidad & Tobago TMA.

⁵³¹ See, section 11 of the Bahamas Subsidiary TMA; section 12 (2) of Bermuda TMA; Schedule 1 of St. Lucia Subsidiary TMA; Schedule 1 of St. Vincent & the Grenadines Subsidiary TMA and section 12 of Turks & Caicos Islands TMA.

⁵³² Section 14 of the Subsidiary Legislation of Bermuda; Section 15, 16 and 17 of the Subsidiary Legislation of Guyana; Section 11 (2) of the Subsidiary Legislation of Trinidad and Tobago; Section 12 of Turks and Caicos Islands.

ground that it is non-distinctive and generic.⁵³³ Where on the other hand, a mark consists of a distinctive sign together with a national sign, the mark, if distinctive as a whole, may be registered. However, the national sign must be disclaimed⁵³⁴ as it is a sign which must remain free for use by others.

A disclaimer is a document by which the applicant relinquishes the exclusive right to use a sign and/or a word, thereby allowing others to use them. The Registrar or the court, may request an applicant to file a disclaimer for the following reasons: if the trademark contains parts not independently capable of being registered, if it contains matter common to the trade or otherwise of a non-distinctive character.

When a disclaimer is filed by the applicant, it becomes part of the public record and the applicant thereby publicly gives up any right to the exclusive use of any part of parts of the trademark, or of all or any portion of the matter, of which he is held not to be entitled. The disclaimer helps to define rights under the registration. It serves as a notice to the general public that a sign is not exclusively held by an owner and is therefore free for others to use. Therefore any use by a third party of a disclaimed sign is not an infringement and is not actionable.

Additionally, signs of cultural and religious significance are also not expressly excluded from trademark protection by legislation. Therefore protection of any such signs is also left to the discretion of the Registrar and may be rejected based on the sign being non-distinctive. Classically, cultural signs such as national dishes or other noted foods may be refused by the Registrar as being inherently non-distinctive as such signs would have become part of the cultural make-up and vernacular. These cultural signs as indicated above must be disclaimed in order to be registered even where they are coupled with a distinctive sign and distinctiveness through prior use is proven. Cultural signs that relate to national cultural events may also be signs that cannot readily be registered as trademarks. Where a proposed mark consists of a mark of a national cultural event or a mark of religious significance, the Registrar may place the application for registration on hold in order to have the State Department or relevant entity have first preference at owning the mark. Where cultural or religious signs are owned by the State Department or entity, permission must then be acquired from that State Department or entity in order to use the mark. In Barbados cultural events such as *Kadooment* which is that country's carnival day as well as *Pic-o-de-Crop* a competition of songs of social commentary, are marks owned by the State Department of the National Cultural Foundation (NCF). Any event planners wishing to use those words, as well as other events also owned by the NCF must seek permission from that State Department. Similarly in Jamaica there is [Trelawny Yam Festival](#), an Easter Monday event and *Jonkanoo* which is one of Jamaica's Christmas celebrations where party-goers dress in masquerade and parade through the streets. These events are state owned or state subsidised events, therefore the words and/or devices related thereto, cannot be used by the public without permission of the respective State Departments. Where the State does not wish immediately to register these events as trademarks, refusal of any attempted registration is still at the Registrar's discretion.

2.2 Determining Distinctive Character

⁵³³ See Bahamas TMA section 7 (e); Belize TMA section 35 (1) (b); Bermuda TMA section 10 (1) (e); British Virgin Islands TMA section 5; Guyana TMA section 11 (1) (e); Jamaica TMA section 11 (1) (b); Trinidad & Tobago section 10 (1) (e) and Turks & Caicos Islands TMA section 5 (2) (e).

⁵³⁴ See Anguilla Trademark Regulations section 15 (2); Antigua & Barbuda Trademark Regulations section 16 (2); Bahamas TMA section 13; Barbados Subsidiary Regulations section 30; Belize TMA section 28 (1) (a); Bermuda TMA section 15; Guyana TMA section 16; Jamaica TMA section 26; St. Lucia TMA section 58; Trinidad & Tobago section 16 and Turks & Caicos Islands section 11.

Signs of common patrimony such as signs of sacred or cultural significance, as stated above, are not signs usually incorporated in trademark applications in this region at present. Furthermore, apart from the sacred signs mentioned at 2.1, sacred or cultural signs are not expressly prohibited by legislation as being non-distinctive, descriptive or generic signs. The Registrar may refuse the registration of such signs by invoking the general provisions of the Act which prohibit certain signs from being registered based on non-distinctiveness. Thus the Registrar's power under the Act would be the mechanism used to prevent sacred or cultural signs from being registered.

Should a sacred or cultural sign be the only element of a trademark, the Registrar may refuse its registration due to non-distinctiveness. The Registrar would otherwise grant the registration of such a mark in the circumstances where the applicant satisfies all of the other general prerequisites for the registration of a mark, and can show distinctiveness due to prior use. In such circumstances, where prior use is successfully proven and the mark can be registered but before the registration is complete, the Registrar would require the applicant to disclaim exclusive right to the use of the sign pursuant to the various disclaimer sections in the pieces of legislation.⁵³⁵

Registration would also be granted if the sign of common patrimony is coupled with a distinctive sign. However the non-distinctive sign (sign of common patrimony) must again, be disclaimed.

2.3 Acquisition of a Secondary Meaning

A mark which consists of a sign of common patrimony being a sacred, cultural or religious sign or a sign which consists of a national bird, flower, animal, etc. May acquire a secondary meaning in the course of trade. The use of the sign though non-distinctive in and of itself may through prior use acquire a distinctive character. Distinctiveness must be proven by the applicant and where successfully proven the Registrar may nevertheless, require any such signs to be disclaimed in order to have the mark successfully registered. Disclaiming therefore allows the signs to be freely used by other traders, in so far as their use of the sign does not impinge on the common law rights of the first-mentioned trader.

2.4 Exceptions to trademark protection

The legislation of the Caribbean territories does not make provision for exceptions based on the form of use of sacred or cultural signs. However, the legislation does make provision for restricting use of such signs by requiring permission from the competent authority to use those signs. Without acquiring permission, use is prohibited.

3. Abusive appropriation of signs that should remain usable by the public

3.1 Exclusion of Signs

In the Commonwealth Caribbean region, protection of signs that ought to remain available for public use is available by statute and by office practice. The incorporation of signs which ought to remain free for public use such as "insurance", "pizza", "marine", "counter flour" "lottery" and "doubles" in an application for the registration, is not an always absolute ground for refusal. Signs which ought to remain free for public use may fall under the ambit of the

⁵³⁵ See the preceding footnote for references to relevant legislation.

provisions of the Act, prohibiting the registration of non-distinctive, descriptive and/or generic signs. Thus, where the mark consists solely of a non-distinctive, descriptive or generic sign such marks are refused registration.⁵³⁶

However, where a non-distinctive or generic sign is coupled with a distinctive sign and the mark as a whole is distinctive, such a mark may be approved for registration. As indicated above, the entering in the Register of a disclaimer of certain non-distinctive and generic signs will naturally be requested.

Certain signs must also remain free for public use as statute provides that where a mark exclusively consists of a sign which has become a part of the customary language or a part of the *bona fide* and established practices of the trade or business in respective territory, the Registrar may exercise a discretion to register the said mark or permit it to remain on the register.⁵³⁷ Legislation further provides that the Registrar or the Court, in exercising discretion may require the proposed trademark owner to disclaim exclusive rights to the use of the sign.⁵³⁸ Where there is no express provision that a trademark owner is to disclaim exclusive rights to the use of any such signs, office practice would require disclaimers be filed. The disclaimed sign is invariably never exclusively held by a single trader and can be used by other traders in so far as the latter's use does not cause confusion or deception due to similarity of the marks and is incapable of distinguishing the goods of the latter traders from that of the former.

In the Caribbean jurisdictions, any request by the Registrar or the Court, to disclaim exclusive rights to the use of any such common sign, is strictly adhered to. Therefore, as hereinbefore mentioned, jurisprudence in this area of law is very limited. Nevertheless, the High Court of Trinidad & Tobago had to determine *inter alia* whether two signs – one being a word and the other a design – were to remain the exclusive use of the trademark owner.⁵³⁹ In the case of *Nestle Trinidad and Tobago Limited v Dairy Distributors Limited*, the Court held that the mark "Dairy Dairy" was distinctive. However, use of the word "Dairy" alone lacked distinctiveness and was generic. The Court required the applicant under section 16(b) of the Trademarks Act to disclaim use of the word "Dairy" (standing alone) separate and apart from the entire mark. Additionally, the Court held that the device of a "liquid white pour and splash" was non-distinctive and common to trade. The Court required the applicant to disclaim the "white pour and splash" design on the basis that its use was common to milk or milk related products. The use of the "white pour and splash" device was in the court's view a design which other traders would use or want to use and therefore the owner of the mark could not have exclusive rights to the design.

Signs known regionally or internationally as being common to trade or business or because they are generic, are commonly required by the Registrars in this region, to be disclaimed. Those signs ought to remain for public use. Additionally, there are unique signs in each and every Caribbean territory which must remain free for use. For example, in Jamaica, due to their historical background, the Registrar will require an applicant to disclaim exclusive rights to the use of "counter flour" being flour for baking purposes but of a cheaper price. The

⁵³⁶ See Bahamas TMA section 7 (e); Belize TMA section 35 (1) (b); Bermuda TMA section 10 (1) (e); British Virgin Islands TMA section 5; Guyana TMA section 11 (1) (e); Jamaica TMA section 11 (1) (b); Turks & Caicos Islands TMA section 5 (2) (e).

⁵³⁷ See, Barbados TMA section 9 (c); Jamaica TMA section 11 (d).

⁵³⁸ See, section 13 of the Bahamas TMA; section 30 of Barbados Subsidiary TMA; section 28 (1) of Belize TMA; section 15 of Bermuda TMA; section 15 of British Virgin Islands TMA; section 15 (2) of Dominica MCM&TNA; section 16 of Guyana TMA; section 26 (2) of Jamaica TMA; section 58 of St. Lucia TMA; section 54 of St. Vincent & the Grenadines TMA; section 16 of Trinidad & Tobago TMA; section 11 of Turks & Caicos Islands TMA.

⁵³⁹ TT 2005 HC 65 (High Court decision of Trinidad & Tobago Cv. 550 of 2003).

Registrar held that its use in Jamaica, was established as being apart of that territory's language. Also in Trinidad & Tobago, “doubles” is a word commonly used to refer to a particular pastry and therefore cannot be exclusively owned. In Barbados, “bajan” is a word which has become a common colloquial way of referring to a Barbadian national. Hence, the acquisition of exclusive trademark rights to this word is not allowed.

The request by a Registrar or a Court, for the disclaimer of non-traditional marks because they ought to remain available for public use, has not yet been an issue. The disclaiming of words and/or devices is more prevalent, as the registration of traditional trademarks is more widespread in the Caribbean.

3.2 *Determining Distinctive Character*

Signs being registered, as indicated in section 1.4 must be able to distinguish goods or services of one proprietor from that of another. Thus, in order for a mark to distinguish goods or services of one entity from another, it must therefore be distinctive. Where the signs are not so distinctive and are merely descriptive or generic they will not be registered because they are inherently non-distinctive. The unregistrability of these signs and other signs, as provided by legislation, highlights the principle that certain signs must remain free for use by the public and other traders.

Legislation provides two main ways in which signs will be kept free for use by the public and other traders. Firstly, as previously mentioned, legislation provides that where a mark consists solely of a descriptive or generic or non-distinctive sign it is unregistrable;⁵⁴⁰ Secondly, where the mark contains or consists of signs which ought to remain free for public use, the Registrars of the Intellectual Property offices are given authority to require the applicant to disclaim exclusive rights to the use of the sign.⁵⁴¹ In those territories where there is no express provision for certain signs to be disclaimed, it has nevertheless been the general practice of Registrars to request that the signs be disclaimed. Essentially, no one trader has exclusive rights to the use of certain signs thereby excluding others from their use.

3.3 *Acquisition of Secondary Meaning*

Where a mark is non-distinctive or it consists exclusively of signs which before registration become customary in the current language or in a *bona fide* and established practice of trade it will be unregistrable or will be removed from the Register. In determining whether the mark has acquired a distinctive character, the Registrar will consider the length of time the mark has been used in Barbados as well as in any other country..⁵⁴² In the case of *Re: Moore Dry Kiln Co. Of Oregon*.⁵⁴³ the Registrar rejected the application for reasons of non-distinctiveness. After hearing the submissions of counsel for the appellant, the High Court of Guyana upheld the Registrar's decision. In this case the applicant sought registration of a combination mark consisting of the word “MOORE” together with a global device in several classes. The High Court noted that there was little doubt that although extremely difficult, it was not impossible

⁵⁴⁰ See, section 9 (d) of Barbados TMA; section 35 (1) of Belize TMA; section 11 (2) of Jamaica TMA; section 8 (1) of Montserrat TMA and section 10 (2) of St. Vincent & the Grenadines TMA.

⁵⁴¹ See, fn 27.

⁵⁴² See, section 9 (2) of Barbados TMA; section 35 (1) of Belize TMA; section 11 (2) of Jamaica TMA; section 8 (2) (d) of Montserrat TMA ; section 8 of St. Lucia TMA; section 10 (2) of St. Vincent & the Grenadines TMA; section 5 (3) of Turks & Caicos TMA.

⁵⁴³ GY 1971 HC 36, (High Court decision of Guyana 3427 of 1970).

for a surname by itself to be distinctive. In citing a previous decision,⁵⁴⁴ the Court confirmed that a surname would be easily registered, where the surname is an uncommon name and its user has been so extensive that it has in fact become distinctive. The Court also took notice of the case *Diamond T. Motor Car Co. Appln*,⁵⁴⁵ where it was highlighted that the use of the word “Diamond” could not be exclusively held and that word was non-distinctive. Thus the applicant in that case, had to disclaim the word “Diamond”. The Court held that the mark as a whole (being the word diamond, with a T within a diamond shaped border) was distinctive. The Court in the Moore case however went on to rule that even if the applicant disclaimed exclusive use to the individual components of the mark, the mark as a whole could not be said to be distinctive and was not inherently capable of distinguishing the appellant’s good from those of others.

The Court highlighted that where a mark consists of non-distinctive signs but where upon request by the Registrar those signs are disclaimed, the mark could be registered where the mark as a whole and not its individual component parts, is distinctive.

Essentially, non-distinctive signs can be incorporated into a mark. However, applicants in the Caribbean, must disclaim exclusive rights to use those signs, thereby making them free for other traders and the public to use. Their marks must also ultimately be so distinctive as to distinguish their goods or services from those of others.

3.4 Exceptions to trademark protection

Given that “use of a trademark” in the Caribbean is generally taken to mean “use in the course of trade”, it would thus follow that infringement would therefore be infringement in the course of trade. This being the result, persons are at liberty to use signs freely, where the use is in a non-commercial or trading way and where such use would not amount to infringement. The registered owner of a mark, in some territories cannot bring an action for infringement in light of the language of those Acts, where use of the mark is for example, is the genuine use of a person’s name or geographical name, a reference, criticism and/or parody. It is provided under some Acts, that rights and remedies are available for infringement where an identical or a similar mark is used on goods or services similar or identical to the registered mark is used in the course of trade and where confusion may arise in the public.⁵⁴⁶ Where this is the language of a Trademark Act, the owner’s protection is limited to in the course of trade and any infringement or misuse of the mark by a third party, in a non-commercial way can only give rise to an action in passing off..

However, in other countries the reference, criticism and/or parody may be actionable where the act is not merely using the identical or similar mark for similar and dissimilar goods and causing confusion but where the mark has a reputation and the use takes unfair advantage of or is detrimental to the repute of the mark.⁵⁴⁷ The two main elements of bringing such an action is that the mark has a reputation and that the reference, criticism and/or the parody caused an unfair advantage of or was detrimental to the owner of the mark. Thus there is greater protection available to registered owners. In British Virgin Islands, the rights of the

⁵⁴⁴ *Teofani and Co. Ltd v A. Teofani* [1913] 2 Ch 545 which was approved in *Burford Cos Appln* (919) 36 R.P.C. 139 at p 147.

⁵⁴⁵ (1921) R.P.C. 373.

⁵⁴⁶ See Anguilla TMA section 12; Antigua & Barbuda TMA section 6; Bahamas TMA section 43; Bermuda TMA section 5; Dominica MCM&TNA section 9; Guyana TMA section 6; St. Lucia section 104; St. Kitts & Nevis MCM&TNA section 9; Trinidad & Tobago TMA section 5 and Turks & Caicos Islands TMA section 40.

⁵⁴⁷ See Barbados section 5(1) (b); Belize TMA section 25 (3); Jamaica TMA section 19 (4) and (5) and Montserrat TMA section 15 (1).

registered owner under the Act at section 17 is broad and is not limited to “in the course of trade”, therefore such use as stated above may be restricted.

4. Conclusion

In the Caribbean, generally, signs eligible for registration and protection are only traditional signs being devices, words, signatures, etc or any combination thereof. As highlighted above registration and protection of non-traditional marks is not expressly available within the Caribbean region except in Jamaica, St. Lucia and St. Vincent & the Grenadines. The registration and protection of non-traditional marks in only some territories, further illustrates the lack of harmonisation of the trademark laws in the Caribbean Community. To gain regional protection, owners of traditional marks must and can file their marks in each territory. However, owners of non-traditional marks can only register and obtain protection in a very limited number of islands.

There are within the Caribbean traders who use non-traditional signs such as colour marks, shapes marks including three-dimensional shapes and sound marks., However where countries do not provide for registration or recognition of these marks, an owner could not initiate an infringement action pursuant to the legislation. If, however, the infringement was in Antigua & Barbuda, Barbados, Dominica, Montserrat and St. Kitts & Nevis it may be actionable. In those countries the applicant must satisfy the first and basic requirement of the non-traditional sign being capable of graphical representation. The applicant could then use the “well-known mark” section (see 1.4 above) as the basis for the action. In the event of infringement occurs where there is the availability of registering a non-traditional mark, an action could be maintained provided it is of the kind provided for under the Act.

In The Bahamas, Bermuda, British Virgin Islands, Guyana, Jamaica, Trinidad & Tobago and Turks & Caicos Islands the legislation expressly provides that “no action can be brought under the Act for the infringement of a non-registered mark but this section does not preclude any action being brought under passing off laws”.⁵⁴⁸

Trademark rights in the Caribbean do not extend, in all cases, beyond the course of trade. Therefore where a registered mark is not used by the owner or an authorised user and the use is not in a commercial or industrial way, (i.e. Sale or distribution of a good or service) there may not be an infringement of the registered owner’s rights (see 3.4 above).

In order to bring an action for infringement there must be deception or confusion in the public in some regard and/or in others there must also be unfair advantage or detriment. These are factors which must be proved to the court by the registered owner. Such facts would be proved by public surveys within the trade circle or targeted consumers. Essentially, where results show that there was no deception or confusion or unfair advantage or detriment, a court will not find that there was infringement.

Certain signs of common patrimony are prohibited from registration in the majority of Caribbean territories. Registration of those signs may only be granted were permission is acquired from the relevant authority to use the sign. Furthermore, there is no doubt that where permission is granted, the registrant will still be required to disclaim exclusive rights to the use of the sign. Further, signs of national importance are also prohibited from exclusively being held by a single owner in all territories. Registration may occur only where the national sign is coupled with a distinctive sign and the national sign is disclaimed and the mark as a whole is distinctive. The same rules will apply to religious and cultural signs.

⁵⁴⁸ Bahamas TMA section 42; Bermuda TMA section 3; British Virgin Islands section 18; Guyana section 4; Jamaica TMA section 4 (3); Trinidad & Tobago section 4 and Turks & Caicos Islands TMA section 39.

Generally, signs which ought to remain available for public use, in particular descriptive and generic signs, are *prima facie* rejected as being non-distinctive. However, where it can be shown that the non-distinctive sign has acquired distinctiveness through prior use, registration may be granted. The Registrar will nevertheless, require the registrant to disclaim exclusive rights to the sign, prior to registration.

From the foregoing, it can be seen that the mechanism used in the Caribbean to safeguard the public domain is the statutory power and discretion of the Registrar in considering applications. The statutory provisions permit the Registrar to require disclaimers in the appropriate circumstances and to exercise discretion to prohibit registration. This ensures the availability of common patrimony and public signs. The preservation of the public domain is therefore confidently left to the discretion of the Registrar and the Courts. There are few specific statutory mechanisms such as explicit exclusions from protection or exceptions to trademark rights.

D. CENTRAL AMERICA*

1. Scope of trademark protection in general

A general review of the Intellectual Property legislation in the region of Central America shows a consistent level of coincidences between the most notable countries of the region, particularly Mexico, Guatemala, Costa Rica and Panama, which laws seem to influence each other and, at the same time, set the standard for the laws of the remaining countries of the region, such as Nicaragua, El Salvador and Honduras. The cases of countries like Puerto Rico and Belize show characteristics that are the result of their historic connection with the legal system of the United States, and of the United Kingdom, respectively.

These legislations show a similar history in the field, initially influenced decisively by the Paris Convention and, more recently by the TRIPS Agreement, either directly as a consequence of being a Member, or by indirectly imitating each other's legislation in this new era of unregulated markets.

In this sense, we could safely state that the first innovative law enacted in the region is the Mexican Law of 1991⁵⁴⁹, which preceded the adoption of TRIPS and the North American Free Trade Agreement (NAFTA), that Mexico signed with the United States and Canada, which came into effect on January 1, 1994.

For this reason, we find that the Mexican Industrial Property Law set the standard by being reflected in the laws of other countries of the region. However, it is clear that, given that the said law has not been substantially amended since 1994, it has fallen behind compared to those of other Central American countries that have incorporated some modern concepts to their distinctive signs regulations system.

One of the reasons that has undoubtedly motivated the harmonization of this type of laws in the Central American region is the natural trend of maintaining intensive commercial relationships between the countries conforming it, which has derived in various bilateral or multilateral treaties that have generated these uniform conditions for as long as, at least, the last century.

* Dr. Mauricio Jalife, *Instituto de Propiedad Intelectual y Derecho de la Competencia (IPIDEC)*, Mexico City, Mexico.

⁵⁴⁹ Industrial Property Law, June 27, 1991.

1.1 Signs eligible for trademark protection

This is one of the areas in which we find that the legislation of some Central American countries has adopted a broad concept of what can constitute a trademark, while others keep a limited definition to visible and traditional trademarks.

In the case of Mexico, Article 88⁵⁵⁰ states that “a trademark is understood as being any visible sign that distinguishes products or services from others of the same type or category in the market”, which clearly continues to show a rather traditional concept of trademark, when considered along Article 89⁵⁵¹, which points out what types of signs may constitute a Trademark, describes exclusively the following:

- words and visible shapes, which are sufficiently distinctive and susceptible of identifying the goods or services, to which they are applied to or are intended to be applied to;
- three-dimensional shapes;
- trade names and company names; and
- the name of a person, as long as it is not confusingly similar to a registered trademark.

These definitions of what can constitute a Trademark have been historically interpreted, and continue to be interpreted by both the Mexican Institute of Industrial Property and the Mexican Courts, in the sense that isolated letters, numbers and colors, as well as scent and sound and any other forms of non-traditional signs are not eligible for protection.

In this same sense, the legislation of Panama⁵⁵², in its Article 89 states that what can constitute a trademark is

“every sign, word, or combination of these or any other means, which by its features are susceptible of individualizing a product or service in the market place. Again, just as in the case of Mexico, the next article of the Panama Act, this is, Article 90, clarifies and specifies what kind of signs should be understood from the broader definition given by Article 89, which includes words or combinations thereof, names of persons, images, figures, symbols and graphics, letters, digits and their combinations, when they are constituted by distinctive elements, three-dimensional forms, including the wrappers, containers, the shape of the product or presentation, and holograms, as well as colors (as long as they are not isolated colors).”⁵⁵³

To this extent, Panama also follows a cautious approach to the question what kind of signs can be registered as Trademarks, with a specific mention to a single non-traditional form, as regards holograms. As in the case of Mexico, the Panama Trademark Office (Industrial Property Register), as well as the Courts of Panama, have also applied this traditional notion of Trademarks and what may be registered as one.

⁵⁵⁰ See Art. 88 of the Industrial Property Law of Mexico.

⁵⁵¹ See Art. 89 of the Industrial Property Law of Mexico

⁵⁵² Provisions on Industrial Property, Law No. 35, May 10, 1996.

⁵⁵³ See Art. 89 and 90 of the Provisions on Industrial Property, Law No. 35 of Panama.

By contrast, the legislation of Nicaragua⁵⁵⁴ states, in Article 3 “Signs that May Constitute a Mark,” that

“a mark may consist, among others, of words or sets of words, mottoes, and advertising phrases, letters, numbers, monograms, shapes, portraits, labels, coats of arms, prints, vignettes, borders, lines and stripes, and combinations and dispositions of color, sound, and other perceptible signs, such as smells. They may also consist in the shape, presentation or packaging of the goods or their containers or wrappings, or the means or premises for retail of the corresponding goods or services. A mark shall be eligible to constitute a geographical indication, whether national or foreign, as long as it distinguishes the goods or services to which it shall be applied, and that its use is not prone to cause a risk of confusion regarding the origin, source, qualities or characteristics of the goods or services to which the mark shall be applied, a probability of confusion with a geographical indication previously protected for those goods or services, or an unfair use of the prestige of that geographical indication.”⁵⁵⁵

In this regard, Nicaragua provides for the protection of trade dress through trademarks and the inclusion of scents, but maintains certain more traditional concepts as regards color, in which only combinations of colors may be registered while an isolated color may not be registered.

The legislation of El Salvador⁵⁵⁶, in this same sense establishes that

“marks may consist of, among other elements, words or series of words, including names of persons, letters, numbers, monograms, shapes, portraits, labels, coats of arms, designs, cartoons, borders, lines and stripes, sounds, scents or series and arrangements of colors. They may also consist of the form, presentation or packaging of goods, their containers or wrapping, or the means or retail premises of the corresponding goods or services. Marks may also consist of geographical indications.”⁵⁵⁷

Again, in the case of El Salvador, we have a case in which the country’s legislation provides for the protection of non-traditional trademarks, such as scents and even sounds and also considers trade dress as protectable as a trademark, but is yet restrictive as to the possibility of registering isolated colors.

In an even broader manner, the law of Guatemala⁵⁵⁸ defines a mark as

“any word, design, combined, three-dimensional, olfactory, sonorous or mixed signs that distinguish products or services from others that are similar in the market or products of an individual or legal entity from those of another and that may be the object of a graphic representation,”⁵⁵⁹

and

⁵⁵⁴ Law on Trademarks and Other Distinctive Signs, No. 380, as amended by Law No. 580.

⁵⁵⁵ See Art. 3 of the Law on Trademarks and Other Distinctive Signs, No. 380 of Nicaragua.

⁵⁵⁶ Law on Trademarks and Other Distinctive Signs, Decree No. 868, Amendments: January 12, 2006, March 17, 2006.

⁵⁵⁷ See Art. 4 of the Law on Trademarks and Other Distinctive Signs, Decree No. 868 of El Salvador.

⁵⁵⁸ Industrial Property Law, Decree No. 57-2000, Official Gazette, September 27, 2000.

⁵⁵⁹ See Art. 4, para. 9 “Mark”, Industrial Property Law, Decree No. 57-2000, of Guatemala.

“Marks may consist of words or groups of words, letters, figures, monograms, shapes, pictures, labels, badges, patterns, engravings, vignettes, borders, lines and stripes and color combinations and arrangements, as well as any combination of these signs. They may also consist of sonorous and olfactory marks, in the shape, presentation or arrangement of the products, wrapping or packaging, points of sale of the respective products or services, and others that in the opinion of the Registry have a distinctive character.”⁵⁶⁰

This concept of Trademark in Guatemala is basically identical to the concept adopted by El Salvador, yet again, the same limitations, as regards colors exists, in the sense that isolated colors are neither registrable as trademarks.

In the case of Costa Rica, we have essentially found the traditional concept, but in which the possibility of registering sound marks has been incorporated. In this sense, Article 3 of the Law of Costa Rica⁵⁶¹ establishes that

“signs that may constitute a include any sign or combination of signs capable of distinguishing goods or services; especially words or sets of words including names of people, letters, numbers, elements, figures, monograms, portraits, labels, insignias, stamps, vignettes, borders, lines or stripes, color combinations and arrangements, as well as sounds. They may also consist in the shape, presentation or conditioning of goods, their containers or wrappings or the means and places of sale of the corresponding goods or services.”⁵⁶²

From this general analysis of the concept and definition of Trademarks in the countries mentioned, one may see a clear tendency towards the possibility of protecting non-traditional trademarks in the region, in which most of the Acts analyzed provide for the protection, via trademarks, of the so-called non-traditional signs, such as scents and sounds. However, it is important to take into account that, despite the possibility of protecting said non-traditional signs, there are actually no documented cases of the registration of olfactory, sonorous or any other of the non-traditional trademarks in the countries of the region.

1.2 *Notion of use in trade*

The approach taken by the laws of the different countries of the region as to the effects of the use of trademarks in trade is equal, as a mechanism for attenuating the effects of exclusivity granted by a registration. The existence of a mixed system in the region for obtaining rights to trademarks is a constant, this is, registration of a mark is what gives its owner the possibility of claiming exclusivity in and to the same, but yet provides for the possibility of filing for a mark claiming a date of first use which precedes the actual application date for the mark, but also the possibility of cancelling a third party registration on grounds of prior use, by considering the owner of the trademark registration as full proprietor of the rights in and to the sign. However, we find the requirement of prior use, under certain conditions, as an exception to the effects of a registration, even as grounds for cancelling the registration.

An example of this is Article 151, Section II of the Mexican Industrial Property Law, which establishes that

⁵⁶⁰ See Art. 16, para. 1, Industrial Property Law, Decree No. 57-2000, of Guatemala.

⁵⁶¹ Law on Trademarks and Other Distinctive Signs, No. 7978, January 6, 2000. Amendments: March 25, 2008.

⁵⁶² See Art. 3, Law on Trademarks and Other Distinctive Signs, No. 7978 of Costa Rica.

“the registration of a trademark shall be invalid when the trademark is identical or confusingly similar to another that has been used in the country or abroad prior to the filing date of the application in respect of the registered trademark and has been applied to the same or similar products or services, provided that the person who asserts the stronger right by virtue of prior use proves uninterrupted use of the trademark in the country or abroad prior to the filing date or, where applicable, prior to the date of first declared use by the person who has registered it.”⁵⁶³

In the case of Nicaragua, Article 5 of the Law on Trademarks and Other Distinctive Signs states that

“any issue that may arise regarding the precedence of receipt of two or more registration applications shall be resolved by taking into account that the effects of the receipt are retroactive to the date and time of the filing of each application. To determine the precedence of the right to register a mark, in any case, the priority right corresponding to the interested party shall be applied, as well as any other lawful agreement between the parties or legal provision that determines a different precedence or a stronger right to register.” One of the cases specifically provided for is that contained in Article 8, a), which establishes that a mark is inadmissible if “the sign applied for is identical or similar to a sign that has been used in good faith in the national territory by a third party for the identification of the same goods or services”.⁵⁶⁴

The case of Costa Rica shows very interesting angles in Article 4, as regards the priority right deriving from the registration of a trademark. Textually, the said Article states:

“The priority right in obtaining the registration of a trademark shall be governed by the following regulations:

- a) The preferential right in obtaining the registration shall be held by the person using such, in good faith, in business from the earliest date, as long as it has been used for over three months or invokes the priority right of an earlier date.
- b) When a trademark is not being used in business or has been used for less than three months, registration shall be granted to the person first filing the corresponding application or invoking the priority right with the earliest date, as long as the established requirements are fulfilled.”⁵⁶⁵

1.3 *Notion of trademark use*

Also in this area there are basic coincidences in the concept of trademark use, as well as in the requirements that must concur to determine that there is use in commerce. In the same way, on the topic of cancellation for non-use, despite certain differences as to the terms for cancellation (3 or 5 years from having suspended use), there are coincidences in the criteria applied. A clear limitation that has been detected in all laws in the region is that, in no case, there is any reference to non-commercial use of trademarks. It is clear that many of these could contemplate non-commercial use as a consequence, for example, of recognizing the ownership of trademark registrations by non-commercial legal entities, but the question about the feasibility of this kind of use remains.

As for the concept of trademark use, Article 79 of the Panama Provisions on Industrial Property states that

⁵⁶³ See Art. 151, Sec. II, Industrial Property Law of Mexico.

⁵⁶⁴ See Art. 5, Law on Trademarks and Other Distinctive Signs of Nicaragua.

⁵⁶⁵ See Art. 4, Law on Trademarks and Other Distinctive Signs, No. 7978, of Costa Rica.

“the placement of the products in the domestic or international market, articles or goods designated under it, being produced, manufactured, elaborated or made in the Republic of Panama or abroad, will be considered use of a trademark. The rendering of services protected by this trademark in the domestic or international trade will be considered use of a trademark of services.”⁵⁶⁶

In a similar way, Article 37 of the Law on Trademarks and Other Distinctive Signs of Nicaragua determines that

“for the purposes of proceedings for cancellation of registration for non-use, it shall be understood that a mark is in use when the goods or services it distinguishes have been placed in commerce or are available under that mark, in the amount and with the method that normally corresponds, taking into account the size of the market, the nature of the relevant goods or services, and the modalities under which they are commercialized. According to this law, the following acts, among others, shall be understood as the usage of a sign in trade: (i) introduce in commerce, sell, offer for sale or distribute goods or services bearing the sign or making reference to it; (ii) import, export, store or transport goods bearing the sign or making reference to it; and (iii) use the sign in advertising, publications, commercial documents, or written or oral communications, regardless of the means where they are implemented, without prejudice to the regulations on advertising that may be applicable.”⁵⁶⁷

This last point of the Nicaraguan legislation shows an attenuation of the concept of use by not demanding the availability of goods or services as a condition for the existence of use. As regards the regulation of Trademark use, in the case of the Mexican Law, Article 130 states that

“If for three consecutive years a trademark is not used for the products or services for which it was registered, there shall be grounds for the lapse of the registration thereof, except where the owner or registered licensee has used it during the three consecutive years immediately prior to the filing of the request for the administrative action for lapse, or where a situation has arisen that is beyond the control of the owner of the trademark which constitutes an obstacle to the use thereof, such as the restriction of imports or other government requirements applicable to the goods or services to which the trademark is applied.”

In this same sense, the Regulations of the Industrial Property Law⁵⁶⁸ of Mexico, in Article 62, establishes

“For the purposes of Article 130 of the Law, among others, it shall be understood that a trademark is in use when the goods or services that it distinguishes have been placed on the market or are available on the market under that trademark within the country and in the quantities and form that correspond to custom and practice in trade. It shall also be understood that the trademark is in use when applied to goods intended for export.”⁵⁶⁹

In the case of Costa Rica, Article 40 of its Law establishes that

⁵⁶⁶ See Art. 79, Provisions on Industrial Property, Law No. 35, of Panama.

⁵⁶⁷ See Art. 37, Law on Trademarks and Other Distinctive Signs of Nicaragua

⁵⁶⁸ Regulations of the Industrial Property Law. November 18th, 1994. Amendments: September 9th, 2002, September 15th, 2003.

⁵⁶⁹ See Art. 130, Industrial Property Law of Mexico.

“a registered trademark shall be understood to be in use when the goods or services distinguishing such have been placed on the market with such trademark, in the corresponding regular amount and manner, taking into account the dimension of the market, nature of the goods or services in question and methods under which such are commercialized. Use of the trademark also applies to the use of such with regard to goods destined for exportation from the national territory or services provided abroad from the national territory.”⁵⁷⁰

1.4 *Scope of protection*

Practically all the laws of the region contain provisions focused towards preventing the affiliation and sponsorship that may generate or be based upon confusion, through provisions such as Section IX of Article 213 of the Mexican Industrial Property Law, which determines that there exists trademark infringement when someone

“performing, in the course of industrial activities or trade, commits acts that confuse, mislead or deceive the public by causing it to wrongfully believe or assume:

a) That a relationship or association exists between a given establishment and that of a third party,

b) That products are manufactured according to specifications, licenses or authorizations from a third party,

c) That services are rendered or products sold according to authorizations, licenses or specifications from a third party,

d) That the product concerned comes from a territory, region or locality different from the true place of origin, in such a way as to mislead the public as to the geographical origin of the product;”⁵⁷¹

This kind of provisions are found in trademark legislation, as well as in laws regulating “unfair competition”, as is the case of Nicaragua, in which Chapter XXII of the Law on Trademarks and Other Distinctive Signs (Acts of Unfair Competition Linked to Industrial Property), in Article 105 establishes that “the use or propagation of indications or claims, or the omission of true information, when this may mislead regarding the origin, nature, methods of manufacture, use or consumption suitability, the amount, or other characteristics of the own or another’s goods or services,”⁵⁷² are acts of unfair competition.

The laws of the countries in the region offer protection against dilution solely with regard to notorious trademarks, which is present in all laws reviewed. However, the concept of “dilution” as such is only mentioned in the Mexican Law, which in this sense is the most advanced of the region thanks to a specific amendment of June, 2005, which materializes the WIPO Joint Resolution Concerning Provisions on the Protection of Well-Known Marks, of September, 1999, in this topic. In fact, Article 90, Section XV of the Mexican Industrial Property Law creates a system (through deposit at the Mexican Trademark Office), for achieving a declaration of a notorious or famous trademark, which is available to any holder of trademarks of this nature, by providing the Mexican Institute of Industrial Property with the evidentiary elements that prove the condition

⁵⁷⁰ See Art. 40, Law on Trademarks and Other Distinctive Signs, No. 7978 of Costa Rica.

⁵⁷¹ See Art. 213, Sec. IX, Industrial Property Law of Mexico.

⁵⁷² See Art. 105, Law on Trademarks and Other Distinctive Signs of Nicaragua.

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

All the countries in the region have, in their laws, provisions that expressly exclude the possibility of registering the signs referred to in Article 6ter of the Paris Convention. Furthermore, with just minor differences in the language used, the following is contemplated by the laws of the region as a ground for refusing registration:

- signs that reproduce or imitate, without authorization, the coats of arms, flags or emblems of any country, State, municipality or equivalent political divisions, and the names, abbreviations, symbols or emblems of international, governmental or non-governmental organizations, or of any other officially recognized organization, as well as the verbal designation thereof;
- signs that reproduce or imitate official signs or seals of control and guarantee adopted by a State, without the authorization of the proper authority, or coins, banknotes, commemorative coins or any national or foreign legal tender;
- signs that reproduce or imitate the names or graphic representation of decorations, medals or other prizes awarded at officially recognized trade shows, fairs, congresses or cultural or sporting events.

Some laws, as is the case of Nicaragua in Article 8 f) go even further by considering that a sign may not be registered if it *“affects the right to the name, image, or prestige of a legal entity or a local, regional or national community, unless the express consent of the competent authority of the entity or community is proved.”*⁵⁷³ This concept would include communities of indigenous peoples and the protection that would be granted in order to avoid misappropriation of traditional cultural expressions (expressions of folklore) via Trademarks.

Also, in all cases except Mexico, whose law does not provide for an opposition system, it is possible that these objections are raised during the opposition period, but also as the result of an *ex-officio* intervention of the different Trademark Offices in the region.

In the same way, all the laws of the region are uniform in considering that it is not possible to register any geographical indication that might cause confusion among consumers with regard to the origin of the products or signs that are identical or similar to an appellation of origin.

In the case of official signs, the restrictions are the consequence, basically, of their governmental character, which would suggest a certain level of respect as to not demerit the use for which they were originally created, but not to a recognition that anyone may use them since, contrary to this, their use is limited to use by the expressly authorized entities or organizations.

In the type of signs in which omissions have been detected in legislations of the region is in the protection of certain international official symbols, as is the case of the Olympic Rings and the symbol of the Red Cross. The only country in the region that includes specific provisions in its legislation to expressly prevent the registration of these symbols is Belize⁵⁷⁴, in which Article 16, (1) f) establishes:

⁵⁷³ See Art. 8, Sec. F), Law on Trademarks and Other Distinctive Signs of Nicaragua.

⁵⁷⁴ Trade Marks Act, Chapter 257, Revised Edition 2003 showing the Subsidiary Laws as at 31st October, 2003

“Subject to sub-rule (3), the Registrar shall refuse to accept any application for the registration of a mark upon which any of the following appear:
(f) the words “Red Cross” or “Geneva Cross” or representation of the Geneva Cross in red on a white ground or the Swiss Federal Cross in white or silver on a red ground as protected by the Geneva Convention of 1949;”⁵⁷⁵

2.2 *Determining distinctive character*

There are no provisions in the regional legislation that explicitly prohibit the appropriation of common patrimony signs. The grounds for refusal described above are rather due to the unsuitability of the sign as a trademark or the official aspect of the sign, in such a way that it must be excluded from trademark protection and use for these reasons. But there are no specific provisions that limit the appropriation of common patrimony signs in any other specific manner.

The other aspect of prohibition is regulated by the restrictions to register generic or descriptive terms, but the implementation of this is always subject to a direct relationship with the goods or services to which the sign is or will be applied to, due to which, neither under this group of hypotheses is there a direct impediment to register signs that must remain part of the common patrimony. This is, the only case in which common patrimony signs could be considered descriptive or generic when making reference to the goods or services corresponding to the term/sign itself.

Also, as regards, for example, trademarks related to religion, there are grounds for refusal in several laws^{576 577}, as described in the following lines and paragraphs. However, these grounds for refusal refer to the intention of ridiculing religious signs without preventing the registration of religious elements as such. In any case, the different laws of the region contemplate that registration of a mark should be rejected when the mark is contrary to good morals or public policy. This general rule may eventually be invoked to deny the registration of religious signs. Its applicability, however, remains uncertain subject to the interpretation of each office and the individual examiner deciding on the registration.

Costa Rica, according to its law, follows more or less the same pattern. Article 7 of its Trademark Act, which regulates trademarks that are inadmissible for intrinsic reasons states, in section i) that a trademark “including an element that offends or ridicules persons, ideas, religions or national symbols of any country or of an international entity,”⁵⁷⁸ may not be registered as a mark.

Given the deep religious character of many people in the countries of the region, specially the catholic population, there is a tendency of distinguishing products with names that make reference to saints and virgins. Examples of this kind may be found in the entire region with signs such as SAN JOSÉ⁵⁷⁹ (Saint Joseph), VÍRGEN DE GUADALUPE⁵⁸⁰ (Virgin of

⁵⁷⁵ See Art. 16, Sec. (1), Subsec. F), Trade Marks Act, Chapter 257, showing the Subsidiary Laws of Belize.

⁵⁷⁶ See Art. 7, Sec. H), Law on Trademarks and Other Distinctive Signs of Nicaragua.

⁵⁷⁷ See Art. 21, Sec. E), Industrial Property Law, Decree No. 57-2000, of Guatemala.

⁵⁷⁸ See Art. 7, Sec. I), Law on Trademarks and Other Distinctive Signs, No. 7978 of Costa Rica.

⁵⁷⁹ Mexican Trademark Registration Nos. 21357; 169289; 349213; 371527; 392280; 396249; 465966; 534424; 538624; 552137; 620133; 622094; 652119; 672883; 694490; 703625; 705980; 913782; 1059237; 1074491; 1074500; 1115921; 1174551 and 1210079, all for the mark SAN JOSE, in different classes.

Guadalupe), or even the image of Jesus Christ, as is the case of the mark CRISTO REY⁵⁸¹ in Mexico that is registered for “funeral services”, which figurative element corresponds to that of the Corcovado in Rio de Janeiro, Brasil.

2.3 *Acquisition of secondary meaning*

In the region, there are no decisions dealing with the acquisition of secondary meaning in the case of common patrimony signs. Despite the fact that the laws of the different countries in the region expressly provide for the concept of acquired secondary meaning, the same appears to be subject to cases of marks that have initially been considered as generic or descriptive. In the case of Mexico, particularly, such acquired secondary meaning is not provided for in the law, but is rather a legal precedent⁵⁸² that, if repeated in four additional cases, would constitute a binding legal precedent.

Therefore, from the background reviewed, we can conclude that there is no precedent in which, as a consequence of having applied the concept of acquired secondary meaning, an initially refused common patrimony sign has finally been registered as a trademark.

2.4 *Exceptions to trademark protection*

In general, the grounds for refusal of trademarks are restrictively applied in the region. This means, if there is not a specific provision contained in the laws, the mark must be granted registration. This has facilitated that multiple common patrimony signs be registered as trademarks.

Particularly, with regards to religious elements, we have already mentioned that the only specific limitations contemplated are those corresponding to signs that tend to ridicule them, but in no way does the impediment extend to signs, names or designs related to a religion.

In this sense, despite the fact that all the trademark laws of the region provide for corrective actions by means of cancellation procedures against trademark registrations that should not have been granted, there are no conditions clarifying when the registration of common patrimony signs are illegitimate, taking into account that the substantive legislation does not provide for specific protection of common patrimony signs.

An interesting exception is found in Article 91, Section 19⁵⁸³ of the Trademark Act of Panama, which establishes that marks that make reference to national monuments and historic sites, recognized as such by the law, as basis for the design, are not registrable.

Despite the provisions of the Article mentioned above, it is important to consider that, even when the said provision reflects a clear effort to avoid misappropriation of common patrimony signs, the limitations and errors in its drafting which make reference solely to the use of the image of the national monuments or historic sites as basis for the design, rather than also

[Footnote continued from previous page]

⁵⁸⁰ Mexican Trademark Registration No. 566641, of December 12, 1997, in International Class 9, registered to protect “prepaid telephone cards”.

⁵⁸¹ Mexican Trademark Registration No. 1123847, of September 30, 2009, in International Class 45, registered to protect “funeral services”.

⁵⁸² See CUARTO TRIBUNAL COLEGIADO EN MATERIA ADMINISTRATIVA DEL PRIMER CIRCUITO. PRECEDENTS: Amparo directo 239/2007. Arturo Feldman Stark. October 24, 2007. Unanimous votes. Proposing magistrate: Jean Claude Tron Petit. Secretary: Mayra Susana Martínez López

⁵⁸³ See Art. 91, Sec. 19, Provisions on Industrial Property, Law No. 35, of Panama.

making reference to a limitation of registering the name of the national monuments and historic sites, which would then mean that both the name and the image of the national monument or historic site would remain a common patrimony sign. As a consequence of this “incomplete” provision, certain marks that should otherwise remain in the public domain have been appropriated, as is the case of the marks “CANAL DE PANAMA”⁵⁸⁴ and “PANAMA CANAL.”⁵⁸⁵

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

The catalogue of signs that are excluded from trademark protection in the laws of the countries in the region is limitative, and essentially consists of signs that are not appropriate for registration as a consequence of them being generic, descriptive, official signs of the kinds previously described, notorious trademarks, deceptive or geographical indications.

The concept of maintaining certain words, shapes and designs freely available to necessary commercial use is basically addressed to generic and descriptive signs and terms.

We could say that the coinciding language that the regulations in the region establish for this kind of signs establishes that the following may not be registered:

- the technical or commonly used names of products or services for which the protection of the trademark is sought, and also those words that have turned into the usual or generic designation of said products or services in everyday language or business practice;
- names, figures or three-dimensional shapes which, when their characteristics are considered as a whole, are descriptive of the products or services to which they are intended to afford trademark protection. The above shall include descriptive or indicative words which, in trade, serve to identify the kind, quality, quantity, composition, purpose, value or place of origin of the products or the time of their production;

In the specific case of three-dimensional signs, it is a constant in the region that, when the shape of the sign is dictated by the technical function of the product or otherwise functional, or even a sign that has become the common shape or packaging for a product in commerce.

In Mexico, there are cases in which the Trademark Office has rejected registration to three-dimensional shapes by considering the common shape of the product, and many others in which registration has been granted. The most common cases regarding these rejections/approvals to registration include mainly packaging items, such as PET bottles for cold drinks or purified water and perfume bottles, depending on the degree of “ornamental” elements each of them has. This is, for example, if a perfume bottle proposed for registration is conformed by a quite common cylindrical shape, yet the same includes several colors and even embossed designs in the glass itself, it will most likely be able to obtain protection, if not

⁵⁸⁴ Panama Trademark Registrations Nos. 114673; 114989; 114674 and 115005, all for the mark “CANAL DE PANAMA”, in different classes.

⁵⁸⁵ Panama Trademark Registrations Nos. 92824; 94054; 94055; 94056; 94060; 94062; 96266; 128648; 128649; 128651; 128652; 128653; 128655; 128657; 128659; 128660; 128662; 128663; 128665; 128666; 128668; 128670; 128741; 128742; 128745; 128746; 128748; 128749; 128751; 128752; 128754; 128756; 128758; 128759; 128779; 128806; 128811; 128814; 128820; 128822; 128828; 128832; 128889; 128893; 128897; 128902; 128911; 128912; 128916; 128920; 128923 and 128926, all for the mark “PANAMA CANAL”, in different classes.

at a Trademark Register stage, definitely at an appeal stage, which would conclude with the Trademark Office having to grant registration.

However, given a limited number of three-dimensional trademark cases, when compared to word or figurative marks, neither the Trademark Office nor the Mexican Courts have really established considerable precedents or criteria, as to determine the *prima facie* possibilities of obtaining registration.

Within the most relevant cases in Mexico is that of the Three-dimensional trademark registration achieved by Hershey's for their KISSES chocolates. An initial rejection by the Trademark Office, on grounds of lack of distinctiveness was later reverted at an appeal stage, in which the Courts determined that the sign was sufficiently distinctive.⁵⁸⁶ In case any of these signs corresponds, in fact, to any of those mentioned in the catalogue of marks not acceptable for registration, the Trademark Offices are authorized to reject them *ex officio*.

We have not identified cases in the region that refer to the cancellation of registrations for signs that must be considered of public domain, in turn, there is an endless list of registrations that illustrate the permissiveness that has existed in our countries to register expressions and marks of this nature, such as RESERVA ESPECIAL (special reserve), for class 33 or class 34 products or ESTAFETA (post office) for Courier services.

Despite this, we see a clear tendency in the laws of the region to include a specific limitation for the cases of trademarks that include generic or descriptive terms. An example of this is the case of the Trademark Act of Panama which establishes, in its Article 92 that *"when the label or the design of a mark contains terms or signs of common or ordinary use in the industry, commerce or in the service activities, the protection will be extended only to the words, expressions or signs by which it is characterized."*⁵⁸⁷

It would appear that the legislation in Costa Rica gives a wider point of view by clearly separating the concept of common use from the concept of use required in the market. Article 28, which makes reference to unprotected elements in complex trademarks, establishes the following: *"When the trademark consists of a label or other sign made up by a set of elements, protection shall not extend to the elements contained in such, which are of common use or required in the market."*⁵⁸⁸

3.2 Determining distinctive character

Traditionally, all countries of the region reject the registration of words that are considered generic or descriptive. In fact, along with the conflict with prior existing marks, these are the grounds for rejection that most commonly arise. Despite this, the judicial reasoning that gives support to these decisions does not seem aimed at recognizing the need of maintaining such terms available for other traders, but rather specifically to consider if the term being analyzed falls within the legal precept.

In the case of Mexico, there is abundant case law from which some illustrative cases may be cited, for cases in which the Courts have reverted the initial rejection by the Trademark Office

⁵⁸⁶ See 4th Metropolitan Court of the Federal Fiscal and Administrative Court of Justice, Case No. JN 17750/07-17-04-01 of July 3, 2009.

⁵⁸⁷ See Art. 92, Provisions on Industrial Property, Law No. 35, of Panama.

⁵⁸⁸ See Article 28, Law on Trademarks and Other Distinctive Signs, No. 7978 of Costa Rica.

to grant the mark, essentially considering the following two criteria: firstly, that joining sections of generic or descriptive words forms a new and registrable sign, such as the mark METROBUS⁵⁸⁹ and secondly, the differences existing between an evocative (suggestive), which indirectly allude to a quality of the product or service and a descriptive expression. Some examples of evocative marks include “ARMORED” for tires, “SLEEPYHEAD” for diapers or “COPPERTONE” for sunscreen.

3.3 *Acquisition of secondary meaning*

The acquisition of secondary meaning, under the laws of the region, seems solely applicable to cases of terms initially considered descriptive or generic. It is a concept that, in straightforward terms, demands that the mark in question has acquired, by virtue of its use, sufficient distinctiveness to act as a trademark.

3.4 *Exceptions to trademark protection*

This possibility is not expressly contemplated in the laws of the region. As commented above, the laws only establish a strict catalogue of signs that may not be registered as trademarks for being of an official nature and as a means for protecting the investiture of the sign itself (flags, coins, medals, etc.).

The only express intention of preventing the misappropriation of signs that should remain available for the public, of necessary commercial use, is that related to generic and descriptive terms. The different laws of the region provide for judicial or administrative actions to cancel marks illegally granted under these prohibitions. Article 35 of the Trademark Act of Nicaragua illustrates this by stating that

“at the request of any interested party, the competent judicial authority shall cancel the registration of a mark or shall limit its scope when its holder has provoked or tolerated that such mark becomes a common or generic sign to identify or designate one or several of the goods or services for which it has been registered. It shall be understood that a mark has become a common or generic sign when in the commercial circles and to the public, said mark has lost its distinctive character as an indication of the company origin of the good or service to which the mark is applied. For such effects, the following facts shall concur with regard to the mark: (i) the need for the competition to use the sign considering the absence of another proper name or sign to identify or designate in commerce the corresponding good or service; (ii) the general use of the mark, by the public and commercial circles as a common or generic sign of the corresponding good or service; and, (iii) the public lacks knowledge that the mark indicates a determined company origin.”⁵⁹⁰

4. Conclusion

In terms of restrictions to the granting of trademarks/signs that are and should remain available to the public or that otherwise belong to the common patrimony, the Laws of the region basically include this restriction for generic or descriptive terms, associated to product or services in the course of trade, as well as official, cultural and/or religious signs and names.

⁵⁸⁹ See SEGUNDO TRIBUNAL COLEGIADO EN MATERIA ADMINISTRATIVA DEL PRIMER CIRCUITO. PRECEDENTS. Amparo en revisión 408/77. Carrocerías Preconstruidas, S.A., August 11, 1977. Unanimous votes. Ponente: Manuel Castro Reyes. Séptima Epoca. Instancia: Tribunales Colegiados de Circuito; Fuente: Semanario Judicial de la Federación; Tomo: 103-108 Sexta Parte; Página: 133.

⁵⁹⁰ See Art. 35, Law on Trademarks and Other Distinctive Signs of Nicaragua.

As for the case of non-traditional trademarks, the region still reports some undeveloped systems, as the case of Mexico, in which only traditional marks are contemplated in the legislation, and others like Guatemala which have a more evolved concept, including scent and sound marks in their concept of trademark. However, despite the fact that some of these laws are very evolved in terms of protection to non-traditional trademarks, it is important to consider that there has been no implementation of the corresponding provisions, and currently no sound or scent marks have been registered in the region.

G. ANDEAN COMMUNITY*

In the Andean Community (AC)^{591 592} trademark law is harmonized to a large extent. On the one hand, the framework of the trademark law is regulated in the Andean Decision 486, the Common Regime on Industrial Property.⁵⁹³ At a national level, the Andean countries can only regulate aspects that are not contained in the Andean Decision.⁵⁹⁴ In case of conflict between the Common Regime and the national laws, the Andean Decision prevails. Decision 486 aims to ensure that domestic trademarks registered before the different Andean countries' Trade Mark Offices⁵⁹⁵ are subject to the same standards of registrability and enjoy the same protection in all Andean Countries. On the other hand, the national courts have to refer questions relating to the application and interpretation of Decision 486 to the Andean Community Court of Justice (ACCJ). The ACCJ's decision bind the national courts of the Andean countries.

In the last years, some Andean countries – Colombia and Peru – have negotiated Free Trade Agreements (FTAs), especially with the United States⁵⁹⁶ and the European Union (EU).⁵⁹⁷

* *Dr. Ana María Pacón, Professor of Law, Master in Intellectual Property and Competition Law, Catholic University of Peru, Lima, Peru.*

⁵⁹¹ The Cartagena Agreement was adopted in 1969. It created the Andean Pact. Initially members of the Andean Pact were Bolivia, Colombia, Chile, Ecuador and Peru. In 1973 Venezuela acceded to the Agreement, in 1976 Chile withdrew over differences with the economic policy of openness that were taking place. In 1997, according to the Protocol of Trujillo a reorganization of the Andean Pact was introduced and changed its name to "Community of Andean Nations" or "Andean Community". In April 2006 Venezuela withdrew in protest to the negotiations that some Andean countries were taking bilaterally with third countries.

⁵⁹² The aim of the Cartagena Agreement was to accelerate the growth of its members through integration with a view to the gradual formation of a Latin American common market. One of the main tools for achieving this goal has been the gradual creation of an autonomous Community law that prevails over domestic law of each country and that had direct and uniform application, which is expressed through the different Andean Decisions that have been issued in different areas.

⁵⁹³ Common Industrial Property Regime of September 14, 2000, published in the Official Gazette of the Cartagena Agreement (OGCA) No.600 of September 19, 2000, valid up December 1, 2000.

⁵⁹⁴ For Bolivia: Ley General sobre Marcas y Registros Industriales y Comerciales of January 15, 1918 (Law of 1918); for Colombia: Decreto No. 2591 por el cual se reglamenta parcialmente la Decisión 486 de la Comisión de la Comunidad Andina of December 13, 2000 (Decree No. 2591); for Ecuador: Ley de Propiedad Intelectual of Mai 8, 1998 (Law of 1998); for Peru: Decreto Legislativo No. 1075 que aprueba Disposiciones Complementarias a la Decisión 486 de la Comisión de la Comunidad Andina que establece el Régimen Común sobre Propiedad Industrial of June 27, 2008 (Decree Law No. 1075) and Ley No. 29316 que modifica, incorpora y regula diversas disposiciones a fin de implementar el Acuerdo de Promoción Comercial suscrito entre el Perú y los Estados Unidos de América of January 13, 2009 (Law No. 29316).

⁵⁹⁵ For Bolivia: Servicio Nacional de Propiedad Intelectual (SENAPI); for Colombia: Superintendencia de Industria y Comercio (SIC); for Ecuador: Instituto Ecuatoriano de la Propiedad Intelectual (IEPI); for Peru: Instituto Nacional de Defensa de la Competencia y de la Propiedad Intelectual (INDECOPI).

⁵⁹⁶ Colombia, Ecuador and Peru, jointly started negotiations for a FTA with the USA in May 2004. Venezuela and Bolivia stayed out of this process. In November 2005 the negotiations were on a deadlock, principally because the

[Footnote continued on next page]

These FTAs contain, respectively, a chapter on intellectual property rights (IP). The FTAs do not deal with all IPR-related subject matters. They focus on a few but important ones. They usually begin with a general preamble followed by different sections dealing, respectively, with general provisions, trademarks, domain names on the internet, geographical indications, copyrights, related rights, obligations common to copyright and related rights, protection of encrypted program-carrying satellite signals, patents, measures related to certain regulated products, enforcement of intellectual property rights and final provisions. In trademark law the FTAs expand the regulation contained in TRIPS. As a consequence of the Peru-US FTA new regulations have been enacted in Peru. Previously, Andean Decision 689, which allows the Andean countries to amend and develop their domestic IP regulations, was enacted.⁵⁹⁸

The present report is based on the rules contained in the Andean Decision 486, the jurisprudence of the ACCJ and national office practices and court decisions where this is appropriate to illustrate the national context. Where this is necessary also references to the national legislation, specially enacted pursuant to the commitments under the FTAs, will be made.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

Article 134 of the Decision 486 stipulates that a trademark may consist of

“any sign that is capable of distinguishing goods and services on the market. Signs that are capable of graphic representation shall be eligible for registration as trademarks.”

In order to be regarded as a valid trademark, a sign has to meet two criteria: First, it must be capable of distinguishing goods and services on the market. Second, it must be capable of being graphically represented. According to the ACCJ, the distinctiveness of a trademark presupposes its perceptibility by any sense.⁵⁹⁹

[Footnote continued from previous page]

interests of the Andean countries were not reflected in the chapter on IP. Peru decided to continue independently. On December 7, 2005 Peru concluded the negotiations. On April 26, 2006 the FTA was signed by both countries. Changes in the US landscape (in November 2006 the Congress' election resulted in a Democratic sweep of both houses) originated a re-negotiation of some IP-provisions of the FTA. The changes provided more flexibilities for Peru on IP-related public health measures than had been the case with the previous chapter. Few changes were made on copyright and other provisions. On June 2007 and November 2007 the new version of the FTA was approved by the Peruvian and US Congress, respectively. The Peru-US FTA entered into force on February 1, 2009. Colombia concluded separate negotiations in February 2006, with provisions that reflected similar provisions to those of the Peru-US FTA. The Colombia-US FTA was approved by the US-Congress on October 12, 2011. Colombia has already ratified the Agreement. Beyond ratification, each partner country must come into compliance with the agreement. Thus has begun the implementation phase of the agreement rules in Colombia. Ecuador withdrew from further negotiations in November 2006.

⁵⁹⁷ Negotiations between the EU and the Andean Community for a region-to-region Association Agreement were launched in June 2007. However, this region to region negotiation had to be suspended in June 2008 because of the lack of agreement between the Andean Countries on the objectives and scope of the trade part. Trade negotiations between the EU and three Andean countries – Colombia, Peru and Ecuador – restarted in January 2009. After nine rounds of trade negotiations, in March 2010, a comprehensive agreement was concluded with Colombia and Peru (in July 2009 Ecuador had suspended its participation). On March 23, 2011, after completion of the legal review of the Agreement, it starts the internal process in each of the Parties for approval and entry into force of the Agreement, which is expected to end on the first half of 2012.

⁵⁹⁸ Decision 689 of August 18, 2008 allowing Members countries to adequate certain provisions of Decision 486 – Common Regulations on Industrial Property - through internal legislation.

⁵⁹⁹ Process No. 52-IP-2007 of May 2, 2007, OGCA No. 1527of July 31, 2007-TRANSPACK.

[Footnote continued on next page]

The above definition leaves room for the extension of trademark protection to non-traditional types of marks. Following the definition, Article 134 enumerates different types of signs that can be registered. The enumeration serves only illustrative purposes: every sign that meet the two criteria of the definition are eligible for trademark protection.⁶⁰⁰

Color *per se* cannot constitute a trademark under the Andean regulation. In order to be registered as a trademark, the color must be shaped or it must be a combination of colors (Art. 134-e). The requirement of graphical representation could be satisfied by mentioning an international color code. The color must be used in specific limited contexts, such as packaging or marketing.

For the first time, the Decision 486 provides explicitly that the shapes of the goods and their packaging are registrable as trademarks. Three-dimensional marks are registrable if they meet the registration requirements of any trademark - especially the requirement of sufficient distinctiveness -⁶⁰¹ and thus do not fall into any of the prohibitions to registration.⁶⁰²

Signs that are not in themselves capable of being perceived visually may be registered under Decision 486.⁶⁰³ Sounds and smells are expressly recognized in Article 134. There are not so many cases concerning non-traditional marks in the AC. In Colombia, sound marks must be graphically represented in the form of a musical notation.⁶⁰⁴ In Peru, the sound of a trumpet announcing the arrival of an ice cream man of D'Onofrio (now Nestlé) was once rejected as a trademark. The reason for the refusal was that musical notation is not appropriate for non-musical sounds.⁶⁰⁵ Later, spectrograms of sound waves were submitted in order to satisfy the graphical representation requirement and the mark was granted.⁶⁰⁶ Currently, such applications are supported by the addition of a sound file. Regarding smells, the Colombian

[Footnote continued from previous page]

⁶⁰⁰ Process No. 92-IP-2004 of September 1, 2004, OGCA No. 1121 of September 28, 2004-UNIVERSIDAD VIRTUAL.

⁶⁰¹ See the Decision of the ACCJ: Process No. 113-IP-2003 of November 12, 2003, OGCA No. 1028 of January 14, 2008-FIGURA DE ENVASE EN FORMA DE BOTELLA, and Process No. 88-IP-2004 of August 18, 2004, OGCA No. 1116 of September 10, 2004-FIGURA DE BOTELLA. See also the decisions of the Peruvian SPI: Resolution No. 1101-2009/TPI-INDECOPI of May 8, 2009-FORMA TRIDIMENSIONAL, No. 1205-2009/TPI-INDECOPI of May 15, 2009- GLORIA FORMA TRIDIMENSIONAL, No. 2017-2009/TPI-INDECOPI of August 12, 2009- FORMA TRIDIMENSIONAL CORRECTOR LIQUIDO, No. 2442-2009/TPI-INDECOPI of September 23, 2009-FIGURA TRIDIMENSIONAL DE UNA ARENDALA.

⁶⁰² In Colombia, the Council of State granted the register of the three-dimensional mark arguing that the bottle was original and sufficient distinctive given its short-necked bottle with a square body and slightly rounded sides. See Decision No. 762 of June 8, 2006, Gaseosas Posada Tobón v. Superintendence of Industry and Commerce-POSTOBON-II.

⁶⁰³ The Peru-US FTA as well as the Colombia-US FTA provides that no party shall require, as a condition of registration, that signs be visually perceptible (Art. 16.2.1). As a result, no Party may deny registration of a trademark solely on the grounds that the sign of which it is composed is a sound or a scent. Decision 486 does not contain the requirement of visual perceptibility. Nevertheless, this obligation does not substantially change the Peruvian and Colombian legal regime, since the registration of "sounds and smells" is already foreseen in the Andean Decision.

⁶⁰⁴ See Superintendence of Industry and Commerce, Legal Opinion No. 03087905 of December 17, 2003. The SIC has registered several sound trademarks in the name of CELULAR MOVIL DE COLOMBIA (Registration No. 292.580), BANCO DAVIVIENDA (Registration No. 292.319), PRODUCTOS FAMILIA (Registration No. 291.636), TWENTY CENTURY FOX (Registration No. 301.282) and INTEL CORPORATION (Registration No. 325.521).

⁶⁰⁵ Resolution No. 09095-97-INDECOPI/OSD of July 10, 1997-SONIDO DE UNA CORNETA.

⁶⁰⁶ See Resolution No. 011866-97-INDECOPI/OSD of September 11, 1997.

“Superintendencia de Industria y Comercio” (SIC) established that a scent cannot be represented through a chemical formula, a scent description or a deposit of the scent sample.⁶⁰⁷ The SIC recognized that currently scent trademark cannot be graphically represented, but due to the advances in technology such a graphical representation will be possible.

The registration of trade dresses as trademarks is possible in some Andean countries. This type of trademark is not expressly regulated in Decision 486. Nonetheless, the Colombian SIC has registered, for example, petrol stations in the name of SHELL BRANDS and PETROBRAS. According to the SIC since a trade dress is a combination of distinctive signs, it could be associated with a trademark or with an industrial design as well.⁶⁰⁸ Decision 486 distinguishes between trade and service marks. The Decision also regulates collective and certification marks. In addition, it also distinguishes between trademarks and trade names, as well as geographical indications. Each of these distinctive signs is subject to specific registration procedures notwithstanding the fact that the trademark regulation applies in each case complementarily.

According to the Peru-US and Colombia-US FTAs trademarks shall include collective and certification marks. Each Party shall provide that signs that may serve, in the course of trade, as geographical indications (GI)⁶⁰⁹ may constitute certification or collective marks.⁶¹⁰ This norm forces to arrange that GIs “may constitute certification or collective marks”, which open the possibility the interested parties of choosing for these forms of protection. The Andean Decision 486 already provides for sui generis protection of GIs (Arts. 201-220) inspired by the European model.⁶¹¹ The implementation of the above provision of the FTA may lead to a dual system of protection of GIs in Peru and Colombia. Some GIs can be protected under the sui generis system and others as certification or collective marks, depending on the option chosen by the applicant.

1.2 Notion of use in trade

The notion of use in the Andean Countries varies according to the provisions in which it is found: i) the “use” that will allow the trademark titleholder to prevent a third party different acts (Art. 155 and 156), ii) the “use” which is necessary to maintain the exclusive rights on a trademark (Art. 165), iii) the “use” which is a prerequisite for a well-known trademark (Art. 6bis Paris Convention, Art. 224 Andean Decision 486).

⁶⁰⁷ The SIC considered that the chemical formula does not represent the smell of the substance, it represents the substance of the product itself. As for the deposit of the scent sample, the SIC has argued that it might be troublesome as the clarity and precision of such sample may be affected by factors such as, time, temperature, and lightness of its components. See Resolution No. 0011956 of May 17, 2005-PRODUCTOS CERO.

⁶⁰⁸ See Legal Opinion 050014398 of April 5, 2005.

⁶⁰⁹ In accordance to the footnote 4 “Geographical indications” means indications that identify a good as originating in the territory of a Party, or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographical origin. Any sign or combination of signs, in any form whatsoever, shall be eligible to be a geographical indication.

⁶¹⁰ Art. 16.2.2 Peru-US FTA, Art. 16.2.2 Colombia-US FTA. Different in the FTA Chile-US, CAFTA-RD, Australia-US.

⁶¹¹ See Council Regulation (CE) No [510/2006](#) of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs and Council Regulation (CE) No. 1234/2007 of 22 October 2007 establishing a common organization of agricultural markets and on specific provisions for certain agricultural products.

“Use in the course of trade” is regulated in the Andean Decision in relation to the use that is likely to cause a confusion or mistaken association with the registered trademark and to the use of well-known trademarks. The Andean Decision only defined in the second case that “use” in this case occurs when the trademark is used to offer products for sale or offer services, when it is used for export or import transactions or whenever it is used in business, for example on letterheads, bills, advertisement, etc. (Art. 156). Nevertheless, also regarding the use that is likely to confuse consumers or is misleading the ACCJ considers that it must be related to the identification of the commercial source of the product or service.⁶¹²

Regarding the use which is necessary to maintain the trademark rights, the ACCJ establishes that it must be to identify the corresponding products or services and to offer them in trade.⁶¹³ This means that non-commercial forms of use, such as private use, use for cultural or religious purposes, and use in political debate fall outside the notion of “use in trade”.

1.3 *Notion of trademark use*

The trademark owner has the right to prohibit any use of his mark or of any other sign which is similar to or identical with the proprietor’s trademark as a trademark by another party for the same or similar goods or services. If it is not the case of an identical mark used for identical goods or services, a risk of confusion or association must be proven (Art. 155-d). In accordance with the Andean Decision there is also use of a trademark where it is affixed to products or packing thereof (Art. 155-a) or the manufacturing of labels or packages (Art. 155-c). In these circumstances, infringement is not dependent on the existence of a risk of confusion. Moreover, it does not require labels or packaging to be affixed to the products. Nevertheless, the jurisprudence of the ACCJ as well as the national jurisprudence of the Andean Countries⁶¹⁴ always require, as a condition for finding trademark infringement, that the trademark must have been used as a trademark⁶¹⁵ and that the infringing behaviour must have taken place in trade. On the contrary, a third party who uses a trademark as a necessary reference, for example, to offer spare parts, does not infringe any trademark rights (Art. 157). The same position as in the immediately preceding sentence applies to reproduction of the sign in advertising (banners, posters, flyers) when the sign is used for information purposes (in a different size to that of the trademark, another type of writing, among others). In this case, it is considered that there is not a trademark use.⁶¹⁶ Reference to the trademark in comparative advertising is also permitted (Art. 157).

⁶¹² See, for instance, Process No. 78-IP-2009 of September 30, 2009, GOAC No. 1789 of December 14, 2009-HARD ROCK CAFÉ; Process No. 121-IP-2008 of January 28, 2009, GOAC No. 1713 of April 21, 2009-SFX.

⁶¹³ See Process No. 50-IP-2011 of September 1, 2011, GOAC No. 1992 Of October 27, 2011-*RON LIMON PALO VIEJO*.

⁶¹⁴ See, for instance, the decisions of the Peruvian SPI, Resolution No. 068-2003/TPI-INDECOPI of January 23, 2003-*EMPRESA DE TRANSPORTES Y SERVICIOS 450* and Resolution No. 0396-2006/TPI-INDECOPI of March 23, 2006-*INVERSIONES Y SERVICIOS MULTIPLES LA NUEVA ESTRELLA*:

⁶¹⁵ In Ecuador, in one case the IEPI seized all inventory boxes bearing the mark *KIDDY* (confusingly similar with the registered trademark *KIDDIE*) while released the products (fire extinguishers) because they did not bear the trademark. See Resolution of July 29, 2004 of the Committee on Intellectual and Industrial Property and Plan Varieties (Docket No. 217-2003-JPM).

⁶¹⁶ So, for instance, in Peru. See Resolution No. 1018-2011/TPI-INDECOPI of May 13, 2011-*LOS PASTELES VERDES*. In another case, the Peruvian SPI found that the use of the sign *LOS IRACUNDOS* on the Internet, advertising on radio, television, billboards, to promote a concert was used as a trademark because the font size and type writing employed, implied that the singer / respondent was still part of the musical group *LOS IRACUNDOS*, a sign that was registered as a trademark. See Resolution No. 1017-2011/TPI-INDECOPI-*LOS IRACUNDOS*.

1.4 Scope of protection

Decision 486 provides three levels of protection.

In the case of double identity between the signs and the goods or services, there is a presumption *iuris et de iure* (that cannot be refuted) of risk of confusion (Art. 155-d).⁶¹⁷ In those cases where minimal or almost imperceptible differences exist, the rule will have to be applied as if the signs were totally identical. The ACCJ considers that in these cases the essential function of guaranteeing the commercial origin of goods or services will be damaged.⁶¹⁸

If identical or similar signs are used for identical or similar goods or services⁶¹⁹ it is necessary to prove likelihood of confusion. According to the ACCJ, there is a direct confusion where members of the public buy products or use a particular service of a particular company in believing that the products or services are respectively supplied or provided by a different company. Moreover, the ACCJ determines indirect confusion if the public makes a connection between the proprietors of the trademarks concerned.⁶²⁰ To determine a likelihood of confusion it is necessary to make a double comparison: one has to establish if there is an identity or similarity between the signs and between the products or services. Comparison of the signs must be conducted based on the general appraisal of the visual, oral and conceptual similarity of the marks and overall impression that the marks provide, considering in particular their distinctive and dominant components.⁶²¹ The comparison of goods must take all relevant factors relating to the goods or services, including their nature, purpose and method of use and whether they are in competition with each other or complementary. Also the pertinent distribution channels, the relevant consumer and the origin of the goods must be taken in consideration.⁶²² The interrelation of these elements (signs and products or services) taking into consideration the distinctiveness of the earlier sign, determines the likelihood of confusion. This means, on one hand, that when the signs are identical or very similar, the differentiation requested between the products or services to which those are applied will have to be stronger.⁶²³ But if the earlier sign has a strong distinctive character it may be that given identical marks, even if the products or services are not competitive, that there is a likelihood of confusion. On the other side, when the products or services are identical or very similar, the differentiation requested between the opposed signs will have to be stronger. But it may also be that, despite the similarity or connection between the competitive products or services and

⁶¹⁷ See the Decisions of the ACCJ, Process No. 2-IP-2000 of March 24, 2000, OGCA No. 555 of April 17, 2000-CRYSTAL; Process No. 82-IP-2002 of December 4, 2002, OGCA No. 891 of January 29, 2003-CHIP'S. So also the Peruvian SPI, see Resolution No. 814-1998/TPI-INDECOPI of July 24, 1998-AX ARMANI EXCHANGE.

⁶¹⁸ Cf. Process No. 78-IP-2009 of September 30, 2009, OGCA No. 1789 of December 14, 2009-HARD ROCK CAFÉ.

⁶¹⁹ Three cases can be distinguished here: i) Identical signs for similar products or services; ii) Similar signs for identical products or services; iii) Similar signs for similar products or services.

⁶²⁰ See Process No. 109-IP-2002 of March 6, 2003, OGCA No. 914 of April 1, 2003-CHILIS Y DISEÑO.

⁶²¹ See Process No. 55-IP-2000 of October 27, 2000, OGCA No. 633 of January 17, 2001-FUENTE CLARA; Process No. 76-IP-2000 of November 15, 2000, OGCA No. 633 of January 17, 2001-FIBERGLASS.

⁶²² See Process No. 61-IP-2001 of September 1, 2011, OGCA No. 1993 of November 3, 2011-EXPEDIA; Process No. 56-IP-2011 of September 1, 2011, OGCA No. 1992 of October 27, 2011-MISTER CLEAN; Process No. 35-IP-2011 of July 20, 2011, OGCA No. 1982 of September 28, 2011-KILOL, Process No. 38-IP-2011 of July 20, 2011, OGCA No. 1982 of September 28, 2011-ORTHO EVRA.

⁶²³ Cf. Process No. 4-IP-95 of December 15, 1996, OGCA No. 253 of March 7, 1997-GRANOLJET.

the similarity of the signs, if the earlier sign has a very weak distinctiveness, there is no likelihood of confusion.⁶²⁴

The likelihood of trademark confusion includes the likelihood of association of the infringing sign with the earlier trademark. Due the similarity of the products or services and the similarity of the signs the likelihood arises in the public to associate the posterior trademark to the earlier one, believing that these products or services, even if distinguishable on the market, are produced or commercialized by the same enterprise that owns the earlier trademark or by another enterprise of the same group.⁶²⁵

Notorious trademarks are those that are recognized as such in any Andean country by the pertinent sector, independently of the way or means by which it was made known (Art. 224). Notorious trademarks are protected – in addition to the risk of confusion and the risk of association - against the risk of dilution and the undue exploitation of another's reputation. This special protection is not limited by the principles of specialty and territoriality.⁶²⁶ This means that the protection is widened, reaching products or services that are different from the ones in relation to which the notorious trademark is used⁶²⁷ and regardless of whether the notorious mark is registered or not.⁶²⁸ According to the ACCJ, it will not be enough to prove the notoriety of the trademark to grant a protection beyond the principles of specialty and territoriality: it must also be proved that the notorious mark can certainly be damaged either as a result of the risk of association and/or dilution, or as a result of undue exploitation of another's reputation.⁶²⁹ In addition, the protection afforded by Decision 486 to notorious trademarks does not necessarily require effective and real use of the trademarks. In fact, Art. 229-b) provides that the notorious character of a sign shall not be denied by the mere fact that it has not been used or is not being used to distinguish goods or services, or to identify activities or establishments in the Member country. According to the ACCJ's interpretation, the declaration of notoriety of a trademark in one Member Country is sufficient to obtain the wider protection in another Member Country.⁶³⁰ For instance, in one case, the Peruvian "Sala de Propiedad Intelectual" (SPI) of INDECOPI determined that the opponent did not submit enough evidence to prove the notorious character of the trademark NIVEA. However, given that the Ecuadorian "Instituto Ecuatoriano de la Propiedad Intelectual" (IEPI) decided that the (same) trademark was notorious in Ecuador,⁶³¹ the Peruvian SPI had also to acknowledge this character. In another case, the Colombian "Superintendencia de Industria y Comercio" (SIC) decided that the trademark CLUB COLOMBIA was notorious for beers.⁶³² Based on this

⁶²⁴ See the Decision of the Peruvian SPI, Resolution No. 0169-2010/TPI-INDECOPI- G-KRYSTAL.

⁶²⁵ See Process No. 109-IP-2007 of December 4, 2007, OGCA No. 1581 of February 4, 2008-LOMA'S; Process No. 73-IP-2008 of August 27, 2008, OGCA No. 1162 of October 9, 2008-UNIMEDOX; Process No. 120-IP-2010 of February 3, 2011, OGCA No. 1943 of May 13, 2011-TRANSPACK. In the same sense the Peruvian SPI, see Resolution No. 0169-2010/TPI-INDECOPI of January 18, 2010-G-KRYSTAL

⁶²⁶ See Process No. 12-IP-2005 of March 9, 2005, OGCA No. 1185 of April 12, 2005-LONSDALE; Process No. 029-IP-2008 of April 24, 2008, OGCA No. 1637 of July 21, 2008-TRANSPACK.

⁶²⁷ Based on this principle the Peruvian SPI of INDECOPI considers that in those cases the comparison is performed independently of the products or services that distinguish the signs. It is sufficient to compare the signs itself.

⁶²⁸ See Process No. 24-IP-2009 of May 28, 2009, OGCA No. 1734 of July 22, 2009-SALSABOR. The ACCJ based its decision on Art. 229-a) that provides that the well-known nature of a sign shall not be denied solely because it is not registered or is in the process of being registered in the Member Country concerned or in any other country.

⁶²⁹ See Process No. 26-IP-2009 of May 4, 2009, OGCA No. 1734 of July 22, 2009-TOTALDENT.

⁶³⁰ See Process No. 26-IP-2009 of May 4, 2009, OGCA No. 1734 of July 22, 2009-TOTALDENT.

⁶³¹ See Resolution No. 979435 of October 2, 2001.

⁶³² See Resolution No. 45633 of 2009.

decision and the evidence submitted the Peruvian SPI declared that this trademark was also notorious in Peru.⁶³³ In Ecuador, the IEPI cancelled the registered trademark SUPER EXITO based on evidence of the notoriety of the mark EXITO in Colombia,⁶³⁴ despite the extensive evidence of use provided by the defendant.⁶³⁵

Protection against a risk of dilution seeks to safeguard the notorious trademark from any use of an identical or similar sign which could weak the high capacity of distinctiveness the notorious sign has obtained in the market, even if it is used for products or services that are completely unconnected with those covered by the notorious trademark.⁶³⁶ Protection against the risk of undue exploitation of another's reputation shields the notorious trademark against unfair exploitation of the prestige of the sign, regardless of the goods or services to which the notorious mark is attached. This protection is linked to the advertising function of the mark and differs from protection against a risk of dilution in that the purpose of competing parasitism is a form of free-riding on the reputation of the notorious mark that is actionable without the need to show a weakening of its distinctive character.⁶³⁷ In addition, the notorious character of the trademark has to be taken into account in order to judge the risk of confusion.⁶³⁸

The Peru-US and the Colombia-US FTAs provide that the trademark owner shall have the exclusive right to prevent third parties, without his consent, from using in the course of trade identical or similar signs (Art. 16.2.4).⁶³⁹ There are three differences when compared with the Andean Decision 486 (Art. 155-d). First, trademark owners shall have the right to prevent third parties without their consent, from using in the course of trade identical or similar signs, "... including geographical indications ...". This addition makes sense, since GIs are capable of constituting a trademark, according to the FTA. Secondly, this provision excludes the presumption of the Andean Decision 486 in the case of the use of an identical sign for identical goods or services, in which a probability of confusion shall be presumed. Third, the right of the title holder is not only extended to products or services which are identical or similar to those for which the trademark is registered, but also to goods or services "... that are related to those goods or services in respect of which the trademark is registered, where such use would result in a likelihood of confusion."

1.5 *Need for counterbalances*

The Andean Decision 486 specifies several acts that are considered rightful by third parties. Three requisites must be fulfilled in order that these limitations can be applied (the Three Step

[Footnote continued from previous page]

⁶³³ To accept this proof, it must at least meet the following requirements: i) The decision must be issued by the competent national authority for industrial property or by the judiciary; and ii) it must be issued as a result of an administrative and/or judicial process. See Resolution No. 1153-2002/TPI-INDECOPI of December 10, 2002-NIVEA; Resolution 2688-2010/TPI-INDECOPI of November 24, 2010-CLUB COLOMBIA.

⁶³⁴ See Resolution of February 19, 2009-SUPER EXITO.

⁶³⁵ See 100 TMR 472 (2010).

⁶³⁶ See Process No. 6-IP-2009 of March 13, 2009, OGCA No. 1727 of June 30, 2009-REXONA CRYSTAL. Based on the Decision of the ACCJ, the Peruvian SPI considered that the risk of dilution operates mainly on products or services that are not similar. In consequence, where the products or services are similar, even if the opponent trademark is notorious, there cannot be a risk of dilution. See Resolution No. 2688-2010/TPI-INDECOPI of November 24, 2010-CLUB COLOMBIA.

⁶³⁷ See Process No. 70-IP-2008 July 2, 2008, OGCA No. 1648 of August 21, 2008-SHERATON.

⁶³⁸ So the Peruvian SPI, see Resolution No. 1153-2002/TPI-INDECOPI of December 10, 2002-NIVEA; Resolution No. 0169-2010/TPI-INDECOPI of January, 18, 2010-G-KRISTAL.

⁶³⁹ Similar provision is found in the Colombia-US FTA (Art. 16.2.4).

Test): i) the use is done in good faith, ii) such use is confined to identification or information purposes only (do not constitute use as a trademark), and iii) is not likely to create confusion over the source of the goods or services (Art. 157).

On the one hand, the Andean Decision 486 provides for limitations allowing economic operators to identify themselves on the market (name and address) and indicate features of the products or services that they market, such as the type, quality, quantity, destination, value, geographical origin, time of production of the product or service or other features of this kind. On the other hand, third parties are also permitted to use references to the protected trademark when this is necessary to indicate the essential features of the products or services that are commercialized (use necessary to indicate the destination of a product or service, use of accessories or spare parts) or to announce goods or services in advertisements, even in comparative advertising. Finally, another limitation of the trademark right is the “exhaustion of rights”. The Andean Decision 486 provides for the principle of international exhaustion of trademark rights (Art. 158).

2. Misappropriation of signs belonging to a common patrimony

The Andean Decision 486 has two different provisions regarding signs excluded from trademarks protection. Article 135 lists those signs which cannot be registered due to a public interest (absolute prohibitions). Article 136 prohibits the registration of signs that can affect an earlier right of a third person (relative prohibitions). There are no other grounds for refusal of a trademark registration and therefore no other objections or oppositions are allowed. These two different grounds for refusal have important practical consequences in line with the Andean Decision 486. Absolute reasons for the cancellation can be pursued at any time. Within five years from the grant of the registration of the mark a cancellation proceeding based on relative prohibitions can be instituted. Nevertheless, both prohibitions will be examined *ex-officio* or at the request of an interested party during the trademark grant proceeding (Art. 144 and 146).

Article 135-m) of Andean Decision 486 prohibits signs that reproduce or imitate, as trademarks or elements of those trademarks, heraldic elements, such as coats of arms, flags, and emblems, and the official signs and stamps used for the purposes of government control and guarantee and the coat of arms, flags and other emblems, initials or designations of any international organization. This norm excludes official signs that identify States or public entities from registration as trademarks. It may also be invoked with regard to the official emblems of lower public entities, such as provinces and municipalities.⁶⁴⁰ However, official symbols that are no longer used or from States that no longer exist would not be subject to the prohibition in Article 135-m).⁶⁴¹ This ground for refusal is relevant to both trade and service marks. It prohibits the registration and use of emblems not only as a trademark but also as an element of a trademark. The aim of this prohibition is to protect the rights of States to symbols of their sovereignty and image and consumers against misleading statements as to the origin of products or services.⁶⁴² Moreover, the norm seeks to prevent the abuse of such official signs that pretend to simulate a patronage by the correspondent State or international organization.⁶⁴³ The registration of these signs is admitted, with the permission of the

⁶⁴⁰ So the Peruvian SPI, see Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴¹ So the Peruvian SPI, see Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴² See Process No. 15-IP-97 of November 21, 1997, OGCA No. 314 of December 18, 1997-CODE BLEU.

⁶⁴³ See Process No. 14-IP-99 of June 30, 1999, OGCA No. 463 of July 26, 1999-DISEÑO DE ETIQUETA.

competent authority of the State or international organization concerned, is acceptable.⁶⁴⁴ Both, reproduction and imitation of these official signs are prohibited. Imitation in this rule differs from the imitation between two confusingly similar signs. Here the imitation must be from a heraldic point of view.⁶⁴⁵ Consequently, protection does not extend to the word transcription of national symbols.⁶⁴⁶ The denominations of the States are no longer included in this prohibition, as was the case under Andean Decision 344.⁶⁴⁷ Names of States are, under the present Common Regime, handled as geographical names and thus registrable, should they fulfill the other prerequisites for trademark protection. Regarding flags, the Peruvian SPI considers that the reproduction of the colors of the German flag (black, red, gold) in the same position constitutes a violation of Art. 135-m).⁶⁴⁸ The SPI also considers as an official sign the reproduction of the head of an eagle (because it is the bird representative of the national emblem of Germany) and a globus with a figure very similar to the map of Germany.⁶⁴⁹ It is also noteworthy that coins or honorary orders are also considered official signs.⁶⁵⁰

According to Art. 135-o) of Andean Decision 486, signs are not registrable as trade marks if they reproduce, imitate, or include the indication of a plant variety protected in a Member Country or any other country, where the sign is applied to goods or services relating to that variety or where the sign's use, is likely to cause confusion or a mistaken association with that variety. In accordance with the wording of this provision, this prohibition applies to both domestic and foreign protected varieties alike. Moreover, the provision should prevent not only the registration of the variety by a third party but also by the holder of the variety itself.⁶⁵¹ The requirement for the prohibition is, however, a likelihood of confusion or likelihood of association with the protected variety. Here the special rules on the protection of plant varieties must be considered. A likelihood of confusion in this context covers in addition to variety names of the same plant species, the denominations of a closely related species in the

⁶⁴⁴ In Peru the competent authority to authorize the registration of any of the official symbols of the Peruvian State is the Trademark Office (DSD) and, where appropriate, the Board of Intellectual Property of Indecopi (SPI). Abroad it must be determined if the national Trademark Office is competent to grant this authorization. If an applicant submits a certificate of register of a "common patrimony" sign, it will be considered that this register itself authorizes to use and register the correspondent sign. See Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴⁵ So the Peruvian SPI, see Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴⁶ So the Peruvian SPI, see Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴⁷ Art. 82-j) Decision 344. The denominations of states or international organizations could only be registered if they had the authorization of these bodies and were an accessory element within the trademark unit (see Process No. 89-IP-2002 of November 27, 2002, OGCA No. 890 of January 23, 2003-BORGHINI ITALY. In order to know if the correspondent State had given its authorization, it was necessary to submit the correspondent permission or the Peruvian SPI contacted directly the Consulate of the State in Peru and ask for its conformity. See, for example, Resolution No. 548-97/TRI-SPI of August 8, 1997-Z-ZETA, and No. 948-97/TRI-SPI of December 12, 1997 – TRAVELPRO USA, No. 278-1999/TPI-INDECOPI of March 3, 1999-JAZMIN DE ESPAÑA, No. 053-1999/TPI-INDECOPI of January 20, 1999-SPRINGER. Also translations of names of States were included in the prohibition. So Resolution No. 564-97/TRI-SPI of August 20, 1997-HANKOOK BELT/HANKOOK. Hankook is the translation of Korea. The sign was denied by the SPI, because it was not an accessory element of the trademark. For Colombia, see Council of State, File 6904 of June 2003-Conrado Vélez v. Superintendencia de Industria y Comercio.

⁶⁴⁸ Nevertheless the only use of the same colors of a flag (for example, red and white) does not constitute a violation of this prohibition. Thus, the use of the same color in addition of the same combination and distribution of colors infringe an official symbol of a State. See Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁴⁹ See Resolution No. 2146-2008/TPI-INDECOPI of September 5, 2008-FIFA.

⁶⁵⁰ So the Peruvian SPI, see Resolution No. 0758-2004/TPI-INDECOPI of August 31, 2004-TRANSLIMA.

⁶⁵¹ See CAN, Doc. SG/REG.PI.PI/III/di 2 of May 6, 1998, Análisis de la Decisión 344 de la Comisión del Acuerdo de Cartagena a la luz de los principales instrumentos internacionales relativos a la propiedad industrial, 50.

territory of any Contracting Party of the Andean Community and/or UPOV Convention.⁶⁵² Notwithstanding the foregoing, the ACCJ clarifies that it is possible to register a distinctive sign for a plant variety, provided that the sign does not constitute the generic designation of the plant variety or an imitation of that generic designation.⁶⁵³

Moreover, Andean Decision 486 prohibits registration of signs that are contrary to law, morality, public order or good manners (Art. 135-p). The term “law” means every written norm, which is enshrined in the legal system of a Member States that aims to preserve general interests, the public order, peace, stability, moral and good manners.⁶⁵⁴ Regarding the public order, the ACCJ considers that an act is against public order if, for example, it threatens public safety, affects the normal functioning of public services, causes riots and civil unrest, looting, vandalism, subversion, advocating violence, attacks on public health and generally alters the public peace or social coexistence. Consequently, a word or figurative mark stimulating such acts may not be admitted as a trademark.⁶⁵⁵ In respect to good manners, the ACCJ has established that behavior complies with good morals if it is according to the accepted or predominantly moral conduct based on location and time.⁶⁵⁶ The Peruvian “Dirección de Signos Distintivos” (DSD) of INDECOPI declined in First Instance to register the mark “EL PEZWEON” and a logo of a fish showing two pink male genitals. The DSD argued that the term “WEON” referred to a word used in slang to express “huevón” (i.e. Asshole, stupid or a person short of understanding) and that in Peru, that word was considered inappropriate and rude in some sectors of the society. In addition, the name “WEON” was accompanied by a stylized figure of a fish, which appears in the bottom of an irregular shape resembling the male genitals. This reinforces the idea that “WEON” can be perceived by the public as a rude term. Accordingly, the mark was refused registration as being contrary to good manners.⁶⁵⁷ The “Sala de Propiedad Intelectual” (SPI) of INDECOPI (Second Instance) overturned the earlier decision and granted the trademark. Without ignoring that PEZWEON refers to the phrase “PUES HUEVON” (i.e. Well, you idiot) used as slang by a section of the population, especially young people, the SPI did not consider it to be contrary to good manners. Indeed, although the word “HUEVÓN” alone is an insult, it has gradually become part of the colloquial language of young people (especially males) where it is used in a friendly way to refer to close people. So, the SPI concluded that the word “HUEVÓN” and its derivatives (“huón”, “won”, “weon”, “on”, “weona”, “wona”, “ona”) - depending on the context in which they were used – could indicate both an insult and a way of referring to a person in a friendly or jokingly manner. The SPI made a distinction between bad taste and violation of public decency. In the view of the SPI, INDECOPI is not a censor with regard to the good or bad taste of people. The fact that for some, a mark may be an indication of bad taste did not mean that it was contrary to good manners. In determining whether the prohibition against violation of good manners applies, it should be taken into consideration, among other things, how the environment influenced the language and in which context the sign was used. It could not be disconnected from the dynamic examination of the current market and society. The SPI considered that it was

⁶⁵² See Art. 13 paragraph 2 Andean Decision 345, Common Regime on the Protection of the Rights of Breeders of New Plant Varieties, of October 21, 1993, and Art. 20 (2) UPOV Convention of 1991.

⁶⁵³ See Process No. 052-IP-2009 of August 28, 2009, OGCA No. 1795, of January 4, 2010-CANOLA.

⁶⁵⁴ Process No. 30-IP-96 of September 12, 1997, OGCA No. 299 of October 17, 1997-KRAFT LA AUTENTICA MAYONESA. The ACCJ makes clear that this prohibition does not allow that at a national level the Member States incorporate new grounds of refusal. In this regard, the prohibition to trademark registration contained in the Colombian Law No. 14 of 15 March, 1979 does not seem applicable. According to this norm, signs in a foreign language are prohibited to be register as trademarks.

⁶⁵⁵ Process No. 4-IP-88 of December 12, 1988, OGCA No. 39 of January 24, 1989-MERCEDES BENZ.

⁶⁵⁶ See Process No. 4-IP-88 of December 12, 1988, OGCA No. 39 of January 24, 1989-MERCEDES BENZ.

⁶⁵⁷ See Resolution No. 15444-2009/DSD-INDECOPI of September 9, 2001 and its reconsideration Resolution No. 2628-2010/DSD-INDECOPI of February 19, 2010-PEZWEON.

difficult to determine which signs were contrary to good manners in Peru, because the country had a cultural and religious diversity with several traditions and customs that were not always compatible or shared by all.⁶⁵⁸ On the contrary, the SPI denied the registration of the sign “JIJUNA”. According to the SPI, the term “JIJUNA” constituted an inappropriate and rude word (i.e. Motherfucker). To determine whether the sign violated morality, it was irrelevant whether it was contained in the dictionary of the Spanish Royal Academy. Due to the fact that the services marketed under the mark “JIJUNA” (i.e. Education services, sporting and cultural activities were made available to children), the sign contravened the accepted manners of the society. Hence, the sign’s registration would be counterproductive.⁶⁵⁹ A similar criterion was applied in the cases of the trademarks “CARAJÓ” (i.e. Fuck) for fresh fruits and vegetables,⁶⁶⁰ “DEL CARAJÓ” and a logo for entertainment and performance services⁶⁶¹ and services for providing food and drinks,⁶⁶² “MARIJUANA” and a logo for smokers’ articles.⁶⁶³ In the latter case it was also considered that the sign was contrary to the public order.

Pursuant to Art. 136-g) of the Andean Decision 486 signs that consist of the name of indigenous, African American, or local communities, or of denominations, words, letters, characters, or signs used to distinguish their products, services or methods of processing, or that constitute an expression of their culture or practice, can be denied for registration, unless the trademark application is filed by the community itself or with its express consent. In Colombia, the registration of the denomination “TAIRONA” for products in class 30 has been rejected on the grounds that “TAIRONA” is the name of an indigenous community that inhabited pre-Hispanic Colombia and still exists.⁶⁶⁴ Nevertheless, in another decision the Colombian “Superintendencia de Industria y Comercio” (SIC) accepted the registration of the trademark “KIMBAYA FASHION” even though the sign includes the name of an indigenous community (Quimbaya). The argument used by the SIC in this context was that the indigenous community was long extinct and that there was no members of the community who may feel offended by the trademark registration. It reached this conclusion based on information obtained from Wikipedia.⁶⁶⁵ In Peru, INDECOPI accepted the registration of the trademark “AYAHUASCA” and a logo for the following services: education, training, recreation, sports and cultural, service clubs and casinos (class 42), restaurant services (food) and temporary accommodation (class 43). For some other products - beer, mineral water and soft drinks, other non-alcoholic drinks (class 32) as well as alcoholic drinks (class 33) - the mark was granted but without claim relating to the denomination “AYAHUASCA”. The argument of INDECOPI was that in these cases the sign had a descriptive character.⁶⁶⁶ The word

⁶⁵⁸ See Resolution No. 0436-2011/TPI-INDECOPI of February 23, 2011-PEZWEON.

⁶⁵⁹ See Resolution No. 2132-2007/TPI-INDECOPI of October 25, 2007-JIJUNA.

⁶⁶⁰ See Resolution No. 1600-2001/TPI-INDECOPI of November 23, 2001-CARAJÓ.

⁶⁶¹ See Resolution No. 1136-2004/TPI-INDECOPI of November 30, 2004-DEL CARAJÓ.

⁶⁶² See Resolution No. 2133-2007/TPI-INDECOPI of October 25, 2007-DEL CARAJÓ.

⁶⁶³ See Resolution No. 3197-2008/TPI-INDECOPI of December 18, 2008-MARIJUANA.

⁶⁶⁴ See <http://www.wipo.int/export/sites/www/tk/es/consultations/questionnaires/ic-2-5/colombia.pdf>; also see O’Connor, B., *The Law of Geographical Indications*, Cameron May, London, 2004, p. 372. The SIC applied a similar criteria in the case of the registration of the trademark “CAFÉ INDIGENA DE ORIGEN PAEZ” (see Resolution No. 21607 of August 31, 2004). Considering that “PAEZ” is the name of an indigenous community composed principally from a young population, the SIC refused the registration of the mark, despite the applicant submitted a supposed authorization of the indigenous community.

⁶⁶⁵ See Resolution No. 15139 of March 19, 2009, available at: <http://www.sic.gov.co/index.php?idcategoria=12050>. At the end, the SIC refused registration of the trademark “KIMBAYA FASHION”, considering “KIMBAYA” is confusingly similar with the trademark “QUIMBAYA” previously registered for goods of the class 3.

⁶⁶⁶ Resolution No. 7373-2010/DSD-INDECOPI of May 17, 2010-[RESTAURANTEUR S.A.C.](#)

“AYAHUASCA” refers to a medicinal brew, the main ingredient of which is the ayahuasca vine (*Banisteriopsis caapi*). The vine is cooked, usually in combination with a variety of other admixture plants, to produce a brown liquid that is consumed in healing ceremonies led by Amazon healers (ayahuasqueros, curanderos). At least 72 different indigenous tribes of the Amazonia gave evidence of detailed common knowledge of ayahuasca and its use. Ayahuasca is known and used throughout Peru, Ecuador, Colombia, Bolivia, Western Brazil and in parts of the Rio Orinoco basin. The Ayahuasca has physical and spiritual effects when brewed and consumed in a ceremonial setting.

The registration of person’s names as trademarks is prohibited in the Andean Decision 486 (Art. 136-e) if it should refer to a well-known and famous name, identified and recognized by the public and there is no consent from the person that could be affected or, if deceased, the declared heirs of that person. The above provision refers to the names and according to the ACCJ it refers to the first name and the family name, because the latter individualizes a person.⁶⁶⁷ An exception to this rule is where a person is well-known only by his surname (eg. CHURCHILL) or in the field of fashion where it is usual to use only the family name of the designers (ARMANI, DIOR, DOLCE & GABBANA). The prohibition extends to signature, title, nickname, pseudonym, image, portrait or caricature, when no consent has been obtained. In comparison to Andean Decision 344 the name of a legal entity is now also included in the above mentioned prohibition. The Peruvian INDECOPI rejected the registration of the mark VAIS MAN stating that it could be considered as a person’s name. DAVID WAISMAN is a well-known Peruvian political and the surname WAISMAN is uncommon in Peru.⁶⁶⁸ The marks S SENNA was cancelled in Colombia because it reproduced a well-known person’s name.⁶⁶⁹

Nevertheless, the prohibition of Art. 136-e) is not being applied in the Andean Countries to refuse registration of person’s names that have a cultural significance. The Ecuadorian “Instituto Ecuatoriano de la Propiedad Intelectual” (IEPI) granted the registration of the sign CAFÉ MOZART and logo,⁶⁷⁰ ESTEREO MOZART CIA. LTDA.,⁶⁷¹ and MOZART and logo⁶⁷² for commercial activities and services that are not directly related to the work of the artist. Likewise, the Peruvian “Instituto Nacional de Defensa de la Competencia y Protección de la Propiedad Intelectual” (INDECOPI) granted the registration of the trademark MOZART for ice creams,⁶⁷³ for products of the international class 33,⁶⁷⁴ and for products of the international class 16.⁶⁷⁵ Furthermore, it is very common in Peru to register signs for educational services that have cultural significance (JORGE CHÁVEZ DARTNELL ESCUELA DE AVIACION CIVIL,⁶⁷⁶ COLEGIO PERUANO NORTEAMERICANO ABRAHAM LINCOLN,⁶⁷⁷ CESAR

[Footnote continued from previous page]

⁶⁶⁷ See Process No. 53-IP-2002 of August 14, 2002, OGCA No. 833 of September 13, 2002–LAURA ASHLEY.

⁶⁶⁸ See Resolution No. 12635-2002/OSD-INDECOPI of October 31, 2002-WAISMAN.

⁶⁶⁹ Resolution No. 25127 of November 26, 1999, see also the Legal Concept No. 2229 of February 20, 2004.

⁶⁷⁰ Register No. 10 of February 11, 1992.

⁶⁷¹ Register No. 6 of January 15, 1974.

⁶⁷² Register No. 4320 of August 28, 2001.

⁶⁷³ Register No. 20100916241 of August 31, 1998.

⁶⁷⁴ Register No. PI0099103 of July 30, 1992.

⁶⁷⁵ Register No. P00092273 of October 17, 2003.

⁶⁷⁶ Register No. 20303063766 of March 7, 2011. Jorge Chávez was a [Peruvian aviator](#). He achieved fame for his aeronautical feats. He died in 1910 while attempting the first air crossing of the [Alps](#). In Peru, Chávez became an icon for aviation related institutions such as the [Air Force](#). The [International Airport of Lima](#) is named after him.

[Footnote continued on next page]

VALLEJO and logo,⁶⁷⁸ COLEGIO FRANKLIN DELANO ROOSEVELT THE AMERICAN SCHOOL OF LIMA,⁶⁷⁹ LEONARDO DA VINCI⁶⁸⁰).

Signs with a high symbolic value, in particular religious symbols, are registered in Peru. As for beverages, in particular sparkling water, the trademarks SALUD CON SAN ANTONIO,⁶⁸¹ SAN MATEO,⁶⁸² SAN LUIS,⁶⁸³ AGUA DE MESA SAN JOSE,⁶⁸⁴ AGUA DE MESA SAN SEBASTIAN and logo,⁶⁸⁵ AGUA SAN BLAS and logo,⁶⁸⁶ SAN DOUGLAS,⁶⁸⁷ among others, are registered. Signs with a religious meaning, such as names of religious events and pictures, are also registered.⁶⁸⁸

Signs having no high symbolic value but cultural significance are also registered in the Andean Countries. For instance in Peru, the trademarks AIDA⁶⁸⁹ and ELEKTRA⁶⁹⁰ are registered. Historical and cultural monuments, as well as signs that due to the history and cultural traditions are perceived as national symbols are registered in some Andean Countries. Ecuador has registered the trademarks DISEÑO MITAD DEL MUNDO and logo,⁶⁹¹ MITAD DEL MUNDO TV and logo⁶⁹² for clothes and telecommunication services, respectively. In Peru the signs TUMI INCA,⁶⁹³ MACCHU PICHU,⁶⁹⁴ and MACHU PICCHU AIRLINES and logo⁶⁹⁵ are registered. The Nazca Lines are a series of ancient [geoglyphs](#) located in the [Nazca Desert](#) in southern [Peru](#). They were designated a [UNESCO World Heritage Site](#) in

[Footnote continued from previous page]

⁶⁷⁷ Register No. 14886 of December 5, 1997.

⁶⁷⁸ Register No. 60549 of September 4, 2009.

⁶⁷⁹ Register No. 42465 of September 10, 2003.

⁶⁸⁰ Register No. 22773 of April 7, 2000.

⁶⁸¹ Register No. LI0002937 of February 6, 1996.

⁶⁸² **See Register No. P00054935 December 14, 1998.**

⁶⁸³ Register No. P000083403 of June 24, 2002 and No. 171067 of June 8, 2010.

⁶⁸⁴ Register No. 92037 of March 14, 1991.

⁶⁸⁵ Register No. 173624 of December 7, 2010.

⁶⁸⁶ Register No. 145163 of April 9, 2008.

⁶⁸⁷ Register No. P00171685 of October 10, 2010.

⁶⁸⁸ In Peru, for instance, the trademark SANTURANTICUY is registered for services of the class 35 (Register No. 2213 of December 22, 2010). Santuranticuy is the name of a religious feast of saints in Cuzco.

⁶⁸⁹ Register No. 20100819041 of October 30, 1992.

⁶⁹⁰ Register of January 25, 1999.

⁶⁹¹ Register No. 2015 of June 16, 2005. "Mitad del Mundo" is the name of the touristic village and of an old monument to the demarcation of equator, located at the main square of Calacali in Central Ecuador.

⁶⁹² Register No. 1011 of April 20, 2009.

⁶⁹³ Register No. 20516655896 of December 9, 2008.

⁶⁹⁴ Register No. [P00004680](#) of December 27, 1993, see also Resolution No. 0010152-1993/OSD-INDECOPI of December 27, 1993-MACCHU PICHU.

⁶⁹⁵ Register of August 28, 2008.

1994. Notwithstanding the sign NAZCA DISCOVERED LINES and logo was considered a registrable trademark. The “Dirección de Signos Distintivos” of INDECOPI, however, rejected its registration because it was confusingly similar with the trademark NAZCA and logo.⁶⁹⁶

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

The Andean Tribunal defines a trademark as a sign that is capable of distinguishing the goods or services of the applicant from those of his competitors.⁶⁹⁷ Marks which are devoid of any distinctive character cannot be registered (Art. 135-b). A sign is not distinctive by the mere fact that there is no other indication to designate the product or service. For example, if an envelope contained only a name that for being banal or other reasons is not distinctive, but the public in the absence of a descriptive name uses this name for the product with this indication, this does not mean that the sign has a distinctive capacity. Neither will a sign be capable of distinguishing by the mere fact that it expresses a new concept. To determine the distinctiveness of a sign the usual way to use distinctive signs in the corresponding field of products or services should be taken into account. The relevant sector to determine the distinctiveness of a sign is the relevant manufacturers and producers of the goods or service providers and consumers of the correspondent products or services. Therefore, distinctiveness is not determined equally for all products and services. Thus, a sign may be distinctive in relation to certain products or services and not in relation to others. For this purpose, the national consumer is relevant.⁶⁹⁸

The case law is rather strict with regard to the inherent distinctiveness of single letters and numbers. The practice is less severe in the case of combinations of letters and numbers. In Peru, any kind of combination of two letters or two numbers or a letter with a number are accepted.⁶⁹⁹

Regarding the registration of colors, the Andean Decision prohibits the registration of a color *per se* (Art. 135-j). The ACCJ establishes that pure colors (in isolation and without any specific configuration) cannot be registered. On the contrary, the combination of two or more colors as well as a color *per se* but bounded can be registered. Colors of the rainbow may be singled out as an example of “pure color”. “Secondary colors” also fall under this prohibition.⁷⁰⁰ The Peruvian INDECOPI establishes that the registration of a trademark in certain colors does not implicate that the protection can be extended to this color or combination of colors, but to their particular form of presentation or distribution. In any case however, protection is guaranteed, if the actual color or color combination is especially distinctive. Thus, two or more marks containing figurative elements depicting the same color scheme may be registered, provided that the presentation or distribution of the marks’ color is different. Otherwise, the exclusive right to the mark would have anticompetitive effects.⁷⁰¹ In

⁶⁹⁶ See Resolution No. 015532/DSD-INDECOPI of September 29, 2011-NAZCA DISCOVERED LINES.

⁶⁹⁷ See Process No. 92-IP-2004 of September 1, 2004, OGCA No. 1121 of September 28, 2004-UNIVERSIDAD VIRTUAL.

⁶⁹⁸ So the Peruvian SPI, see Resolution No. 3106-2009/TPI-INDECOPI of November 19, 2009-FESTIVAL DE LIMA.

⁶⁹⁹ See among others, Resolution No. 769-97/TRI-SPI of October 13, 1997-LF/PIZZERIA LA ROMA, Resolution No. 525-97/TRI-SPI of August 11, 1997-FV/VF, Resolution No. 6423-97/TRI-SPI of August 8, 1997-TH25/TH225.

⁷⁰⁰ See Process No. 111-IP-2009 of December 2, 2009, OGCA No. 1805 of March 22, 2003-UN ESPEJO O REFLEJO DE AGUA CON REIVINDICACION DE LOS COLORES AZUL OSCURO Y AZUL CLARO.

⁷⁰¹ See Resolution No. 0623-2010/TPI-INDECOPI of March 15, 2010-FIGURA DE UN BUS EN LOS COLORES BLANCO, VERDE Y CELESTE.

Peru it is quite common to register a combination of colors to distinguish transport services of the class 39. However, the combination of colors indicates to the consumer the route that a bus line has. The transit authority requires notification of what combination of color to use for the purpose of granting authorization. Consequently, often there are cases of trademark infringement between the titleholder of a registered trademark and the owner of a transport company that follows the same route.⁷⁰²

The requirement of distinctiveness applies also to three dimensional trademarks. The Andean Decision 486 prohibits registration of exclusively common shapes of goods or their packaging (Art. 135-c). Only the registration of arbitrary or capricious shapes or the packaging of goods are allowed.⁷⁰³ The shape must have features that differ sufficiently from usual or necessary forms of shapes in the sector concerned.⁷⁰⁴ In Colombia, the Council of State refused the register of a shape of a bottle since the applied sign lacked distinctive capacity. It stated that, even though the bottle included veins, dots and dashes, these elements did not add a creation that could be deemed suggestive, arbitrary or fanciful.⁷⁰⁵ In Ecuador, Compañía de Cervezas Nacionales secured several trademark registrations for the shape of a beer bottle between 1988 and 1991. In 2005 it applied for the registration of another bottle shape, that was very similar to the previous applications. This time the IEPI denied the registration arguing that it was a common shape that lacked distinctiveness and was not protectable under trademark law.⁷⁰⁶ In addition, according to the Andean Decision it is not possible to register as a trademark a shape which is the “nature” of the ware (Art. 135-c). In other words, registration of a shape as a trademark is not legally possible if such a shape cannot be distinguished from the product. Specific rules apply for marks exhibiting technical functions. A mark which consists exclusively of the shape of the goods which is necessary to obtain a technical result cannot be registered (Art. 135-d). According to the ACCJ, if a shape imposed by the nature or the technical function of a product could be monopolized in perpetuity through trademark registration, free access of competitors to the market would be blocked, as they would not be able to manufacture or distribute their products.⁷⁰⁷

Trademarks that exclusively, or with only minor changes,⁷⁰⁸ consist of descriptive information cannot be registered. Uses of characteristics of the goods or services, including the quality,⁷⁰⁹

[Footnote continued from previous page]

⁷⁰² See, for instance, Resolution No. 068-2003/TPI-INDECOPI of January 23, 2003-EMPRESA DE TRANSPORTES Y SERVICIOS 45 and Resolution No. 0396-2006/TPI-INDECOPI of March 23, 2006-EMPRESA DE TRANSPORTE, TURISMO E INVERSIONES SEÑOR DE LA SOLEDAD.

⁷⁰³ The fact that the requirement of distinctiveness is for three-dimensional marks specially regulated in a section (Art. 135-c) and not in the general section of distinctiveness (Art. 135-b) has consequences for the purpose of the acquisition of distinctiveness.

⁷⁰⁴ See Process No. 113-IP-2003 of November 12, 2003, OGCA No. 1028 of January 14, 2004-FIGURA DE ENVASE EN FORMA DE BOTELLA and Process No. 88-IP-2004 of August 18, 2004, OGCA No. 1116 of September 10, 2004-FIGURA DE BOTELLA.

⁷⁰⁵ See Sentence No. 7619 of August 4, 2005, Gaseosas Posada Tobón S.A. v. Supertendencia of Industry and Commerce-POSTOBON-I.

⁷⁰⁶ See <http://www.internationallawoffice.com/Newsletters/Detail.aspx?q=f972ecc3-e74d-43c1-aa1ce56729b82211&redir=1>.

⁷⁰⁷ See Process No. 31-IP-2003 of June 18, 2003, OGCA No. 969 of August 1, 2003-NINTENDO.

⁷⁰⁸ See the decisions of the Peruvian SPI, Resolution No. 859-1998/TPI-INDECOPI of June 18, 1999-BUK-AL/BUCAL; Resolution No. 2301-2007/TPI-INDECOPI of November 12, 2007-BLONDY; Resolution No. 2054-2009/TPI-INDECOPI of November 18, 2009-BLONDY NATURE.

⁷⁰⁹ The Colombian Council of State found that the word OPTIMO can be used by anyone to describe the quality of the same or similar products as intended to be covered by the mark (see Sentence of May 28, 1998, file

[Footnote continued on next page]

quantity, intended purpose,⁷¹⁰ value, geographical origin⁷¹¹ or the time of production of the goods⁷¹² or that impart other details,⁷¹³ or information, including expressions of praise for the goods or services cannot form the basis for trademark registration (Art. 135-e).⁷¹⁴ In the case of descriptive terms in a foreign language, the ACCJ has established that such terms are fanciful signs. This conclusion is based on an assumption that the average consumer does not know those words. However, some foreign words are generally recognized by consumers, especially when they are frequently used in one of the Member Countries or when they are phonetically or orthographically similar to words in Spanish (especially Italian or French words). In this case, the sign must be examined taking into consideration its descriptive nature, regardless of the language it is in.⁷¹⁵ In Colombia, words that are included in the Spanish Dictionary cannot be considered as a fantasy expression but as a local descriptive expression.⁷¹⁶ In Peru, INDECOPI treats foreign words as Spanish terms, depending on the degree of knowledge of its significance or the need for its use by competitors. So a term in a foreign language can be considered as descriptive in Peru if it has become part of the Spanish language (such as *small, medium, large, premium, light*), if it is understood by the Peruvian public (*ceramic, energy, ⁷¹⁷ brilliant*) or if it is necessary for the import/export trade. If the meaning of a descriptive term in a foreign language is not known by the Peruvian public, and will, on the contrary, be perceived as an arbitrary or fanciful term, then it can be registered.⁷¹⁸

[Footnote continued from previous page]

No. 3227-Grasas Vegetales S.A. v. Superintendencia de Industria y Comercio). Likewise, the Peruvian SPI found that the word PREMIUM refers to the quality of the products to which it applies (oils and fuels). See Resolution No.-181-1999/TPI-INDECOPI of February 12, 1999-PREMIUM DIESEL-2.

⁷¹⁰ The Colombian Council of State declared the nullity of the registration of the trademark HOLOGRAMA for security services. It considered that the sign described the result of a service in which a laser-based photographic technique was applied (see Sentence No. 5063 of September 30, 1999, Thomas Greg & Sons de Colombia S.A. v. Superintendencia de Industria y Comercio). In another case the Council of State considered that the sign DEPORTE INTERNACIONAL to cover products of the international class 16 (magazines, publications, among others) only described the characteristics of the products. Consequently, the sign cannot be registered (see Sentence of February 21, 2008, File No. 2003-00119-01). The Ecuadorian IEPI denied the registration of the service mark BENEFICIOS MEDICOS INTERNACIONALES to distinguish insurance services in general and particularly medical assistance group on the grounds that the mark is a commonly used generic name to describe the correspondent services. See Resolution No. 0034608 of May 16, 2000.

⁷¹¹ The Peruvian SPI found that the term MACHU PICCHU refers directly to the geographical origin of the services (temporary accommodation, catering). See Resolution No. 054-1998/TPI-INDECOPI of January 18, 1998-HOTEL MACHU PICCHU INN.

⁷¹² The Peruvian SPI has determined that B-24 reports the consumer to the time of the delivery service (24 hours). See Resolution No. 341-97/TRI-SPI June 16, 1997-B-24 HORAS CAJEROS AUTOMÁTICOS.

⁷¹³ In Colombia the registration of CANAL SATELLITE to distinguish services in Class 41 was denied. It was argued that the sign was indicative of a substantial characteristic of television service, as it is rendered through channels that use satellites for functioning. See Decision of the Council of State No. 7005 of August 18, 2003, Canal Societe Anonyme v. Superintendencia de Industria y Comercio.

⁷¹⁴ See Process No. 23-IP-2000 of March 15, 2000, OGCA No. 551 of April 3, 2000-ARISCO TOMATO; Process No. 49-IP-2000 of , OGCA No.602 of September 21, 2000-ICE BREWING; Process No. 79-IP-2005 of July 6, 2005, OGCA No. 1235 of August 23, 2005-ZONA FRANCA.

⁷¹⁵ See Process No. 3-IP-95 of August 7, 1995, OGCA No. 189 of September 15, 1995-TUTTI FRUTTI.

⁷¹⁶ See Decision No. 8907 of August 24, 2006 of the Council of the Council of State, Sodimac Colombia S.A. v. Superintendencia de Industria y Comercio-LA FENETRE.

⁷¹⁷ See Resolution No. 119-1998/TPI-INDECOPI of February 7, 1998-ENERGY.

⁷¹⁸ See Resolution No. 582-1998/TPI-INDECOPI of May 29, 1998-1500; No. 541-1996-TRI-SPI of December 20, 1996-SINGLES; No. 1929-2010/TPI-INDECOPI of August 24, 2010-CRYSTAL LIPS UNIQUE.

The common or technical name of a product or service cannot be registered as a trademark when it has a direct relation with the correspondent product or service (Art. 135-f). The ACCJ established that the generic name must be analyzed taking into consideration its relation with the products or services it intends to identify.⁷¹⁹ Just because a term is prescribed in a dictionary with several meanings, it cannot be considered unregistrable. A generic term cannot be register as a trademark, because it would create an unfair advantage over other entrepreneurs.⁷²⁰ Likewise, the ACCJ stated that common words in another language whose use becomes usual in an Andean Country should be treated as a local expression.⁷²¹ In addition, Art. 135-g) prohibits the register of 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 trade.⁷²² Slangs expressions cannot also be used as trademarks. The ACCJ clarified that this limitation must be restricted, given that a word can mean something in one Andean Country and something else in another.⁷²³ For example, the expression "GUAGUA" means "kid" in Ecuador and Peru, in Cuba and Puerto Rico it means "bus", while in Colombia it has no meaning at all. Therefore, "GUAGUA" could be used as a trademark for buses in Ecuador, Peru and Colombia.⁷²⁴

According to Andean Decision 486, signs that may mislead the public about the geographical origin, nature, form of manufacture, among other characteristics of the goods or services to be represented, cannot be registered as trademarks (Art. 135-e). The geographical origin gives the consumers an idea about the qualities of the products they buy. The Colombian SIC considered that the trademark "PATAGONIA GOURMET" may mislead consumers. The sign was meant to identify products of international classes 29 and 30 relating to meat products and sweets, among others. Patagonia is a territory of South America that is known worldwide for the manufacture of quality meat and sweets known worldwide. The SIC argued that the consumer who finds a product with the words "PATAGONIA GOURMET" within the mark, would conclude that it came from that region of South America, while in fact the production company is domiciled in Bogota, Colombia.⁷²⁵ A sign may not directly refer to the character or

⁷¹⁹ See Process No. 2-IP-89 of October 19, 1989, OGCA No. 49 of November 10, 1989. So, the Colombian Council of State stated that the trademark "TENNIS" was registrable for clothing and headgear, but not for shoes. In Colombia, any kind of shoe manufactured with its upper part in fabric or plastic and with rubber or plastic sole, and used primarily to play tennis, is generally designated as a "tennis shoe". Moreover, such use has become universal for other sports and even for the every-day-to-do. See 89 TMR 258 (1999). The Ecuadorian IEPI held that PCS was a generic term technically used to describe a form of communication in wireless communications services that means "personal communication services". Electronic means were used to verify the generic nature of the term PCS and multiple references to this term were found within the communications field. See Proceeding No. 04-286 RVM of July 16, 2004 explained in 98 TMR 458 (2008).

⁷²⁰ See Process No. 20-IP-2011 of May 18, 2011, OGCA No.1964 of July 13, 2011-REYOGURT.

⁷²¹ See Process No. 63-IP-2002 of August 28, 2002, OGCA No. 837 of September 20, 2002-KISS COOL. In Colombia the registration of the mark "THE LATIN ACADEMY OF RECORDING ARTS & SCIENCES" to cover services of association through the promotion of the recording industry of Latin music was rejected. The Council of State held that the mark used English generic terms that were phonetically similar to their Spanish translations (see Sentence of October 11, 2006, File No. 200300346). In Peru, the SPI denied the register of "ESPRESSO" for services in the area of gastronomy. The SPI stated, that although the name ESPRESSO is a word in Italian, it is understood by the public in Peru as a way of preparing coffee. See Resolution No. 277-97/TRI-SPI of May 12, 1997-ESPRESSO.

⁷²² In Colombia, the SIC considered that the trademark "PANETTONE" lost its distinctive character and became a common name to designate a special Christmas bred, which is neither a cake nor a muffin. See Resolution No. 032915 of December 12, 2005.

⁷²³ See Process No. 56-IP-2002 of September 4, 2002, OGCA No. 851 of October 11, 2002-BONFRUIT.

⁷²⁴ See 94 TMR 348 (2004).

⁷²⁵ Resolutions No. 017505 and No. 017506 of 2008 by which the SIC refused to register the trademark "PATAGONIA GOURMET" in behalf of the company Daxley de Colombia Ltda. See Cavelier Abogados, Infolex Legal Bulletin, July 2008.

quality of the goods or services in respect of which the registration is sought. In addition, the sign may not be, according to its ordinary signification, a geographical name.

3.2. *Acquisition of distinctive character*

The Andean Decision 486 has, for the first time, introduced in the Andean Community the possibility of a trademark to acquire distinctive character through use (Art. 135-last paragraph).⁷²⁶ Trademark based on use must have acquired secondary meaning, i.e. Being appreciated as a trademark by the relevant consumer group for that mark. Not all absolute grounds for refusal can be overcome by showing that a sign has acquired distinctiveness as a result of the use made of it in trade. Only signs lacking distinctiveness, descriptive signs, generics signs and colors per se can acquire distinctiveness in this way. Nevertheless, regarding three-dimensional marks – as already mentioned – due to the fact that the requirement of distinctiveness has been regulated in a special section (Art. 135-c) and not in the general section of distinctiveness (Art. 135-b), it is not possible that common shapes that have acquired distinctiveness can be registered.

The Colombian “Superintendencia de Industria y Comercio” (SIC) has stated that products and services may be identified by expressions that at first glance are not distinctive but, for different reasons (i.e. Prolonged use of the sign, advertising campaign of great diffusion) acquire a secondary meaning with distinguishing aptitude, and consequently, they may be registered as trademarks.⁷²⁷ In November 2010 the SIC allowed the registration of two figurative marks consisting of three stripes embedded in clothing, reversing its position in 2001 that the marks were devoid of any distinctive character. Adidas, having initially failed to obtain registration, was subsequently able to prove that its stripes were distinctive in the light of the company's strong presence in the Colombian market, where it had invested heavily in advertising campaigns and sponsorships - and more importantly that this had enabled the relevant public to identify the marks with their commercial origin. In another case the SIC rejected the secondary meaning, even if the submitted material showed that the applicant had invested in several publicity campaigns. Important is to prove the constant use of the trademark and that due such use consumers are able to associate the mark with a particular enterprise.⁷²⁸ Based on sufficient evidence that the red color (Pantone 186C) had acquired secondary meaning to protect mobile and advanced mobile telecommunication services, the Ecuadorian IEPI granted the registration of a color without a defined shape.⁷²⁹ In Peru, the “Sala de Propiedad Intelectual” (SPI) of INDECOPI considered that “FESTIVAL DE LIMA. ENCUENTRO LATINO AMERICANO DE CINE” had acquired distinctiveness in relation to a film festival. The attached tests show the importance of disseminating the event in mass media such as newspapers, magazines and websites. It can be inferred that a significant number of users have had access to such information and are able to associate the sign with a particular entrepreneurship.⁷³⁰ But even if distinctive character can be demonstrated, the scope of protection of these kinds of signs may remain limited. In this case, a denomination composed of an indication that lack distinctiveness (FESTIVAL DE LIMA) and a descriptive

⁷²⁶ Art. 135-last paragraph: “Notwithstanding the provisions stipulated under items b), e), f), g) y h), a sign may be registered as a trademark where its continued use in a Member Country by the applicant or assignor has endowed it with a distinctiveness in respect of the products or services to which it is applied.” Under the Andean Decision 344 the institution of the “secondary meaning” was not regulated expressly. Nevertheless, the Colombian SIC granted the register of the trademark “BANCO SUPERIOR” based on the great notoriety acquired by the sign through its use (See Resolution No. 345/SIC of March 1, 1995). For part of the doctrine, with this decision the SIC was committing an outrage against the Common Regime.

⁷²⁷ See Legal Opinion No. 02043592 of July 30, 2002.

⁷²⁸ See Resolution No. 14556 of May 29, 2003-ALKOSTO.

⁷²⁹ See Resolution No. 308462 of December 4, 2008-CONECCEL.

⁷³⁰ See Resolution No. 3106-2009/TPI-INDECOPI of November 19, 2009-FESTIVAL DE LIMA.

indication (ENCUENTRO LATINOAMERICANO DE CINE) constituted a weak trademark. So, minor deviations in the composition of a junior mark from the earlier mark may already eliminate a likelihood of confusion.

3.3 *Exceptions to trademark protection*

The monopoly that represents the use of the trademark as an exclusive right is only justified to the extent necessary for the trademark to serve its traditional function of indicating the commercial origin of goods or services. It should be avoided that the monopoly reaches acts that are not justified by the function of the trademark and that would distort free competition in the market. The Andean Decision 486 mentions several acts that are considered rightful third party uses. On the one side the acts that allow the economic agents to identify themselves on the market (name and domicile) or to expose the features of the products or services that they commercialize, such as the type, quality, quantity, destination, value, geographical origin, time or production of the product or of services or other features of these (Article 157-first paragraph). On the other side third parties are also permitted to refer to a registered trademark when the reference is absolutely necessary to indicate the essential features of the products or services that are commercialized. For example, it is allowed that third persons use the trademark to indicate the destination of a product or service, in particular in the case of accessories or spare parts, as long as this use is done according to fair practices in commercial and industrial matters (Article 157-second paragraph). Finally, another limitation of the trademark right is the "exhaustion". The Andean Decision 486 provides for international exhaustion of trademark rights (Article 158).

4. Conclusion

According to the non-limitative enumeration of the Andean Decision 486, words, letters, numbers, graphic symbols, three-dimensional shapes by themselves, the combination of colors or a color bounded as well as sound and olfactory signs may be registered as trademarks. In recent years an increase in the number of registers of non-traditional trademarks can be observed. Nevertheless, it remains difficult to register shapes, sounds and scents.

The scope of protection of trademarks in the Andean Community corresponds with the standards of modern trademark laws. Not only the origin function of a trademark but also the publicity and goodwill function are protected.

The level of protection of a registered trademark depends on the reputation and notoriety of a trademark. Absolute protection will be granted in the case of double identity. In case of similarity of the signs and of the products or services a trademark is protected against the likelihood of confusion and the risk of association. Well-known trademarks are protected against dilution of their distinctiveness and reputation. The more notorious a trademark is, the broader the protection courts will tend to grant them. Despite the fact that trademark law is territorial in the Andean countries, recognition that a mark is well-known in an Andean country grants automatically the same status in another Andean country.

Nevertheless, the exclusive rights of trademark owners are limited in several respects (for the purposes of indicating characteristics of the related products or services, comparative advertising, among others).

Some safeguards against encroachments upon the public domain have been taken into account:

In the field of common patrimony signs, the Andean Trademark Law provides for a specific ground for refusal with regard to emblems of public interest that correspond basically those

covered by Art. 6^{ter} PC. The jurisprudence of the different Andean countries has also included emblems of public interest that are not covered by this norm.

The name of indigenous, Afro-American or local communities or signs used to distinguish their products, services or methods of processing, or that constitute an expression of their culture or practice, can be denied for registration, unless the trademark application is filed by the community itself or with its express consent.

Nevertheless, signs of high symbolic value, in particular religious symbols, can be registered in the Andean countries. In some sectors – like sparkling water in Peru – many saints' names are registered as trademarks. Additionally, names of religious holidays are also registered. In some sectors (for instance, production shows) this practice can lead to different trademarks' infringement cases when a particular town wants to advertise the religious holiday.

Signs of cultural significance, such as the names of artists or titles of creative works can also be registered. It must be distinguished between names of artists who are alive and those who are already dead but has still heirs. Although in both cases, it may be refused the register based on the prohibition to register names of a widely known person, the different Andean Trademark Offices granted the registration of names of famous artists that are already dead even in the cultural sector (education services). In absence of heirs, it is conceivable that the designation might still be refused registration on the grounds that it contradicts public order or morality.

In the field of descriptive and generic signs the Andean Decision 486 rely on the acquisition of distinctive character through use as a criterion to regulate the balance between trademark protection and the public domain.

Shapes are rarely found to be inherently distinctive. Shapes which result from the nature of the goods concerned or are necessary to obtain a technical result are excluded from registration. Color per se can only be registered as a trademark, if it has acquired distinctiveness. Regarding the registration of combination of colors, in some Andean countries – such as in Peru – in the sector of transport services the combination of colors does not indicate to the consumers an indication of the commercial origin. Notwithstanding, many registers of this kind have been granted and has become the focus of several disputes in practice.

In sum, the trademark system of the Andean countries offers a high standard of protection but also counterbalances to safeguard the public domain. In order to protect the public interest, the Andean Decision 486 provides several counterbalancing measures, including the general requirement of distinctiveness and graphical representation, a limited scope of protection, the acquisition of secondary meaning through use, the exclusion of functional or ornamental shapes, emblems of public interest and signs that consist of the name of indigenous communities, the prohibition to register descriptive and generic terms, and exceptions to permit descriptive or denominative uses. Nevertheless, it must not be overlooked that in certain cases objects of cultural heritage (such as the name of famous artists, famous musical works, historical and cultural monuments) are not sufficiently protected.

H. MERCADO COMÚN DEL SUR (MERCOSUR)*

* *Mariano Riccheri, Lecturer and Researcher, Academic Collaborator at Universidad de Alcalá, Madrid, Spain. I am grateful to Mr. Andrés Chester and Mr. Paulo Bianco for their collaboration in this report.*

The MERCOSUR (*Mercado Común del Sur*, Southern Common Market) is the result of an agreement among Argentina, Brazil, Paraguay and Uruguay, seeking to establish a common market. Profoundly inspired by the integration policies of the European Community, the four countries signed the 1991 foundational Treaty of Asunción⁷³¹. Through it they constitute a customs union. One of its final objectives is the creation of the common market which remains, in great measure, still to be achieved.

In line with the main objective of creating a common market, the four countries have signed a “Protocol for the Harmonization of Intellectual Property Rules in the MERCOSUR, in the field of Trade Marks, Indications of Source and Appellations of Origin”⁷³² (TMP). The purpose of this Protocol is the reduction of internal market distortions of trade, coming from the application of national Intellectual Property (IP) rules, by bringing national provisions closer to one other. However, the Protocol has not had an important harmonizing effect on trademark laws of the member countries. For one thing, it was not meant to create a unitary set of rules but, instead, merely requires members to comply with minimum standards of protection. More important, however, is the fact that neither Argentina nor Brazil have ratified the Protocol, and that only Paraguay and Uruguay have ratified it and incorporated its provisions into their respective juridical systems⁷³³.

Hence, there is no unified set of laws within the MERCOSUR region, and significant procedural and substantive differences may be found in these countries’ laws. This, together with the lack of supranational authorities and courts with competence in IP matters, leaves us with the necessity of referring to the respective national laws,⁷³⁴ administrative decisions and jurisprudence, in order to carry out the study of the issues which fall within the scope of this report.

1. Scope of trademark protection in general

1.1. *Signs eligible for trademark protection*

The main legal requirement for a trademark is that it must possess the capacity to distinguish goods and services on the market. This is a basic principle followed by all four MERCOSUR countries.⁷³⁵ The Trade Mark Law of Paraguay (PTL) defines trademarks as “all signs which serve the purpose of distinguishing products and services...”, and then includes a list with the

⁷³¹ Tratado para la Constitución de un Mercado Común (Tratado de Asunción) – (Asunción, March 26th, 1991). http://www.mercosur.int/innovaportal/file/655/1/CMC_1991_TRATADO_ES_Asuncion.pdf

⁷³² Protocolo de Armonización de Normas sobre Propiedad Intelectual en el MERCOSUR, en materia de Marcas, Indicaciones de Procedencia y Denominaciones de Origen. (Asunción, August 5, 1995). An additional protocol, for the harmonization of rules in the field of industrial designs was signed in 1998. See Protocolo de Armonización de Normas en Materia de Diseños Industriales (Río de Janeiro, December 10, 1998).

<http://www.mre.gov.py/dependencias/tratados/mercosur/registro%20mercosur/mercosurprincipal.htm>

⁷³³ Paraguay, Law N° 912/96 (10/08/96). Uruguay, Law N°: 17052 (14/12/98).

⁷³⁴ Argentina, “Law on Trademarks and Designations” (ATL) No. 22.362 (26/12/1980); Brazil, “Industrial Property Law” (BIPL), No. 9.279 (14/05/96); Paraguay, “Trademark Law” (PTL), No. 1.294 (1998); Uruguay “Provisions in Relation to Trade Marks” (UTL), No. 17.011 (09/25/1998).

⁷³⁵ This requirement appears clearly on Art. 5.1. Of the TMP, for example, which defines as a mark as “any sign capable of differentiating products and services in the market”. As for the signs that are examples of what may be considered as a trade mark, the TMP provides a non-exhaustive list of signs that *may* be eligible. The signs listed include imaginary –“fanciful”- words, names, pseudonyms, commercial slogans, letters, numbers, monograms, figures, pictures, emblems, stamps, orles, lines, stripes, colour combinations and layouts, the shape of products or of their packaging, or of the means or posts used to sell products and services (see Art. 5 TPM).

sole purpose of showing examples of eligible signs.⁷³⁶ The Trade Mark Law of Argentina (ATL)⁷³⁷ lists examples of different distinctive signs which may be registered and concludes this list by adding "...and any other sign with such [distinctive] capacity", implying a broad approach regarding the types of signs that fall under its scope. The Law of Uruguay (UTL)⁷³⁸ contains an equally broad definition in which a trademark is "any sign with the capacity of distinguishing the products or services" of a person or legal entity from those of another⁷³⁹. The Brazilian Industrial Property Law (BIPL)⁷⁴⁰ states that all "*distinctive* visually perceivable signs" (emphasis added), which do not fall under legal prohibitions, are susceptible of being registered.

The respective definitions leave room for the registration of several types of non-traditional trade marks (colour, shapes, sound and smell) subject to explicit prohibitions and limitations drawn by each set of national rules.⁷⁴¹

In relation to colour marks, while, in general, combinations of colour may constitute trademarks under certain conditions (when combined and arranged in a particular manner, provided they possess distinctive quality), colour per-se is generally not susceptible of being protected.⁷⁴²

The capacity of sound and smell signs to serve as marks shows more variation between the countries. The restrictive character of the law of Brazil,⁷⁴³ which requires all marks to be "visually perceptible", excludes the possibility of smells and sounds to be considered as protectable signs⁷⁴⁴ and admitted by the trademark office⁷⁴⁵ for registration. The law of Uruguay contemplates the registration of non-visible signs,⁷⁴⁶ but conditions their registration⁷⁴⁷ to the availability of "adequate technical means" to describe the sign deposited.⁷⁴⁸ The meaning of this provision has been clarified further in relation to the deposit of sound while smell, in practice, is considered to be non-registrable.⁷⁴⁹ The law of

⁷³⁶ PARAGUAY. Art. 1, PTL.

⁷³⁷ ARGENTINA. Art.1, ATL.

⁷³⁸ URUGUAY. Art. 1, UTL.

⁷³⁹ The Uruguayan law does not include a list of examples of eligible marks.

⁷⁴⁰ BRAZIL. Art. 112, BIPL.

⁷⁴¹ See section 3.1) of this report to complete a perspective regarding the susceptibility of non-traditional signs (in particular shapes) of legally serving as trade marks

⁷⁴² ARGENTINA, BRAZIL, PARAGUAY AND URUGUAY: Art. 2. D), ATL; Art. 124. VIII) BIPL; Art. 2. D) PTL; Art. 4. 8) UTL.

⁷⁴³ BRAZIL. Art. 122, BIPL

⁷⁴⁴ BRAZIL. INPI Examination Guidelines. Cf. Instituto Nacional de Propiedade Industrial. (2010) Diretrizes de Analise de Marcas

⁷⁴⁵ Instituto Nacional de Propiedade Industrial (INPI-Br) < <http://www.inpi.gov.br/>>

⁷⁴⁶ URUGUAY. Art. 2, UTL.

⁷⁴⁷ URUGUAY. The competent authority for the administration of industrial property rights is the "Dirección General de Propiedad Industrial (DGPI) < <http://www.miem.gub.uy/portal/hgxp001?5,9,127,O,S,0,MNU;E;30;7;MNU;>

⁷⁴⁸ URUGUAY. See Decree N° 146/001 (02/05/01).

⁷⁴⁹ Taken from a post from Professor Beatriz Bugallo, available on http://es-es.facebook.com/note.php?note_id=234966477915&id=259671740521

Argentina, with a broader approach, permits the registration of such signs provided they are distinguishable in relation to a product or service. Neither visual perception nor graphical representation are –literally- statutory requirements for registration under Argentine law, which merely requires that applications should be accompanied by a “description” of the mark⁷⁵⁰. Naturally, practice for nominal and graphic marks is to include a graphical representation of the mark in the corresponding application.⁷⁵¹

In the case of sound or smell marks, then, the applications may be accompanied by different forms of representation or descriptions of the sign, the sufficiency of which is assessed by the trademark office⁷⁵² on a case-by-case basis. Thus, after the registration of a sound mark by Intel Corporation (on a material support and written on a pentagram), others have followed.⁷⁵³ On the other hand, there seems to be no practice with regard to the registration of smell marks. A similarly “broad” approach is adopted in Paraguay where sound and smell may be registered⁷⁵⁴ as trademarks.⁷⁵⁵ Three-dimensional distinctive signs may also acquire trademark protection, provided that they are distinctive, do not represent the shape necessary for the product itself, or perform a technical function. A more detailed explanation of the limitations applicable to shapes for which trademark protection is sought will be provided in section 3 below.

1.2. *Notion of use in trade*

Although the notion of trade mark use is not explicitly defined in the national laws of MERCOSUR countries, for the purpose of defining infringing acts “use in the course of trade”⁷⁵⁶ is normally required, although this notion is to be interpreted in a flexible manner. The notion of “use in commerce” is reflected in the TMP⁷⁵⁷ which, although not in force in all member countries as previously mentioned, has an evident value for the interpretation of the respective laws. Supplementary, a general notion of “use in the course of trade” in MERCOSUR countries may be derived, both from the law and from the jurisprudence, including provisions and decisions which have been considered for assessing the question of maintenance of trademark rights. From this it may appear that the notion of trade, using the

⁷⁵⁰ ARGENTINA Art. 10 of the ATL Also see Salis, E., & Sena, G. (2006). *Ley de Marcas y Designaciones*. In M. Witthaus, *Código de Comercio y Normas Complementarias. Análisis Doctrinal y Jurisprudencial. Propiedad Industrial*. Leyes 22.362, 24 481. Decr. Ley 6673/63 (pp. 121-196). Buenos Aires: Hammurabi.

⁷⁵¹ However, in the case of the registration of other non-traditional trademarks –such as sound and smell- one can foresee, at least in theory, that these may be represented in different non-graphic manners (scent samples, sound recordings, etc.).

⁷⁵² ARGENTINA. Instituto Nacional de Propiedad Industrial (INPI-A) <<http://www.inpi.gov.ar>>

⁷⁵³ INPI- A. Exp. 1.796. 514. Also, see Questionnaire INPI (annex).

⁷⁵⁴ PARAGUAY. Trade marks are administered by the “Dirección de Propiedad Industrial” (DPI) <http://www.mic.gov.py/v1/node/43>

⁷⁵⁵ Note. Delegation Paraguay http://www.wipo.int/edocs/mdocs/sct/es/sct_17/sct_17_8_prov.pdf

⁷⁵⁶ PARAGUAY. Art. 84. E) and f), PTL establish explicitly that certain uses, to be infringements, must take place *in trade*, such as the use “of an identical or similar sign to the mark or trade name, for any products or services, if such use may cause confusion or a risk of association with the owner of the registration”; or if it might cause “unjust economic or commercial prejudice to the owner because they weaken the distinctive character or the commercial or advertising value of the sign or take undue advantage of the reputation of the sign”.

⁷⁵⁷ Art. 11 of the TMP (in force in Paraguay and Uruguay) sets the scope of the right conceded to the owner of the mark to impede, *among others*, the use “in commerce, of a sign identical or similar to the trademark, for any products or services, when said use may cause confusion or a risk of association with the holder of the registration, or unjust economic or commercial damage, caused by the dilution of the distinctive force or the commercial value of the trademark, or a risk of an improper use of the prestige of the trademark or of its owner”.

flexible criteria mentioned, would go beyond the sale of a product and encompass acts of using the mark on printed matter, marketing and preliminary activities such as printing logos, designing packages, launching test products, etc.^{758 759}

Nevertheless, there seems to be a broad understanding that other forms of use may constitute an infringement as well, even if these acts do not occur for a commercial purpose or, as a matter of fact, do not even represent use “as a mark”. This becomes apparent, in particular, in cases where there seems to be a detriment to the exclusive right or a moral prejudice to the owner.

1.3. Use as a mark

Any systematic analysis of the jurisprudence of the MERCOSUR countries must be taken with caution, since decisions at times may appear to be somewhat erratic to construe trends or too succinct to develop interpretations. Nevertheless, an observation of the court decisions, completed by the reading of academic doctrine, allow us to discover that relatively broad and flexible criteria for testing use “as a mark” are applied. The recurrent interpretation of the courts seems to be that “use as a mark” will occur *typically* when it relates to the identification of commercial source of the product. Such use falls, naturally and inevitably, under the scope of the exclusive right of the trademark owner and will infringe upon his right if likely to cause confusion in consumers in relation to the origin of the product. Other forms of use of the mark, which would not follow the traditional conception, will generally fall outside the scope of the exclusive right. This would cover, for example, the utilization of the mark in publications to express ideas or opinions, as well as descriptive and indicative uses aiming at preserving competition and impeding abuse on the part of the trademark owner.

However, even in such cases – *grosso modo* – the interpretation of the courts has been not to permit uses of the mark which are misleading or likely to confuse consumers and to ensure that it does not take advantage of the reputation of the sign nor result in an act contrary to fair competition. In most countries, the exception of these atypical uses from what is considered “use as a mark” stems from the jurisprudence with the exception of Brasil, where most such acts are codified and included in the Brazilian Intellectual Property Law (see the specific section dedicated to Brasil below).

In Argentina, for example, statutory provisions mention that through registration, “the property and *exclusivity to use* a trademark” (emphasis added) is obtained.⁷⁶⁰ A violation of these rights⁷⁶¹ depends on whether it causes “confusion” among consumers, according to the

⁷⁵⁸ BRAZIL. This delimitation of commercial trade mark use may be inferred from to Art. 131 BIPL which establishes that the protection that is the subject of this Law embraces the use of the mark on papers, printed matter, advertising, and documents related to the activities of the titleholder.

⁷⁵⁹ ARGENTINA. Facing the question of use valid to avoid the cancellation of the mark, courts have held that “in order to determine if a trademark was used, a flexible criteria should be applied, comprehensive of any act which has as a consequence that the distinctive sign appears in the market place and considering that the statute makes the concept of use and marketing as equivalents. The latter is meant to be understood with an extensive criteria, including commercial exchange acts and other applications of the product”. See Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, “Baker Cummings Dermatologicals, Inc. vs. Laboratorios Felipe Bajer S.A.” (La Ley, 1995-D, page 618). Also see, “Vivat Holding PLC c. Yannit S.A. y otro” (La Ley 1996-D, 441).

⁷⁶⁰ ARGENTINA. Art.4, ATL.

⁷⁶¹ ARGENTINA. Art. 31. B) ATL provides a broad definition of punishable and relevant acts which if interpreted literally, determines that any use „without consent“ is illicit. However, the doctrine and jurisprudence have qualified the types of uses which are punishable based on general principles of trade mark law, such as the likelihood of confusion and the principle of speciality.

principle of speciality, or causes other detriment to the exclusive right. The latter would include forms of use in which the reputation of the protected trademark is used to achieve any form of benefit for the defendant, as well as use that may cause prejudice to the distinctiveness of the sign – even when such use does not give rise to confusion. Protection against this last type of use is only granted in the case of well-known marks.⁷⁶²

Then although it appears that the notion of infringing use may sometimes cover situations in which the sign is not strictly used “as a mark” (e.g. In cases when there is “free-riding” on the reputation of the mark, or a detriment to its distinctive capacity occurs) – in general uses of the mark which are not carried out to identify the commercial source of the products and services will fall outside the scope of the right. Doctrine defines the former as “atypical” uses, which are beyond the reach of the “*ius prohibendi*”. Recent jurisprudence seems to be delimitating more clearly the nature and characteristics of these atypical uses, which would include acts such as the inclusion of the mark in publications to express ideas or opinions, as well as other descriptive and indicative uses.⁷⁶³ These will be discussed in more detail below.

In Brazil, as in Argentina, there are no statutory provisions which define trademark use, for the purpose of determining infringements of the exclusive rights. Commentators and courts have, however, interpreted the exclusivity over the registered trademark to be limited to the use of the sign as a mark (Barbosa Borges, 2009).⁷⁶⁴ However, the Brazilian Intellectual Property Law offers the owner the right to ensure the reputation and integrity of the mark,⁷⁶⁵ therefore *potentially* offering a basis to impede other uses, particularly if construed systematically with other provisions of the law. For example, the conjunct interpretation of Art. 130. III) and Art. 132 BIPL have led the early establishment of a doctrine according to which the use of a third party trademark in comparative advertisement was prohibited absolutely⁷⁶⁶. This interpretation is being reverted, according to some recent decisions discussed in more detail below.

Differently to the statutes of the other MERCOSUR countries, however, the Brazilian Intellectual Property Law explicitly includes some limitations or “fair uses” of the mark⁷⁶⁷. Hence, the exclusive right over a mark may not interfere with acts, such as private use, mention of the mark in speeches, scientific or literary works or any publication.⁷⁶⁸ The restriction for such limitations to apply is that uses of the mark must take place in a context

⁷⁶² Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

⁷⁶³ ARGENTINA. Expobicentenario Sa C/ Arte Grafico Editorial Argentino Sa S/ Medidas Cautelares. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, (19/08/2010). This and other judgements (see, for example, Noverazco, Elida E. C. Televisión Federal S.A, below –footnote N° 46) cite the work of Cabanellas de las Cuevas. Cf. Cabanellas de las Cuevas, G. (1999). El uso atípico de la marca ajena. *Temas de Derecho Industrial y de la Competencia*, 42-43.

⁷⁶⁴ Cf. Barbosa Borges, D. (2009). *A Propiedade Intelectual No Seculo XXI*. Rio de Janeiro: Lumen Juris.

⁷⁶⁵ BRAZIL. Art. 130.III) BIPL

⁷⁶⁶ Cf. Schmidt, L. D. (2001). A publicidade comparativa á luz da lei de propriedade industrial. *Revista ABPI* N° 52; D’ Afonseca Gusmão, J. R. (1991). Conference. *Seminario Nacional de Propriedade Intelectual de la ABPI*; IDS Instituto Danneman Siemens de Estudos de Propriedade Industrial. (2005). *Comentarios à lei da Propriedade Industrial*. Rio de Janeiro: Renovar.

⁷⁶⁷ BRAZIL. Art. 132. IV) BIPL

⁷⁶⁸ Some experts believe that the limitations may cover, by extension, some other non-traditional uses of the mark, such as in parody and comparative advertising. On the other hand, in relation to this last form of use, the protection afforded by law in Brazil specifically includes “the use of the mark on papers, printed, *in advertising* and in documents related to the activities of the owner”. This should be interpreted, in the opinion of some commentators, in a strict manner. On the different views related to this debate see the works of Barbosa, Schmidt, D’Afonseca Gusmão and IDS, among others. Cf. Barbosa Borges, *ibid.*; Schmidt, L. D., *ibid.*; D’ Afonseca Gusmão, J. R., *ibid.*

where there is no commercial connotation and that the distinctive character of the trade mark or, more generally, the distinctive power of the sign, including its reputation, is not prejudiced. In addition, the law provides for a series of limitations to trademark rights which aim to prevent abusive use which will prejudice competition.⁷⁶⁹ In addition to these uses stipulated in the law, other forms of employing the mark may be considered not to constitute “use as a mark” in Brazil: these other forms of use would include “utilitarian use”, such as use of the functional features of a shape mark, or “ornamental use”, such as use of the decorative features of a mark in a pair of trousers. Brazilian jurisprudence has, up to a certain point, followed this line of reasoning.⁷⁷⁰

Although the availability of jurisprudence is scarce, similar criteria seem to prevail in the other countries as well. For example, in Uruguay, use of trademarks in parody, *per se*, does not seem to constitute use “as a mark”. The courts, however, have limited the scope of the exemption of parody where some sort of damage to the trademark or the right holder, or an act of unfair competition, had occurred⁷⁷¹.

1.4. Scope of protection

The reproduction or imitation of trademarks, when used for similar or identical goods, will be considered an infringement of the earlier mark when they are likely to cause confusion. This assessment remains the main test to evaluate infringement in MERCOSUR countries. The notion of confusion may well extend so as to include acts causing the likelihood of “association” (Brazil, and Paraguay)⁷⁷² or “indirect confusion”⁷⁷³ (Argentina and Uruguay)⁷⁷⁴ with the pre-existing mark. This would mainly cover situations where there may be confusion among consumers in relation to the commercial origin of two products or services.

In Argentina, the wording of the law does not use the term confusion, nor likelihood of confusion. Rather, it simply prohibits the registration of marks which are identical or similar to others registered before.⁷⁷⁵ This has been interpreted by the courts to imply, necessarily, that signs which are likely to be confused with others should not be allowed. For the courts, the term “confusion” encompasses both direct and indirect forms of this notion, widening the

⁷⁶⁹ BRAZIL. Art. 132 I) – III) BIPL

⁷⁷⁰ BRAZIL. Tribunal Regional Federal, Proc. N° 200551015199443 (28/08/08) and Ap. Civ. N° 64429 (17/03/82).

⁷⁷¹ URUGUAY. In Uruguay, although no jurisprudence has been found on the subject, it would seem that parodic use would be punishable under Art. 81 of the UTL. See opinion of the working group. Cf. AIPPI Uruguay Group (2002) available at www.AIPPI.org.

⁷⁷² BRAZIL and PARAGUAY. The Brazilian Law forbids the registration of “reproductions or imitations, in whole or in part, even with an addition, of a mark registered by another party, to distinguish or certify an identical, similar, or alike product or service, likely to cause confusion **or association** (stress added) with the other party’s mark” (Art. 124. XIX. BIPL). The Law of Paraguay impedes the registration of signs identical or similar to a registered mark or a mark already applied for by a third party for the same products or services, or for other products or services if they might cause confusion **or be associated** with this mark. (Art.2. F], PTL).

⁷⁷³ Indirect confusion occurs when the consumer believes that his product comes a source which is different from the true source or when he is misled to believe that the product he wants to buy belongs to a certain line of products Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

⁷⁷⁴ The notion of indirect confusion is doctrinal (see for example the works of Otamendi and Lamas) and has been used by the courts in Argentina and Uruguay. However, it is not present in the text of the respective laws. Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires. Cf. Lamas, M. D. (1999). *Derecho de Marcas en el Uruguay*. Montevideo: Barbat & Cikato.

⁷⁷⁵ ARGENTINA. Art. 3. A) ATL.

scope of protection to include any situation where consumers are not likely to be confused about the trademarks in question, but still inclined to be misled as to the commercial source of the products.⁷⁷⁶ This would include a situation where consumers are misled to believe that a product belongs to the same line of products: for example, the mark “Mate-Kit”, for a set containing a ready-to-be-consumed version of the popular and traditional Argentinean beverage, was found to be confusing in relation to the mark “Mate-List” for the same kind of product. The court based this decision on the fact that “Mate-Kit” was likely to be associated with “Mate-List” and would cause confusion as to the true origin of the product.⁷⁷⁷ However, in practice, “indirect confusion” is not always differentiated in an express manner, nor defined as a species of “confusion” in court decisions. In particular, the Federal Court of Appeals of Argentina noted a difference in relation to the law in the EU, affirming that Argentinean law did not make a subtle differentiation between direct and indirect confusion, nor address the issue of likelihood of association.⁷⁷⁸ The Court referred to the decision Puma/Sabel of the Court of Justice of the European Union.⁷⁷⁹

In Brazil, reproductions or imitations of a mark registered by another party, to distinguish an identical or similar product or service may not be registered if it is likely to cause confusion *or association* (emphasis added) with the other party’s mark. The concept of risk of “association”, therefore, is present in statutory law. However, as in the case of Argentina and the other MERCOSUR countries, the courts have rarely interpreted this notion separately and systematically.

From the jurisprudence examined, it appears that a risk of association has been construed to exist when an act concerning the use of an identical or similar mark gives rise to “doubt”⁷⁸⁰ in relation to the products and services of businesses in the same sector. In one case,⁷⁸¹ the judgment has been to consider if whether consumers would have a “doubt” (*dubito*) in regard to (i.e. May “associate”) the signs at stake. The complete assessment, however, was held to comprise three elements:⁷⁸²

- the reproduction or imitation of the trade mark (even if it includes a new designation);
- the similarity or affinity of the products at stake; and

⁷⁷⁶ ARGENTINA. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal n° 5.222/99. (07/08/2004)

⁷⁷⁷ ARGENTINA. “Martin & Cía. Ltda.S.A. C. Establecimiento Las Marías S.A.C.I.F. y A” Re: Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (27/05/08).

⁷⁷⁸ C-251/95 “Sabel B.V. C. Puma A.G.”

⁷⁷⁹ ARGENTINA Re. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal n° 5.222/99 (08/07/2004).

⁷⁸⁰ The notion of “association” is apparently used as an equivalent of “doubt” in some decisions. Seemingly, this would come as a consequence of the assimilation of the present wording of Art. 124. XIX) BIPL which characterizes infringing acts, arising from the reproduction or imitation of a mark, as those “... likely to cause confusion **or association** with the other party’s mark” and the wording of Art. 65. 17) of the former Industrial Property Law (N° 5.772/71) which described such acts as those which gave in to the possibility of “error, doubt or confusion”. Art. 65. *Não é registrável como marca:17) imitação bem como reprodução no todo, em parte, ou com acréscimo, de marca alheia registrada para distinguir produto, mercadoria ou serviço, idêntico, semelhante ou afim ao ramo de atividade, que possibilite erro, dúvida ou confusão, salvo a tradução não explorada no Brasil;*”

⁷⁸¹ BRAZIL. Superior Tribunal de Justicia n° REsp n° 949.514. RJ 2007/0103181-2 (04/10/2007).

⁷⁸² BRAZIL. Other cases seem to be in coherence with this line of reasoning. See, for example, Superior Tribunal de Justicia, ReES N° 989.105 - PR 2007/0221297-6 (08/09/2009).

- the risk of confusion or “doubt” by consumers.

Based on these criteria, for example, the mark “Moça Fiesta” was allowed to coexist with “Fiesta”, reversing the refusal by the trademark authority (INPI) because, despite that a possibility of associating the signs existed, the fact that they were used on different sorts of products was found decisive for denying a conflict between them.

Paraguay’s trademark law provides protection against a risk of association for well-known trademarks, as it prohibits the registration of different representations of a third party sign in acts which are liable to cause confusion or a *risk of association*⁷⁸³ (emphasis added) with this third party.⁷⁸⁴ The same provision also serves as a basis for the protection of well-known trade marks against dilution.⁷⁸⁵

In general, the laws of the MERCOSUR countries – with the exception of Paraguay – do not mention or define dilution directly in their respective legislative texts.⁷⁸⁶ However, in some countries protection against dilution of the trade mark finds statutory support in specific provisions and has been enforced by the courts.

In Brazil, for example, special protection is afforded to registered trademarks deemed to be highly reknown, consisting in protection which they will enjoy against infringement in all fields of activities, but courts have not interpreted this to encompass protection against dilution of the mark.⁷⁸⁷ Instead, the application of the dilution theory is based on Article 130.III BIPL, which allows trademark owners and applicants to prevent any acts which may affect the integrity or the reputation of the trademark.⁷⁸⁸ In practice, dilution has been understood in leading case law to constitute a moral or material offence to the integrity of the distinctive sign which reduces its market power.⁷⁸⁹ Based on this understanding, for instance, the mark “Double Soft” was impeded to coexist with the famous mark “Doublemint” in the food sector. However, dilution is still a rather novel feature of Brazilian trademark law, and used by the courts as a secondary category of trademark infringement.

In another recent case,⁷⁹⁰ the Federal Appeals Court of Brazil had to deal with a case in which the high reputation of the trade mark “Dell” had been an important factor considered to impede

⁷⁸³ Stress added.

⁷⁸⁴ PARAGUAY Art. 2.g) PTL

⁷⁸⁵ PARAGUAY. The registration of signs that conflict with a well known mark is not possible when the take “advantage of the reputation of the sign or weakens its distinctive character, irrespective of the manner or way in which the sign was made known”. See Art. 2.g) PTL

⁷⁸⁶ Notwithstanding, the TMP mentions specifically that a trade mark owner may impede uses giving in to commercial or economic damage which stem from the dilution of the distinctive power of the mark or from taking unfair advantage of the trade mark or the owner’s reputation (TMP art. 11).

⁷⁸⁷ BRAZIL. Art. 125 BIPL.

⁷⁸⁸ According to the AIPPI group from Brazil, other provisions may be effective in enforcing dilution arguments. In particular the “additional protection against acts of (presumed) bad faith in article 124, XXIII, by prohibiting the registration of marks: (1) imitating or reproducing a senior mark of which the applicant could obviously not fail to have knowledge in view of its activity, (2) in which the proprietor is established or domiciled in the national territory or in a country with which Brazil maintains an agreement or guarantees reciprocity of treatment, (3) intended to distinguish a product or service that is identical, similar or akin, and (4) is likely to cause confusion or association with such third-party mark. This provisions may also prove effective in enforcing dilution arguments” AIPPI, Brazil National Group. (2010). *Question 214. Brazil. Protection against the dilution of a trade mark.*

⁷⁸⁹ BRAZIL. Tribunal Regional Federal. 2002.51.01.514660-7 (24/10/2006)

⁷⁹⁰ BRAZIL. Tribunal Regional Federal. *Apelação/reexame necessario.* 2009.51.01.806947-3 (29/01/2011)

the co-existence with a similar mark (“Dell do Brasil”), even though the competing mark had been registered for a different line of products. The Court considered that the reputation of DELL, as well as the similarity of the marks, were sufficient for the dilution of the sign to be likely to occur since, if the reputed mark were to coexist over time with others that “parted from a similar concept”, it would indeed lose its distinctive power.

In Argentina, the application of dilution theory has been entirely developed by case law and, as in Brazil, the utilization of the term is relatively new. However, in the past, several cases were based on arguments which may be found to be coherent with the dilution theory.⁷⁹¹ But in more recent years, protection against dilution began to be applied more consistently. Hence, in one leading case, damage was deemed to be caused by “blurring and loss of exclusivity of the mark” if the presence and coexistence of similar marks was allowed. The case was related to a famous beer brand.⁷⁹² In another case, it was noted that “valuable trademarks” should be protected “from the decline of their distinctiveness though blurring or dilution and of the breach of the association of a given trade mark with a product.”⁷⁹³ It is worth noting that in this and following cases,⁷⁹⁴ courts have focused on protecting the link between marks and the product from the erosion which may be caused by the presence of other marks.

Regarding the requirements for a mark to be eligible for protection against dilution, some differences may be found among the MERCOSUR countries. In Argentina, protection against dilution is provided only for well-known marks, which in this country are not distinguished from famous marks and must be recognized by the public in general, not merely the relevant public of the corresponding business sector.⁷⁹⁵ Furthermore, these marks must be unique and inherently distinctive. The same requirements appear to apply in Paraguay and Uruguay.

In Brazil, no specific eligibility criteria are contained in the law or developed by the jurisprudence. The courts have not seemed to have made an issue on requiring that high reputation be necessarily invoked in order to obtain protection *against dilution* of a mark. Furthermore, the fame or reputation may not suffice to claim for such protection, although as mentioned earlier in the Dell case, may have a positive incidence in this sense.

⁷⁹¹ ARGENTINA. In early cases cited by Alonso the Supreme Court of Justice admitted the oppositions lodged by the owners of the trademarks “Geniol” (a well known analgesic) and “Lucky Strike” and declared the nullity of “Christian Dior” (for glass panels). The last action was based on found to be supported by Art. 24.b. Of the ATL and Art. 953 of the Civil Code. The basis was the right of the owners of said trademarks to avoid the coexistence of identical trademarks to protect different goods, due to the risk of confusion on the source, due to the notoriety of the trademarks previously registered. The doctrine was developed further, in the beginning of the 1990’s, with references to the notion of “dilution” (see, for example, “Chevron U.S.A Inc. v. La Fármaco Argentina Industrial y Comercial SA”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal. N° 7183, sala II, [22/5/1990]). Cf. Alonso, M. (2006). Trademarks dilution: concept. Evolution of Argentine case law. *The Academy Alumni E-Magazine (Center for American and International Law)*, <http://www.cailaw.org/academy/magazine/>.

⁷⁹² ARGENTINA. “Stanton & Cía. SA v. Instituto Nacional de la Propiedad Industrial”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal N° 4772/00, sala III, (21/3/2002).

⁷⁹³ ARGENTINA. “Sutter Finanziaria SpA v Suter SA”. Nacional de Apelaciones en lo Civil y Comercial Federal N° 6.076/97; (28/07/2005)

⁷⁹⁴ ARGENTINA. “Filiberti Spa vs. Filiberti Spa”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal n° 6.667/01 (03/09/2006). Also see “Md Distribuciones SA v. Quick Foods SA” CNCC N° 957/99 (17/9/02) and “Stanton & Cía. SA v. Instituto Nacional de la Propiedad Industrial” CNCC N° 4772/2000 21/3/02).

⁷⁹⁵ In Argentina, well-known marks are not distinguished from famous or renowned marks. In general, the condition for these two categories is that they must be recognized by the public in general, not merely the relevant public. Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

Furthermore, in Brazil dilution has also been characterized as a result of parasitical behaviour and unfair competition practices.⁷⁹⁶ In Argentina, however, court decisions have paid particular attention to the “blurring” effect of dilution, as a result of the unfair advantage taken from the reputation of the well-known mark.

Finally both the notion of a “likelihood of association” and the concept of “dilution” are recognized in the MERCOSUR Trade Mark Protocol, in force in Paraguay and Uruguay.⁷⁹⁷ In relation to dilution, the Protocol considers illicit any use provoking a damage caused by the dilution of the distinctive power as well as “free-riding” on the reputation of the mark. The concept of dilution in the Protocol, therefore, seems not to include the notion of tarnishment in its definition.

2. Misappropriation of signs belonging to a common patrimony

2.1. *Exclusion of signs*

Uruguay, Paraguay, Brazil and Argentina all prevent the registration of signs falling under Article 6ter of the Paris Convention, as well as other “common patrimony” signs, principally in function of their official and public character. Aside from the official symbols or indications mentioned in the Paris Convention, other emblems, banners, badges and escutcheons, particularly of infra-national entities, (states, departments or provinces; municipalities, and public entities or institutions etc.) fall under the scope of absolute prohibitions and are grounds for refusal⁷⁹⁸.

In Brazil, an application for registration of a trademark may be rejected by the trademark office if the mark contains or consists of “official, public, national, foreign or international escutcheons, coats of arms, medals, flags, emblems, badges and monuments, as well as the respective designations, figures, or imitations”. The prohibition expands so as to encompass the reproduction of characteristic elements which are present in official symbols (for example the exact reproduction of the green cedar of the Lebanese flag) and to designations or names of official symbols or monuments (e.g. “Big Ben”, “Palacio do Catete” or “Torre Eiffal”)⁷⁹⁹. The inclusion of monuments should not be interpreted to include geographical features of cultural significance, but rather those where some human intervention has been needed for its construction⁸⁰⁰. It is also prohibited to register any reproduction or imitation of an official seal which is normally used to guarantee a standard of any kind or nature. Finally, designations or initials of official public entities may not be registered unless the applicant is one of these entities itself. All of these signs may be refused *ex officio* by the trademark authority.

In a similar way the Argentinean law forbids the registration of words or other signs⁸⁰¹ needed for the official designation of nations, provinces, municipalities, as well as religious or health

⁷⁹⁶ BRAZIL. Tribunal Regional Federal. RJ 2000.51.01.006673-0 (27/04/2009)

⁷⁹⁷ Art. 11 TPM.

⁷⁹⁸ See the relevant provisions; URUGUAY, Art. 4.1)-3), and 5.1) UTL; PARAGUAY, Art. 2.b) PTL; BRAZIL, Art.124.I), IV) and XI) BIPL; ARGENTINA, Art. 3. F) and g) ATL.

⁷⁹⁹ BRAZIL. INPI Trade Mark Guidelines. Cf. Instituto Nacional de Propiedade Industrial. (2010) Diretrizes de Analise de Marcas,

⁸⁰⁰ BRAZIL. INPI Trade Mark Guidelines. Cf. Instituto Nacional de Propiedade Industrial. Ibid.

⁸⁰¹ ARGENTINA. Art. 3. F) ATL mentions letters, words names, escutcheons and symbols. “*las letras, palabras, nombres, distintivos, simbolos*”.

care organizations (hospitals). The same prohibition subsists in relation to the institutions of foreign countries and international organizations, as long as they have been recognized by the Argentinean government. However, the law does not include a prohibition to register official seals or symbols of guarantee as included in Art. 6^{ter}(3) of the Paris Convention.

Notwithstanding, these may be repealed due to their misleading character⁸⁰². In this sense, for example, the mark “Cuero Flex” has been denied by the Trademark Office because the design of the logo carried the international sign of recycling. The courts confirmed the Office’s refusal because the utilization of such sign was found to be misleading to the public.⁸⁰³

As already suggested, in Uruguay and Paraguay similar prohibitions in relation to official symbols exist within the respective trademark laws. The law of Paraguay includes a rather general provision⁸⁰⁴ in its trademark law, which prohibits the registration of “armorial bearings, distinguishing marks, emblems, names, whose use is reserved to the State, other legal persons under public law or international organizations, unless they themselves apply for the mark”. The law of Uruguay provides much more detail as to the type of official sign or symbol which may not find protection under its trademark law, specifying the name, symbols, the coats of arms or distinctive elements identifying the State and of the Provincial Governments and companies with State participation⁸⁰⁵; signs that reproduce or imitate coins, banknotes or any official national or foreign means of payment, as also official signs and hallmarks indicating control and warranty adopted by the State⁸⁰⁶. Uruguayan law covers other symbols which correspond greatly to the prohibitions articulated in Art. 6^{ter} of the Paris Convention⁸⁰⁷.

In general, it may be observed that such prohibitions are construed by the courts in a rather restrictive manner. The final test would be whether or not the public is induced to believe that the sign is in some way an official representation of the state or institution⁸⁰⁸, or an official certification of some kind.

To take an example, there has been a tendency to differentiate between the attempt to register the common name of the province or the country (e.g. The provinces “Mendoza”, “Río Negro”⁸⁰⁹ or the country “Argentina”⁸¹⁰), and the registration of words which may mislead the public to believe that the product has an official provenance, (e.g. “Provincia de Mendoza” or “República Argentina”).⁸¹¹ Other examples of the restrictive application of these prohibitions by the administration and the courts would include the fact that the word “República” standing

⁸⁰² ARGENTINA. Art. 3. D) ATL

⁸⁰³ ARGENTINA. “Cuero Flex S.A. c/ INPI” Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, Causa Nº 14.142/02 (22/11/2006)

⁸⁰⁴ PARAGUAY, Art. 2.b) PTL

⁸⁰⁵ URUGUAY- 4.1) UTL

⁸⁰⁶ URUGUAY- 4.2) UTL

⁸⁰⁷ URUGUAY. These would be flags, coats of arms, letters, words and other distinctive signs that identify foreign States or international and intergovernmental entities, unless their commercial use is authorized by a certificate duly issued by the corresponding office of the State or body concerned;—5.1) UTL

⁸⁰⁸ URUGUAY. Tribunal de lo Contencioso Administrativo, Nº 614 (31/07/1996).

⁸⁰⁹ ARGENTINA. The registration of “Parral de Río Negro” was allowed since the wording was not found not to be misleading or identifiable as an official symbol. See “Parral de Río Negro v. Viñedos y Bodegas Arizu SA” (19/3/1959) JA 1960-I-705.

⁸¹⁰ ARGENTINA. “Chaud y Keichicen SRL” -ex parte- JA, 1949-IV-537. (23/8/1949)

⁸¹¹ Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

alone, has not been considered to be a symbol of national value⁸¹², and therefore was registrable, and that the name of a country (e.g. Uruguay) could be registered as a part of a trademark in that country⁸¹³.

2.2. *Determining distinctive character. Secondary meaning*

In the MERCOSUR countries, as already mentioned in section 1.1. Above, a sign must be distinctive in relation to a product or service in order for it to be susceptible of receiving trademark protection. Signs which do not possess this quality, such as generic and descriptive signs, or usual designations, are normally prohibited and may be refused by the Trademark Office, opposed or invalidated. Furthermore, such norms would be relevant and applicable to signs belonging to the common patrimony including religious signs, as well as signs which have some cultural or popular significance.

In this sense, for instance, the Argentinean trademark authority has reported that a simple religious sign (such as a cross) may be found to lack distinctiveness and refused by the Patent and Trademark Office, unless it was combined with another design or words⁸¹⁴.

In other examples, some culturally relevant designations referring to *events*, were considered as not subject to being used in exclusivity, even if they had been registered by one party, on the grounds that they were common/usual designations in relation to such event and therefore lacked distinctive power. For example in Brazil, the Tribunal Regional Federal⁸¹⁵ resolved a conflict between two mixed marks, both containing the designation for the traditional sport event "Maratona de Rio de Janeiro" by allowing their coexistence⁸¹⁶. This was based on the substantial differences of the graphic elements of the marks at issue, judged together with the fact that the designation itself was considered to be descriptive and not appropriable. In Argentina, the Cámara Nacional de Apelaciones en lo Civil y Comercial Federal⁸¹⁷ denied precautionary measures sought by a party attempting to prevent use of the trademark "Argentina 200 años" (Argentina 200 years) which was being used together with the mark of the important newspaper "Clarín" and the complementary indication "Bicentenario 1810-2010", for a special edition on the celebration of the Argentinean bicentennial. The judge (second instance) considered that the only distinctive element of the trademark was the word "Clarín", inferring that the use of the term "Argentina 200 años" was merely descriptive and not appropriable.

However, some common patrimony signs, used in an arbitrary way to designate products, may be subject to registration. According to the "Trademark Guidelines" of INPI Brazil, it would be admissible to register *São Jorge* (Saint George) for candles⁸¹⁸. In Argentina, designations

⁸¹² ARGENTINA. See re "Librería del Colegio SA" -ex parte- JA, 1946-II-237 (24/4/1946).

⁸¹³ Examples of trade marks which contain the name of the own or foreign country exist in all jurisdictions. In URUGUAY, for instance designations such as "Woolart Uruguay", "Cervecerías del Uruguay" or "Automóvil Club del Uruguay" have been registered. Cf. Lamas, M. D. (1999). *Derecho de Marcas en el Uruguay*. Montevideo: Barbat & Cikato.

⁸¹⁴ ARGENTINA. INPI questionnaire (annex).

⁸¹⁵ BRAZIL. Tribunal Regional Federal. *Apelação Cível Nº 2008.51.01.807263-7* (29/06/2010).

⁸¹⁶ The right to use the mark was claimed in relation to the famous sports event, which has been organized since 1979.

⁸¹⁷ ARGENTINA. "Expobicentenario SA c/ Arte Grafico Editorial Argentino SA, over precautionary measures". Cámara Nacional de Apelaciones en lo Civil y Comercial Federal. Nº 3.201/10. (19/08/2010).

⁸¹⁸ BRAZIL. Trade Mark Examination Guidelines (Instituto Nacional de Propiedade Industrial, 2010)

such as “Buda” and “Un Buda” (for International Class N°41⁸¹⁹), “El Mundo Islámico” (for class N° 16⁸²⁰) or “La Cruz del Templo” (for a music group), have been registered⁸²¹, as well as other terms of significance for the public such as “Malvinas Argentinas” (for non-medicinal diet products), or “Islas Malvinas” (for vehicles).

Notwithstanding, the admissibility of such signs could be limited on the grounds that attempts to register trademarks of this kind were offensive, for reasons of preserving morality or public order⁸²². For example, in Brazil, such provisions have served as grounds for refusing the registration of “São Jorge” for condoms⁸²³. The practice of the Trademark Office of Argentina would also tend to preclude offensive marks from being registered⁸²⁴. However, such provisions may not reach so far as to impede any registration of religious or otherwise venerable names. In an early case in Argentina, for example, “Santa Genoveva” (a mark distinguishing soles for shoes) has been considered as not being contrary to morality by the Court, reversing a previous refusal by the trademark administration.⁸²⁵ Later on, the Commercial Court decided in a similar manner in relation to the use of a name of a saint, explaining “that a name that condenses virtues and spirituality such as to be the motif of veneration, will not be diminished by the fact that it is used as a name to designate a product in trade...no one would associate the name with the product it distinguishes.”⁸²⁶

In sum, it seems that common patrimony signs may constitute trademarks, as long as they are distinctive in relation to products and services and not offensive for a sector of the public. In this sense, they are not to be differentiated from other signs. Furthermore, it is plausible that such signs, if applied to a line of products or services for which they are descriptive or necessary, would not be allowed to be registered by virtue of prohibitions applicable to such designations. In this sense, in fact, the applicability of trademark law to these signs does not differ to other signs.⁸²⁷

Regarding signs which are descriptive of the product (or service) or of its characteristics, qualities, etc. The courts may take into account distinctiveness that has been acquired through use or by virtue of publicity campaigns. On this basis, trademark protection may be afforded to the sign. Nevertheless, the assimilation and use of the doctrine of “secondary

⁸¹⁹ Corresponding to “Education; providing of training; entertainment; sporting and cultural activities...”, among others, of the International Classification. Cf. WIPO. (2006). *Classification of Goods and Services under the Nice Agreement (Ninth Edition)*: <http://www.wipo.int/classifications/nivilo/nice/index.htm#>. Retrieved July 2011, from International

⁸²⁰ Corresponding to “Paper, cardboard and goods made from these materials, not included in other classes; printed matter;...” among others, of the International Classification. Cf. WIPO. (2006). *Classification of Goods and Services under the Nice Agreement (Ninth Edition)*: <http://www.wipo.int/classifications/nivilo/nice/index.htm#>. Retrieved July 2011, from International

⁸²¹ ARGENTINA. Out of the religious sphere, designations of cultural/popular value and importance such as “Vamos Argentina” (Go, Argentina) , or “Argentina Campeón” have also been admitted. See INPI, Actas N° 1155896 and N° 1153909.

⁸²² ARGENTINA, Art. 3. E) ATL; BRAZIL, Art. 124. III) BIPL; URUGUAY, Art. 4. 13) UTL and PARAGUAY, Art. 2. A) PTL.

⁸²³ BRAZIL, see Trade Mark Examination Guidelines (Instituto Nacional de Propiedade Industrial, 2010: 20).

⁸²⁴ ARGENTINA, INPI questionnaire (annexed).

⁸²⁵ Cf. Breuer Moreno, P. (1946). *Tratado de Marcas*. Buenos Aires. The resolution is published in *PyM*, p. 21 (1945)

⁸²⁶ “Veglia, Binachi y Rossotti s/apel. Resol. DNPI”, case 1666. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (15/2/1960).

⁸²⁷ See section 3.1. Of this report.

meaning” in MERCOSUR countries is still rather new and controversial. Furthermore, there seem to be no cases specifically dealing with the acquisition of secondary meaning with regard to signs of cultural significance or other common patrimony signs. The issue of acquired distinctiveness is studied in more detail in section 3 below.

2.3. *Exceptions to trademark protection*

As seen under sections 1.2. And 1.3. Above, in the MERCOSUR countries, there are some acts which do not constitute an infringement of a third party’s trademark. These would include, for instance, the descriptive utilization of the mark (e.g. Use for the purpose of indicating compatibility of a product), use for informational purposes (e.g. In scientific publications and political speeches) or use in comparative advertising or in parody⁸²⁸. These uses would be admitted, as far the purpose of such use takes place in accordance with honest practices i.e., it does not take an unfair advantage, it is not misleading or false, it is not in bad faith or when there is no intention of discrediting a third party’s mark.

In Argentina, court rulings have taken the stance that a parody, or other non-traditional use of a third party’s trade mark, need not necessarily result in an illegal act. In such cases, however, an infringement of the registered trade mark may arise when the utilization of the mark dilutes or tarnishes it,⁸²⁹ or when it results in an act of unfair competition. In this sense, the ridicule or mockery of a trademark (for services providing “alternative therapies”) on a television comedy, was found to be illicit, not because it represented an unauthorized use of the mark, but because it derived in a degradation of the quality of the mark. In an older case, in the humorous use of references to a rival’s trade mark (the utilization of English words or expressions which referred indirectly to a competing foreign brand) was not considered sufficient to allow precautionary measures in favor of the claimant because the advertisement did not comment adversely on the competitor’s brand or product⁸³⁰.

In the case of Brazil, notwithstanding Art. 134 IV BIPL which may arguably include an exception for use in parody, the right holder⁸³¹, as mentioned, is entitled to defend the reputation and integrity of the trade mark. In the case of a blog which carried out a satirical critique of the well known journal “Folha de São Paulo”, for instance, a preliminary injunction was granted in order to suspend the domain name “Falhadesaopaulo.com”, due to the existing similarity (identity) between the names, as well as an existing risk that irreparable harm would be caused to the right holder⁸³².

The use of a competitors mark in an advertisement for comparative purposes, although controversial, is another form of use which is not necessarily deemed to be infringing. Generally, in the MERCOSUR countries, the law has evolved greatly from a restrictive approach towards comparative advertising to a more permissive approach, allowing the use of third party trademarks in comparative advertising. Early Argentinean jurisprudence prohibited

⁸²⁸ See sections 1.2. And 1.3. Above.

⁸²⁹ ARGENTINA. “Noverazco, Elida E. C. Televisión Federal S.A. y otro”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (30/09/2004).

⁸³⁰ ARGENTINA. The claimant (Japan Tobacco) alleged the infringement of the trade mark “Winston” by the parodical use of references to its brand in the publicity of the mark of local origin “Le Mans” owned by Massalin Particulares. The case was decided upon appeal. See Cámara Nacional de Apelaciones en lo Civil y Comercial Federal n° 3305/01. (14/06, 2001). For another case using comparative advertising in a satirical or humoristic manner, but in Brazil, see the “Brahma” case mentioned in the paragraph on comparative advertising.

⁸³¹ BRAZIL. Art. 130. III) BIPL.

⁸³² BRAZIL. Tribunal de Justicia de Sao Paulo, Agravo de Instrumento n° 990.10.473649-8. (15/12/ 2010).

this conduct on the basis that it was contrary to good customs and moral principles.⁸³³ However, recent cases now appear to admit the use of a mark in comparative advertising, provided that it is clear that it is a third party's trade mark, that it is not misleading or false, that there is no bad faith, and that there is no intention of discrediting the competitor's mark. Otherwise, it would constitute an act of unfair competition, rather than trademark infringement.⁸³⁴

In a similar manner, recent Brazilian case law suggests that use of a third party's mark in comparative advertisement is not, in itself, an infringement.⁸³⁵ However, the mark must be used in an indicative manner and presented with a degree of objectiveness or "accuracy".⁸³⁶ Otherwise, a number of cases⁸³⁷ have been decided on the basis of unfair competition provisions included in the Brazilian Intellectual Property Law.⁸³⁸ In these cases, moral damages have often been awarded. However, even in cases where similar lines of products were compared based on objective data (e.g. Lists of prices) or facts, references to third party trademarks were not considered to be illegal. In general, the assessment is to be made on the merits of the case: hence, an appeal seeking to reverse a decision denying damages (material and moral) for comparative advertisement, involving the famous brand "Brahma", was repealed by the court, because the allusion to this beer as being "foreign", and the humoristic tone in which the reference had been made, had to be placed in the context and nature of publicity in this sector and were neither considered false nor to denigrate the mark.⁸³⁹ In Uruguay, despite that the trademark law is silent on whether use of a competitor's sign in comparative advertisement is "use as mark", it must be noted that the "Law of Defense of the Consumer" permits comparative advertisement, under provable conditions of objectivity and accurateness.⁸⁴⁰

Further to use in parody or comparative advertising, descriptive or indicative uses of another person's trademark are normally not taken as an undue use when they appear necessary to ensure competition and avoid abusive use by the right holder. In general, however, in order to allow such uses, courts must find that they are not misleading or contrary to principles of unfair competition law. This would allow, within the countries of the region, the distributors of a product to use the mark together with their own distinctive sign,⁸⁴¹ the manufacturers of accessories to use the mark in an indicative manner referring to the destination of the

⁸³³ ARGENTINA. "Relojes Rolex Argentina SAIC v. Orient y otro", Cámara de Apelaciones en lo Civil y Comercial (30/12/1971), (La Ley, 147-233).

⁸³⁴ ARGENTINA. See, for example, first instance decisions by Juzgado Nacional de a Instancia en lo Civil y Comercial Federal , cases "Axoft Argentina v. Megasisistemas SA", (30/12/1993) and "Cervecería y Maltería Quilmes S.A. C. C.A.S.A. Isenbeck" (08/06/2004). Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

⁸³⁵ Factors which may lead such use to be considered infringing are related with acts which may prejudice the distinctive character of the trade mark, such as denigration, or unfair practices such as subjective comparisons, for instance when as comparing different lines of products or misleading advertising.

⁸³⁶ BRAZIL. In this sense see, for example, decisions by the Tribunal de Justicia de Sao Paulo, re. N°284.489.4/8-00; Agravo de instrumento n° 351.453.4/7 and re. N° 313.198.4/4-00

⁸³⁷ BRAZIL. See, for example, the decisions by the Tribunal de Justicia de Sao Paulo, N° 994.06.033196-3 - (3/3/2011) and N° 353.858.4/0-00 (9/2/2010).

⁸³⁸ BRAZIL. Art. 209. BIPL.

⁸³⁹ BRAZIL. Tribunal de Justicia de Sao Paulo - Apelação Com Revisão CR 3932554000 SP (09/02/2009).

⁸⁴⁰ URUGUAY. Art. 25. Ley 17.250. "Ley de Defensa del Consumidor" (2000). <http://www.parlamento.gub.uy/leyes/ AccesoTextoLey.asp?Ley=17250&Anchor=>

⁸⁴¹ BRAZIL Art. 132. II), BIPL.

product⁸⁴²; or the use in publicity for reparation services, provided that it does not induce the public to believe that it is an official service of the brand it is showing,⁸⁴³ or the use in a call for tenders.⁸⁴⁴

All of the discussions and exceptions described above would naturally apply to signs of cultural significance as well, in accordance to trademark law. In addition, signs of cultural significance could be used freely when the sign involved is descriptive of the product or service to which it is related.

3. Abusive appropriation of signs that should remain usable by the public

3.1. *Exclusion of non-distinctive and/or necessary signs*

Trademark laws of the MERCOSUR countries contain mechanisms which respond to the policy objective of impeding the appropriation of signs which must remain available for the public. These appear, principally, under the form of prohibitions which bar the registration of signs which fail to have a distinctive character, as well as other provisions aiming to leave "necessary" signs available for the public or for other traders.⁸⁴⁵ The most relevant provisions contained under the different laws are shown in table N° 1 below, which concentrates in particular on those which may have an incidence on the availability of signs which should remain accessible for competitors and the public in general. It groups prohibitions related with the registration of a) terms which are generic, descriptive, necessary, usually used to designate the product or its characteristic; b) colours; c) shapes; d) geographical indications; e) other necessary or non-descriptive signs⁸⁴⁶. Having drawn up this table, it must be pointed out that trademark authorities in MERCOSUR countries have had the opportunity to establish a practice related to the abusive registration of necessary signs, in particular with regard to the first three categories.

Categories of signs	Country			
	Argentina	Brazil	Paraguay	Uruguay
a) Generic, descriptive, necessary, usually used to designate the product or its characteristic	Law 22.362 Art. 2 a) names, words and signs that constitute the necessary or usual	Law 9.279 Art. 124 VI) signs of generic, necessary, common, ordinary or simply descriptive character, when related to the product or service to be	Law 1.294/99 Art. 2 e) marks which consist solely of a sign that is the generic name or designation	Law 17.011 Art. 4 9) technical, commercial or common names used to express qualities or attributes of

⁸⁴² BRAZIL Art. 132. III), BIPL. See Tribunal de Justicia do Estado do Paraná. Apelação Cível nº 50.248-5 allowing the use of the trade mark Phillips for the commercialization of components made for that mark, provided it was mentioned that it was not an official service. Cited in Borges Barbosa (2009).

⁸⁴³ ARGENTINA. "The Singer Manufacturing Co. C. Olguin e Hijos S.R.L.", Cámara Federal de la Capital, (11/7/1945); "Drean S.A. C. Falcón Lima, Félix M. y otros", Cámara Nacional Federal en lo Civil y Comercial (14.9.90); "Matafuegos Drago S.A. C. Matafuegos Alsina S.A.", Cámara Nacional Federal en lo Civil y Comercial, sala III, (29/4/1996).

⁸⁴⁴ ARGENTINA. "S.A. Química Bayer c. Lowel E. Alderman". Corte Suprema de la Nación. Fallos N° 202:185

⁸⁴⁵ Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires; Schmidt, L. D. (2001). A publicidade comparativa á luz da lei de propriedade industrial. *Revista ABPI* N° 52..

⁸⁴⁶ Further motives of nullity may relate to reasons of public order or morality, legal prohibitions, "common patrimony" signs, signs reserved to the public administration or institutions, relative grounds of refusal, etc. The present list, therefore, merely concentrates on the question of the mechanisms to avoid appropriation of signs that are necessary and must remain available to the public for policy reasons.

Categories of signs	Country			
	<p>designation of the product or service to be distinguished thereby, or that are descriptive of its nature, function, qualities or other characteristics;</p> <p>b) names; words; advertising signs and phrases that have passed into general use (prior to the application);</p>	<p>distinguished, ...(common designations of) a characteristic of the product (nature, nationality, weight, value, quality and time of production or rendering of the service, except when endowed with a sufficiently distinctive form;</p>	<p>of the product or service to which they refer or which may be used in trade to identify or describe some characteristic of the product or service;</p>	<p>goods or services; Art. 4 10) names generally used to indicate the nature of goods and services or the class, kind or type to which they belong; Art. 4 11) words or expressions which have become customary in the current language and signs or designs not being fancy, i.e. That do not comprise novel, special or distinctive features; (12) words or combinations of words in foreign languages whose translation into Spanish falls under the prohibitions set out in the above items (9), (10) and (11);</p>
b) Colours	<p>Law 22.362. Art. 2 d) the natural or intrinsic color of the goods, or a single color applied thereto.</p>	<p>Law 9.279 Art. 124 VIII) colours and their names, unless arranged or combined in a peculiar and distinctive manner</p>	<p>Law 1.294/99 Art. 2 d) a single color;</p>	<p>Law 17.011 Art. 4 8) the color of goods, packaging and labels where they are of a single color. Combinations of colors of packaging and labels may be used as marks;</p>
c) Shapes	<p>Law 22.362 Art. 2 c) the shape given to the goods;</p>	<p>Law 9.279 Art. 124 XXI) the necessary, common, or ordinary form of the product or packing, or also that one which</p>	<p>Law 1.294/99 Art. 2 c) the usual shape of a product or its container, the</p>	<p>Law 17.011 Art. 4 5) the shape given to goods or packaging if it meets the</p>

Categories of signs	Country			
		cannot be dissociated from a technical effect; Art- 124 XXII) an object that is protected by a third party industrial design registration	shape required for the product or service to which they refer or which give the product or service a functional or technical advantage;	requirements to constitute a patent or a utility model in accordance with the law.
d) Geographical Indications	Law 22.362 Art 3 c) appellations of origin, whether national or foreign	Law 9.279 Art. 124 X) geographical indications, imitations thereof likely to cause confusion, or signs that may falsely induce a geographical indication;	Law 1.294/99 2 k) signs which consist of or contain a geographical indication, as defined in this Law.	Law 17.011 Art. 4 4) appellations of origin, indications of source and any geographical name that is not sufficiently original and distinctive with regard to the goods or services to which they apply or whose use is liable to create confusion regarding the origin, source, qualities or characteristics of the goods or services for which the mark is used;
e) Other	Law 22.362 Art. 3 j) advertising phrases that lack originality Art. 3	Law 9.279 Art. 124 II) II. Letters, numerals and dates, standing alone, except when endowed with sufficiently distinctive form;	Law 1.294/99 2 7) letters or numbers considered individually without particular shape;	Law 17.011 Art. 4 7) letters or numbers considered individually without particular shape;

Considering the first group (descriptive and generic signs), in Argentina, courts have decided that exclusive trademark rights may not be conceded for signs that are necessary to designate a product, or have become the usual term to refer to the nature of the product, or that are

merely descriptions of the product that they are supposed to identify⁸⁴⁷. Such terms are not necessarily designations which should be found in a Spanish dictionary but, rather, correspond to the most usual and common designation for the product or service, in any form of expression (slang, technical language or a foreign tongue, etc.).⁸⁴⁸ In this sense, for example, the term “Aerosilla” (a “mountain-lift”, or “ski-lift”) was considered to be non-registrable by the courts⁸⁴⁹, despite that the term was not an entry in the dictionary of the Real Academia de la Lengua⁸⁵⁰. In another example, the word “Large” (in English) was considered ineligible for protection, due to the fact that it had become a common word in trade as a result of its great diffusion⁸⁵¹.

A yardstick which may serve to measure how courts preclude usual or necessary terms from becoming registered as trademarks is the fine line drawn between designations that are descriptive of the product or service they designate (or of its qualities and characteristics) and signs that are merely evocative or suggestive. According to the jurisprudence, the latter – although constituting “weak” trademarks – may, in fact, receive protection provided that they do not consist plainly of generic or descriptive terms⁸⁵². Evocative signs, in fact, contain some element which gives them a fanciful nature, to some degree. Examples of such signs, which have been registered and cited by academic reference work⁸⁵³, include “Lechesur”, (literally, “Southernmilk” for milk products; “Masticandy” (“Chewcandy”), for food products; “Bodega del 900” (broadly, “The 1900s Cellar”) for alcoholic drinks; “Ese Gustito que no se va” (“The mild taste that never leaves” (slogan)) for food products; “Polyana Protein” for beauty/perfume products or “Cremíssimo”, for ice creams. The weak protection of evocative signs has early on been justified on the grounds that by removing such terms from the public domain, others should still not be precluded from the use of a word or phrase to describe a product or its characteristics⁸⁵⁴. Furthermore, competitors will not be precluded of making analogue evocations, with the coexistence of similar marks as a consequence.

In Brazil, there are two situations encompassed by the rule laid down in Art. 124. VI) BIPL, related to the category of descriptive or generic sign:⁸⁵⁵ the first situation is where the sign is a

⁸⁴⁷ ARGENTINA. See, for example, “Baggio, Rufino P. v. Instituto Nacional de la Propiedad Industrial”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, sala 2ª. (29/04/2009), citing well-established doctrine by the Supreme Court and other decisions by the same court.

⁸⁴⁸ Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires.

⁸⁴⁹ ARGENTINA. “Aerosilla SAIC v. Los Cocos SA”, Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (12/2/1996).

⁸⁵⁰ The Diccionario de la lengua española de la Real Academia Española or DRAE is the most authoritative dictionary of the Spanish language. It is produced, edited, and published by the Real Academia Española (RAE – Royal Spanish Academy); the first edition was published in 1780. <http://buscon.rae.es/drae/>

⁸⁵¹ ARGENTINA. “Morgenstern Natalio Eduardo v. Molero Olga Angélica y Otro” Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (24/11/2009)

⁸⁵² ARGENTINA. In relation to evocative marks, courts have followed the academic doctrine and define the evocative mark, and its strength, in the following manner: [the evocative mark] “provides a clear idea about some property or characteristic of the product or service it wants to differentiate... This...does not make it irregistrable as a trade mark...although it gives it a certain weakness from the point of view of its distinctive power”. See “Laboratorios Northia Sacrificia c/ Synthelabo”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, n° 1.589/00 (28/04/05) and decisión of the 29/04/2009, cited above.

⁸⁵³ Cf. Otamendi, R. (2003). *Derecho de Marcas*. Buenos Aires..

⁸⁵⁴ ARGENTINA. “Canchaner, David” -ex parte-, del 11/2/1946, JA, 1946-I-638, cited in Otamendi Cf. Otamendi, R. (2003). *Ibid.*

⁸⁵⁵ BRAZIL. See the “Trade Mark Examination Guidelines”. Cf. Instituto Nacional de Propiedade Industrial, (2010).

designation related to the product or service, and includes generic terms (e.g. “alimento” – food – which is not to be registered for food products or services), necessary designations (e.g. “fast-food” for food services), common designations (e.g. “piña colada” for beverages), popular designations (e.g. “branquinha” – popular name for cachaça – for alcoholic beverages distilled from sugar cane) or descriptive terms (e.g. “lavaroupa” for a washing machine). The second situation covers circumstances where the sign is used to designate a characteristic of the product or service related to its nature (“artisanal”, for ice-cream), weight (“quilo” – kilo –, for cereal⁸⁵⁶), value (“cinco estrelas” –five-stars –, for hotels) etc.

As to designations, in respect of which there is a doubt in relation to their descriptive character, it seems that the trademark authority has tended towards a restrictive approach, rejecting a considerable number of applications for marks “considered to be in the middle ground between descriptive and suggestive” terms.⁸⁵⁷ However, terms such as “Tomatex” (for food products), “Autoradio” (for car stereos) or “Plasticola” (for glue) have been found admissible for protection by the INPI⁸⁵⁸.

Furthermore, in the case of evocative marks, it is interesting to note that for the purpose of not allowing the monopolization of terms which may belong to “the commons”, the trademark authorities have allowed a number of similar, competing, trademarks, to coexist, where minor variations – on elements other than those which are descriptive or necessary to designate a product or its characteristics – have been considered sufficient to render the marks distinguishable⁸⁵⁹.

In recent decisions, Brazilian courts also have appeared to apply a strict standard in judgments concerning the generic or descriptive nature of terms, for example, when they have held it impossible to monopolize a word which was merely an “adjective of common use” in a determined sector. Such was the case of “Ebony”, registered for a body-deodorant, which was targeted to the Afro-Brazilian public. Again in this decision, words which were “generic or of common use ...to designate a characteristic of the product” were contrasted to terms of an evocative nature, which were found to be susceptible of protection as long as they did not merely denote the product⁸⁶⁰. In another case of great interest, the question was whether the owner of the trademark “Omega”, corresponding to the famous line of watches, could cancel successfully a mixed mark including the term that had been registered with regard to different products⁸⁶¹. The Federal Court Of Appeals considered in this case that certain traditional expressions and common, trivial terms were part of the common patrimony. However, because of their evocative repercussion in the imagination of consumers, such marks may be appealing as trademarks. However, the Court continued, marks consisting exclusively of such terms were very weak marks, and the fact that they had gained fame (as is the case for Omega) was insufficient for granting the special protection of well-known marks going beyond the principle of specialty. Thus, the request of annulment of the trademark was repealed⁸⁶².

⁸⁵⁶ However, “Quilo” (Kilo) for footwear has been registered.

⁸⁵⁷ Cf. Dannemann Siemsen Avogados. (2009). Brazil. *World Trademark Review April - May 2009*, 60-61.

⁸⁵⁸ BRAZIL. Trade Mark Examination Guidelines. (Instituto Nacional de Propiedade Industrial, 2010).

⁸⁵⁹ BRAZIL. Superior Tribunal de Justicia, Recurso Especial 237.954 RJ 1999/0102350-5 (04/12/2003); Tribunal Regional Federal, Apelação cível 008.51.01.812613-0 (30/03/2010); Apelação cível 2002.51.01.530657-0 (11/09/2009); ; Apelação cível 2008.51.01.807263-7 (31/03/2009).

⁸⁶⁰ BRAZIL. Superior Tribunal de Justicia, ; Recurso Especial 1.166.498 - RJ 2009/0224319-0 (15/03/2011).

⁸⁶¹ Class 20 (Furniture).

⁸⁶² BRAZIL. Tribunal Regional Federal. Apelação Cível Nº 2002.51.01.523951-8. (25/08/2007).

In Uruguay and Paraguay, the meaning of the respective laws seem to be similar. In Uruguay, in particular, while it is clear that generic, necessary or simply descriptive terms would not be protectable unless they had acquired distinctive character⁸⁶³, signs which are evocative and inform the audience about a quality of the product *indirectly* are susceptible of being registered. Here again, the line between descriptive and evocative terms appears to be dim. For example, in the past, the term “Delicia”, for flour, was annulled by the trademark registration authority (upon revision) for being descriptive of a quality of the product and then reconsidered susceptible of registration upon appeal, based on the argument that it constituted an evocative sign.⁸⁶⁴

In relation to the second category listed in the table above (simple colour marks), it appears that these may not be monopolized because of specific provisions banning single colour signs from registration. However, as already seen in section 1.1., combinations of colour which are sufficiently distinctive may find protection under any jurisdiction.

Concerning three-dimensional trademarks, in general in the four countries, it appears that there is no possibility to register the shape of a product or of its packaging if that shape is necessary for the public in general, either because it is intrinsic to the product, a usual shape, or a shape performing a technical function. In addition, in all jurisdictions, to be susceptible of trademark protection, a shape, just as any other type of sign, must be distinctive in relation to the goods or services for which registration is sought (see Table 1).

In Brazil, common or necessary forms of a product or its packaging, as well as those which cannot be dissociated from a technical effect, may not be registered. The first would include, for example, the parallelepiped shape of a tetra-brick for milk products; the second the round shape of a football for a football; and the third the particular shape of toy building blocks, such as those of the famous Lego bricks, allowing the blocks to interlock⁸⁶⁵.

In Paraguay, the trademark law contains a similar clause, excluding “the usual shape of a product or its container, the shape required for the product or service to which they refer or which give the product or service a functional or technical advantage”; In Uruguay, the specific prohibition only refers to shapes having a technical function, but only if they meet the requirements to constitute a patent or utility model⁸⁶⁶. In Argentina, where the law is less specific and only refers to the ban to protect “the shape given to goods”, the jurisprudence has interpreted this provision as referring to shapes which are the necessary, inherent or usual form of a product, either because it is imposed by the nature of the product itself, or its technical function⁸⁶⁷.

⁸⁶³ URUGUAY. Art. 8 UTL would admit the registration of these signs, if they had acquired distinctiveness. This would include “technical, commercial or common names used to express qualities or attributes of goods or services” (Art. 4. 9. UTL); “names generally used to indicate the nature of goods and services or the class, kind or type to which they belong” (Art. 4.10.) , “words or expressions which have become customary in the current language and signs or designs not being fancy, i.e. That do not comprise novel, special or distinctive” (Art. 4.11.UTL) as well as “features as well as words or combinations of words in foreign languages whose translation into Spanish falls under the prohibitions set out in the above items” (Art. 4.11. UTL).

⁸⁶⁴ Cf. Lamas, M. D. (1999). *Derecho de Marcas en el Uruguay*. Montevideo: Barbat & Cikato.

⁸⁶⁵ BRAZIL. See Trade Mark Examination Guidelines (Instituto Nacional de Propiedade Industrial, 2010).

⁸⁶⁶ The interpretation of this norm is therefore, of crucial importance since, if taken literally, it would allow the registration –for example- of forms, with a technical purpose, which however lie in the public domain because they fail to meet the requirement of “novelty”.

⁸⁶⁷ ARGENTINA. “Saenz Merino, Joaquin vs. DNPI”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal (19/4/1985),

3.2. *Acquired distinctiveness*

With the exception of Uruguay⁸⁶⁸, as has been already mentioned, none of the other countries of the MERCOSUR region have incorporated specific provisions on the acquisition of distinctive character through use, for signs that initially lack such distinctive capacity. However, all four MERCOSUR countries are signatories of the TRIPS Agreement⁸⁶⁹ which enables Members to "...make registrability depend on distinctiveness acquired through use"⁸⁷⁰.

Despite this, national trademark offices tend to reject applications for marks which inherently lack distinctiveness in relation to a product or service, even if the acquisition of distinctiveness through use is invoked. This is mainly because trademark authorities are only entitled to apply the text of the relevant trademark statute, such as the Brazilian Intellectual Property Law, where the feature of acquired distinctiveness is not mentioned.⁸⁷¹

Upon appeal, however, the courts in MERCOSUR countries had the chance to consider if trade mark protection may be allowed based on arguments of acquired distinctiveness. For instance, it was decided to allow protection for generic words such as "Telefónica"⁸⁷² for diverse telecom services⁸⁷³; "Ticket"⁸⁷⁴ for the products of a company dealing with service vouchers (e.g. "Ticket-Restaurant") or terms concerning the characteristics of a product such as "Suave"⁸⁷⁵ (soft/mild) for shampoo products⁸⁷⁶.

⁸⁶⁸ URUGUAY. Uruguay trade mark law mentions that "Where a word or combination of words that falls under the prohibitions under items (9), (10), (11) and (12) of Article 4 of this Law has acquired a proven distinctive nature with regard to the goods or services associated with a given natural or legal person it shall be admitted as a trademark for that natural or legal person and with respect to those goods or services" (Art. 8, UTL).

⁸⁶⁹ In addition, the four countries are signatories of the Paris Convention which Article 6 quinquies C (1) states that "In determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use." This article may be applied to the analysis of the phenomenon of acquired distinctiveness through secondary meaning, although its scope is broader and may apply to various situations involving the study on the registration of the mark or the analysis of administrative and legal conflicts between identical or similar marks. Ricci, A. F. (2006). O sentido secundário da marca ("Secondary Meaning"). Retrieved July 2011, from <http://www.ricciipi.com.br/paginas/artigos/default01.htm>

⁸⁷⁰ Art. 15. 2) TRIPS.

⁸⁷¹ Cf. Rodriguez de Freitas (2010) *Comparative study of legislation and examination practices concerning trademarks in Brazil and Japan*. Japan Patent Office & JIII/Asia-Pacific Industrial Property Center and Questionnaire INPI Argentina (2011).

⁸⁷² URUGUAY. Tribunal de lo Contencioso Administrativo N° 243 del 12 de mayo de 2003.

⁸⁷³ The application was for products and services included in IC N° 9, 35, 38 and 42.

⁸⁷⁴ BRAZIL. In the "Ticket" case, the secondary meaning doctrine could be said to have been applied indirectly, based on the existence or acquisition of the high reputation of the mark, which calls for the special protection reserved for such signs. See the decisión by Tribunal de Justiça do Estado de São Paulo (TJSP, Apelação Cível com Revisão N°. 105.949.4-00 [11/12/2000]).

⁸⁷⁵ ARGENTINA. "Unilever N.V v. Laboratorio Cuenca S.A. – Cease of use of trademark," Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, Causa N° No. 1135 (01/07/10).

⁸⁷⁶ The application corresponds to products of International Classification N° 3, "Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices". Cf. WIPO. (2006). *Classification of Goods and Services under the Nice Agreement (Ninth Edition)*: <http://www.wipo.int/classifications/nivilo/nice/index.htm#>. Retrieved July 2011, from International

As already mentioned in section 2, the interpretation and use of the “secondary meaning” doctrine in the MERCOSUR countries is still incipient among the judges and remains a controversial matter.

3.3. *Exceptions*

The trademark laws in the MERCOSUR countries, excepting the Industrial Property Law of Brazil⁸⁷⁷, do not explicitly lay down exceptions to trade mark protection in the law itself. However, as pointed out earlier, there are some acts which do not represent an infringement of a third party’s trademark⁸⁷⁸. In general, the rationale which seems to prevail in the MERCOSUR countries is to allow certain uses of another’s mark when such use is necessary to describe the products or services of the unauthorized user (as in the case of retailers, wholesalers, distributors, providers of repair, installation or maintenance services, manufacturers and vendors of compatible spare parts, accessories or fittings, as already seen in section 2.3.). These uses would be admitted, as far as the purpose of such use is in accordance with honest practices.

Another form of excepted use is related to designations or signs which are the most usual form, or necessary, to designate or describe a product or service (e.g. generic or descriptive signs). It appears clearly, in the region, that competitors would not be precluded from using a sign of this nature even if it has been registered by the trademark office. If the sign consists simply of a generic, usual or descriptive term for a product or service, the – undue – registration of such a term would be, in addition, vulnerable to cancellation. In other situations, where the prohibited sign is just an element of the trademark (for example in the case of an evocative – suggestive – mark), as mentioned in 3.1., competitors will be free to use the descriptive or generic element, while the fanciful aspects of the trade mark would remain within the scope of the trademark right.

Several court decisions confirm this line of reasoning. In Brazil, for example, the word “zoo” has been registered as an element of different trademarks which were composed by “zoo” and other designations (e.g. “Canny-Zoo”, “Zoo-fruit”, “Jelly-Zoo”, etc.). The term has been judged as not being appropriable⁸⁷⁹ in relation to products having “to do with animals”⁸⁸⁰, since it is a common or usual term lacking distinctive character that could not – in isolation – be used exclusively by any party. In another example, the registration of “Lar Center” was not found to give an exclusive right over the words “Lar” (home) and “Center”, taken separately, in relation to the connected products or services⁸⁸¹.

In Argentina, Paraguay and Uruguay, courts seem to follow a similar approach: thus in Argentina it appears that when a common or necessary word to designate a product is registered as a part of a trade mark, this would not preclude others from using such word. In some cases this has included words having become generic terms (e.g. “aspirin” or

⁸⁷⁷ BRAZIL. The relevant provisions are be found under Article 132, BIPL.

⁸⁷⁸ See sections 1.2., 1.3. And 2.3.

⁸⁷⁹ BRAZIL. Tribunal de Justicia de São Lourenço do Oeste - Apelação Cível Nº AC 372779 SC 2005.037277-9. (13/10/2009).

⁸⁸⁰ The relation with animals has to do with the design of packaging and image of the product, rather than with the product itself. For instance, in the case referred, the product of the defendant was cookies (for human consumption) designed with the shapes of animals.

⁸⁸¹ BRAZIL. Tribunal Regional Federal. Apelação Cível Nº 008.51.01.812613-0 (30 /03/20 10). In the same sense, the terms “Diet” and “Shake” were considered not to be subject to exclusivity, despite the registration of the mark “Diet Shake” (see Apelação Cível Nº 2002.51.01.530657-0 [11/11/2008]).

“aspirina”⁸⁸²) which could be freely used as a component of an evocative trade mark (such as “Yectaspirin”) or descriptive and/or necessary terms (e.g. “Musli”⁸⁸³). However, in some circumstances the Argentinean courts have privileged holders of trademark rights which, arguably, included common or descriptive terms, over the need to keep such terms available for competitors or the public. This has happened in particular when a term employed was not found to be strictly necessary to describe a product or service, as for example in the case of “Slim” (in English, and therefore not considered to be a word having become of common use), for slimming stockings⁸⁸⁴ or “Crucero” (Cruise) for land transport⁸⁸⁵. The same criteria seem to apply to shapes, where it has been held that the spirit of the law was to prohibit the registration of the “necessary shape of a product”. Therefore, for example, the form of a toilet paper dispenser has been found to be susceptible of protection because, despite sharing some structural elements with the usual shape of devices of this sort, it had sufficient novel elements so as not to be considered the necessary shape of this product⁸⁸⁶.

4. Conclusion

In general, the countries of the MERCOSUR traditionally tend to offer fairly broad trademark protection. However, mechanisms to prevent the appropriation of signs belonging to a common patrimony, or which are otherwise necessary for competitors in the market or the public exist in all four countries. These mechanisms have often been invoked before the national trademark offices or the courts.

The main legal requirement for a trade mark in the MERCOSUR countries is that it must possess the capacity to differentiate products and services on the market. Under the different national systems, it is possible to protect certain non-traditional trademarks (colour, shapes, sound and smell) provided they are distinctive and do not fall under the explicit prohibitions and limitations drawn by each set of national rules. For example, while it is clear that single colour marks cannot be registered in any country, shapes may be registered in all MERCOSUR countries, subject to safeguards seeking to ensure the availability of shapes necessary for the public (e.g. The usual or necessary shape of a product and shapes which are needed to perform a technical function). More differences in the region can be observed in relation to the registration and protection of sound and smell signs, ranging from a restrictive approach (Brazil, and to a lesser degree also Uruguay), to systems which, in principle, admit these kinds of signs as trademarks. In any case, there are few registrations of this sort.

The exclusive rights conferred on a trademark tend to be considerable. The notion of use “in the course of trade” is to be interpreted in a flexible manner, encompassing acts such as using the mark on printed matter, marketing and preliminary activities such as printing logos, designing packages, launching test products, etc. For an act of use to be infringing, however, it must in principle be liable of generating confusion among the public in relation to the trademark, according to the principle of speciality. Other forms of use, such as use for non-commercial purposes that does not create a likelihood of confusion, may still be considered an

⁸⁸² ARGENTINA. “Laboratorios Northia Sacifia vs. Bayer Ag.” Cease of opposition. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal n° 121/00 (19/04/2005).

⁸⁸³ ARGENTINA. “Kellogg Company vs. Pehuamar. S.A. – Cease of use of trademark,” Cámara Nacional de Apelaciones en lo Civil y Comercial Federal, Causa N° No. 42.895 (25/02/2003).

⁸⁸⁴ ARGENTINA. “Cheja Alberto Sión vs. Sprayette S.– Cease of use of trade mark - damages ” Cámara Nacional de Apelaciones en lo Civil y Comercial Federal N° 1748/2005 – S (14/10/ 2010).

⁸⁸⁵ ARGENTINA. “Via Bariloche vs. Crucero del Norte Srl - Cease of opposition”. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal , N° N° 4.350/04 (24/02/ 2011).

⁸⁸⁶ ARGENTINA. “Valot, Eduardo Alfredo vs. La Papelera del Plata S.a. S/ - Cease of opposition. Cámara Nacional de Apelaciones en lo Civil y Comercial Federal N°7637/2003 (10/11/ 2009).

illicit act if it has a detrimental effect on the distinctiveness of a senior trademark, in particular in cases of marks which possess a reputation. These rather broad criteria for determining infringing use have been balanced by limitations set forth in the law (in the case of Brazil) or by exemptions of other uses, sometimes qualified as “atypical” uses, developed by the courts (Argentina, Uruguay and Paraguay). This would include non-commercial acts, such as private use, mention in speeches and scientific and literary works (in the case of Brazil, specifically mentioned in the Brazilian Intellectual Property Law) or in a parody.

Also, increasingly, it appears licit to make mention of the mark in comparative advertising, as long as it accords to honest practices in trade and does not constitute an act of unfair competition. In addition, descriptive or indicative use by distributors, producers of accessories or providers of reparation services may be allowed as well, provided they are not misleading and not contrary to the principles of fair competition.

In relation to the scope of protection, while it appears that the “likelihood of confusion” remains the standard test for determining infringement, the underlying notion of confusion encompasses situations where there is a degree of confusion in relation to the source of the products, but not the products themselves (“likelihood of association” in Brazil and Paraguay, or “indirect confusion” in Argentina and Uruguay). However, there are few cases observed where the risk of association or of indirect confusion has been interpreted separately and in a systematic manner. In addition, there is an incipient application of the theory of dilution in the MERCOSUR countries by the courts, where the notion is still new among the judges (and absent in the texts of the respective laws, except in Paraguay). Conditions for protection against dilution of the mark vary among the countries, being reserved to well-known marks in Argentina, Paraguay and Uruguay while no specific requirements exist in Brazil. Also, depending on the country, protection against dilution may be offered exclusively for unrelated products (Argentina) or may also be applied with regard to similar products (Brazil).

The countries of the MERCOSUR provide protection against the appropriation and use as trademarks for common patrimony signs, as defined in Art. 6^{ter} of the Paris Convention, and in some cases extend the protection to other official symbols. The common patrimony nature of the sign constitutes a ground for refusal of the trademark application, although the prohibition of registration is normally interpreted in a restrictive manner, thus leaving liberty, for example, to use the common names of countries (Uruguay), as well as other symbols, as long as consumers are not misled to believe that such are signs of an official designation (for example, “República Oriental del Uruguay”). Other signs of cultural significance may also be exempted from trademark protection because of a lack of distinctiveness (such as a cross with no other ornament or feature, or a designation or phrase used for a patriotic celebration for related activities). Signs of cultural significance, in principle, are subject to the same general rules as other signs. They are often registered and protected when they are used in an arbitrary manner in relation to products and services. The sole limitation found, in particular in the case of religious signs, is a refusal of registration because of a conflict with morality or public order.

In addition, the law in all MERCOSUR countries prevents, with regard to signs that must be kept available for the public, the registration of usual, necessary, generic and descriptive designations. In some cases, court decisions have recognized the importance of keeping such signs free for use by competitors in the marketplace as a matter of public interest, and have tended to privilege, to some degree, this interest over the rights of trademark owners. This tendency can be observed in a number of cases dealing with suggestive (evocative) trademarks: it appears that particularly when such marks are composed of terms which are also necessary for competitors, courts have been more willing to exclude such terms from the exclusive rights of the trademark owner, thus drawing a line between the private and the public domain. The same may be said of three-dimensional signs, where shapes which are necessary for inherent, aesthetical or functional reasons have been excluded from trademark protection.

I. ARAB REGION*

The Arab world refers to Arabic-speaking countries stretching from the Atlantic Ocean in the west to the Arabian Sea in the east, and from the Mediterranean Sea in the north to the Horn of Africa and the Indian Ocean in the southeast. It consists of 21 countries and territories with a combined population of 350 million people across North Africa and Western Asia⁸⁸⁷. The Arab world could be divided into three regions: North Africa⁸⁸⁸, Middle East⁸⁸⁹ and the Arabic Peninsula⁸⁹⁰. The different trademark laws are not harmonized in one text that applies in all or part of the Arab countries, although there was in 1975 an attempt by the WIPO and the Industrial Development Centre for Arab States to enact a model law on Trademarks for Arab States⁸⁹¹, but this has not been followed by any harmonization. In 2006 the GCC approved a *Unified Trademark Law* which purpose is to replace the local trademark laws of each of the GCC member states and, thereby, creating a unified implementing regulation for trademark protection in all member states. However, the *GCC Unified Trademark Law* does not offer a unified filing system as is the case with the *GCC Patent Law*. Trademark applications will continue to be filed separately in each GCC member state⁸⁹².

This report will focus on the laws and precedents of one country from each region of the Arab world, thus, *Egypt*⁸⁹³, *Lebanon*⁸⁹⁴ and the *UAE*⁸⁹⁵. Examples from other countries are added

* *Pierre El Khoury, D.E.A., LL.M, Ph.D, Independent Legal Consultant and Professor, La Sagesse Law School, Beirut, Lebanon.*

887 It is to be distinguished from the Muslim world: *Ummah* (between 1.2 and 1.5 billion people), although the major part of the Arab world population is Muslim (92 – 93%).

888 *Morocco, Algeria, Tunisia, Libya, Egypt, Sudan, Somalia, Mauritania, Djibouti.* Sudan and Somalia are members of the ARIPO; *Mauritania* is member of the OAPI.

889 *Jordan, Palestine, Lebanon, Syria, Iraq.*

890 *Kingdom of Saudi Arabia, Yemen, Sultanate of Oman, United Arab Emirates, Qatar, Bahrain, Kuwait.* These countries (except *Yemen* who is an observer) form the Gulf Cooperation Council (GCC), a political and economic union and are often referred to as the GCC States.

891 “WIPO-IDCAS Committee of Experts for the Study of the Second Draft of the Model Law for Arab States on Trademarks”, Tunis, June 2-7, 1975, WIPO, Geneva.

892 The GCC Unified Trademark Law (hereinafter referred to as *GCC Unified trademark law*) will only be effective once it is ratified by the individual member states and the relating implementing regulations are drafted and issued by the GCC Trade Cooperation Committee (made up of the Trade Ministers of the member states).

893 The Egyptian legal system influences many Arab countries legal systems. Trademarks in *Egypt* are regulated by the second book of the New IP Law No 82 that was issued in 2002 (hereinafter referred to as Egyptian trademark law).

894 The Lebanese trademark law is the oldest one in the region and still in force today. Trademarks in Lebanon are regulated by the High French Commissioner’s Ordinance 2385/LR of January 17, 1924 in its sections 68 to 88 and 105 to 110 (hereinafter referred to as Lebanese trademark law). The Lebanese legislature has opted for a system similar on the one hand to the old French system granting ownership by the prior use; and on the other hand similar to the Spanish and British systems stating that absence of opposition to the registration for 5 years is a source of ownership of the trademark. See, Court of Cassation, May 16, 1958, Baz vol. 6, p. 170; Court of Cassation, July 9, 1970, Hatem vol. 108, p. 41; Beirut Court of Appeal, No 15, 1966, Hatem vol. 68, p.58; Beirut Court of Appeal, June 16, 1987, Hatem vol. 194, p. 215; Mount Lebanon First Instance Court, August 13, 1998, Nashra 1998, p. 1039.

895 The *UAE* share similar political system and a common social and cultural outlook of the GCC States. The trademark laws of the GCC States are to a great extent harmonized. The text of the *GCC Unified trademark law* is almost identical to that of the *UAE Trademark Law*. Trademarks in the *UAE* are regulated by the Federal Law No 8 of 2002 amending some provisions of Federal Law No 37 of 1992 in relation to trademarks (hereinafter referred to as *UAE trademark law*).

where appropriate to illustrate the relation between the trademark law and the public domain in the Arab world⁸⁹⁶.

The legal origin of the intellectual property rights is traced to Western civilization and many national laws in Arab countries are largely influenced by the French-based secular law⁸⁹⁷. However, Islamic law also has its own approach to intellectual and industrial property. Usually in Islamic law the right to trademark protection has been interpreted by analogy as a private property right based on prior usage, which is governed by Islamic property law⁸⁹⁸. Intellectual property rights in the Arab countries grant a monopoly to their owner and, although the granting of monopoly goes against the freedom of commerce and industry in a democratic society in general⁸⁹⁹, the Arab countries trademark laws include rules to limit this monopoly, thus, enhancing the public domain.

The following overview of the general configuration of the selected Arab countries' trademark systems shows that the protection regime is quite flexible in terms of subject matter eligible for protection. It shows also that several mechanisms are adopted to safeguard the public domain and counterbalance the flexible approach to the large protection. The systems of the selected Arab countries offer a high standard of protection which is counterbalanced by some exceptions, conditions, and prohibitions to safeguard the public domain. We will discuss, first, the scope of exclusive trademark rights (section 1) before then turning to the limitations of these exclusive rights (section 2).

1. Scope of trademark protection in general

1.1 Signs eligible for trademark protection

In Arab countries, a trademark may consist in general of any sign of any kind intended to bring benefit to the consumer, manufacturer and the trader. It distinguishes between goods or services offered in the marketplace and shows the identity, source and origin of industrial, commercial or agricultural products. A trademark could be names written in a way which distinguishes them from others. It could be titles, nomenclatures, symbols, stamps, letters, small drawings and figures⁹⁰⁰; combination of colors in a specific and distinctive form⁹⁰¹;

896 Each Arab country has a specific trademark law, but the selected countries, i.e. *Egypt, Lebanon* and the *UAE* could be more or less representative of the other Arab countries.

897 For instance *Lebanon, Syria, Egypt, Tunisia, Algeria, Morocco, United Arab Emirates, Iraq*. It is to be noted that all Arab countries have legislations on trademark and/or industrial property.

898 In general, Islamic property laws provide protection for personal property. The famous principle of "*annasu musallatun ala amwalihim* *الناس مسلطون على اموالهم*" means that people should be given recognition as to their exclusive use of property. The term "amwal" (possessions or properties) is extensive and applies to intellectual and industrial properties too. Undermining such rights by the unauthorized use of a trademark constitutes damaging conduct for which the offender must make amends or reparation. See, S. Amin, "Intellectual & Industrial Property in the Middle East", Royston Publishers, Glasgow, 1992, p. 10.

899 Freedom of action of the others stops where begins the exclusive right. The idea of ownership by the trademark law effect the withdrawal of increasing amounts of material from the public domain. The public domain materials were all formerly thought of as unowned, unownable or commonly owned. However, trademark rights (and all IP rights) constitute "barriers" against the intellectual "common". These materials are transmuted into "private" intellectual property, justified in part by the private interests of the owner through the trademark.

900 Lebanese trademark law, Section 68.

901 Egyptian trademark law, Section 63; Oman Sultani Decree No 38/2000, Section 1 (Oman trademark law).

sounds and smells⁹⁰². In the *UAE*, a trademark is anything which takes a distinctive form whether names, words, signatures, letters, figures, drawings, symbols, titles, tax stamps, seals, pictures, inscriptions, advertisements or packs or any other mark or a combination thereof, used or intended to be used, either in distinguishing goods, products or services whatever their origin is, or to show that goods or services are owned by the mark owner by virtue of their manufacture, selection or dealing in, or to indicate the performance of a service. Sound shall be considered as part of the trade mark if it accompanies it⁹⁰³.

It is to be noted that in *Lebanon*, Sections 701 and 702 of the Lebanese penal law – dealing with counterfeiting industrial and commercial trademarks – state that “are considered industrial or commercial trademarks, [...] in general every sign aiming – for the benefit of the consumer, the manufacturer or the trader – to show the nature of the product and its origin, the nature of an industrial, commercial or agricultural product or the nature of the forests and mines products provided that these marks have been published according to the applicable laws”; and “every person who willingly [...] counterfeited any trademark belonging to others, even by adding syllables making a similarity in the product, or in its type, or in its quality; put a mark belonging to others or a counterfeit mark on his products or his commercial goods”⁹⁰⁴.

These different definitions include non-traditional trademarks. The enumeration of different types of signs is illustrative, not limitative. The majority of trademark laws in Arab countries refer to “any sign distinguishing goods, products or services of a person”⁹⁰⁵. However, under the Egyptian trademark law a uniform color may not be registered as a trademark, but a combination of colors may serve as a trademark⁹⁰⁶. In *Lebanon*, a color *per se* cannot be owned by a person or by a company and cannot be used as a trademark⁹⁰⁷, but a combination and an arrangement of colors could be protected as a trademark⁹⁰⁸. In the *UAE* there is no mention of color or color marks in the definition, and marks that consist of a single color should not be able to be registered because they do not meet the basic requirement, namely, that they take a distinctive form. However, a single color mark has been accepted in the *UAE*.

902 *GCC Unified trademark law*, Section 2. Although the Egyptian trademark law stipulates in its Section 63 that “in all cases, the trademark shall be visually perceptible”.

903 *UAE trademark law*, Section 2.

904 For instance, see Court of Cassation, Civil 4th Circuit, No 2, January 27, 1998 (“Fruit of the Loom” wins against “Loom” for clothes); Mount Lebanon Court of Appeal, Civil 1st Circuit, February 15, 1995, No 18 (“Maltesers” wins against “Mylikes”); Beirut First Instance Court, Commercial 4th Circuit, March 31, 1994, No 76 (“Nopron” wins against “Nuprin”); Beirut Court of Appeal, Civil 1st Circuit, May 3, 1993, No 264 (“Moet & Chandon” wins against “Chandon Paris”); Beirut Criminal Court, January 22, 1971; R. Sader, “The Reference on IP Cases”, Beirut, Lebanon, 2006, p. 107.

905 Such as trademark laws of *UAE, Egypt, Lebanon, Bahrain, Qatar, Saudi Arabia, Syria, Lybia, Oman, Yemen, Jordan*.

906 National Court, First Instance, May 30, 1994, Lawyers review, vol. 9 & 10, judicial year 24, p. 516; see also, Court of Appeal, Commercial Circuit, June 6, 1946, in Abd Al Moeen Goma, Court Decisions Encyclopedia, Cairo, *Egypt*, 1967, p. 258.

907 Court of Appeal of Bekaa, Civil 2nd Circuit, February 24, 1997, No 30/97, R. Sader, “The Reference on IP Cases”, Beirut, *Lebanon*, 2006, p. 283. However for the protection of a combination of colors see, Mount Lebanon Court of Appeal, Civil 1st Circuit, February 15, 1995, No 18, R. Sader, “The Reference on IP Cases”, Beirut, Lebanon, 2006, p. 144; see also, Beirut Court of Appeal, Civil 1st Circuit, May 8, 1971, No 571, R. Sader, “The Reference on IP Cases”, Beirut, Lebanon, 2006, p. 275.

908 Mount Lebanon Court of Appeal, Civil 1st Circuit, February 15, 1995, No 18, R. Sader, “The Reference on IP Cases”, Beirut, *Lebanon*, 2006, p. 144; see also, Beirut Court of Appeal, Civil 1st Circuit, May 8, 1971, No 571, R. Sader, “The Reference on IP Cases”, Beirut, *Lebanon*, 2006, p. 275.

The application was for a particular shade of the color orange⁹⁰⁹. Presumably it was accepted because it was shown to have acquired distinctiveness in the *UAE*, rather than having any inherent distinctiveness⁹¹⁰. The *GCC Unified trademark law* protects non-traditional trademarks such as the combination of colors, smells and sounds but not the registration of one color⁹¹¹.

As for other non-traditional trademarks, smells are not mentioned in the *UAE* trademark law. They could nevertheless potentially be trademarks, although it is difficult to see how they would satisfy the requirement of a distinctive form. As for sounds, the *UAE* trademark law drafters did not think that sounds could stand alone as trademarks but could be parts of trademarks⁹¹². The *GCC Unified trademark law* provides that smell or sound marks may be trademarks⁹¹³. Theoretically, the definition of the trademark is flexible in Arab countries but non-traditional trademarks remain far from being accepted among all jurisdictions⁹¹⁴. According to the law in Arab countries, three functions fall under this notion. The trademark performs the role of identifying the goods of a particular manufacturer and gives an indication of its origin, or establishes a connection in the course of trade. It assures quality of the product and acts as a symbol representing the goodwill of the business. And it advertises the product and creates an image in the mind of the ultimate purchaser.

1.2 Notion of use in trade

In Arab countries, trademark protection covers use “for the purpose of distinguishing goods or services”⁹¹⁵. In general, and in order to be a trademark, a mark must be used or intended to be used for such purpose⁹¹⁶. Except the laws of two Arab countries⁹¹⁷, this definition does not

909 Pantone 021C. *UAE* trademark application No 81124 appeared in the trademark journal on April 11, 2007, No 68.

910 P. Hansen adds that “the practice of the Ministry in the *UAE* is sometimes ahead of the law makers”, Peter Hansen, “Intellectual Property Law and Practice of the United Arab Emirates”, Oxford, 2009, p. 76.

911 Even though this should have been introduced as it has become common to register one color when it is a special or a notorious one. For instance, the trademark law of *Qatar* allows registration of a “non-functional” color.

912 Maybe the legislator was thinking about the musical jingles that accompany television advertisements for products and services when he drafted the provision.

913 *GCC Unified trademark law*, Section 2.

914 Nevertheless, practice shows that the trademark office in *Egypt* does not refuse applications of registering three-dimensional marks. Even under the old trademark law, which was silent regarding the three dimensional marks, the bottle of Coca-Cola was registered as a trademark upon a decision by an administrative court; see Administrative Court, Case No 1249, judicial year 11, July 19, 1960; In the *UAE* and in the *GCC Unified trademark law* the three-dimensional trademarks are not specifically mentioned but several kinds of marks that have a three-dimensional character are mentioned such as inscriptions (*Nuquush*) and packaging (*Taghlif*). The *UAE* trademark office systems have not yet been adapted to process trademark application for marks that have three-dimensional characteristics. Still, some three-dimensional marks have been advertised for opposition in the *UAE*; see Applications No 69924, 69925 and 69926 for Honda Motor Co. In Journal No 49, September 6, 2005, p. 864; In Lebanon a bill was introduced into Parliament in November 2007 (still pending) seeking to amend and modernize the Lebanese trademark law to include the protection of non-traditional trademarks such as smells, tastes, sounds and three-dimensional trademarks. Still, some applications of registering three-dimensional marks have been accepted such as the Nespresso coffee pods, and the Lamax asthma sprayer container. The following Arab countries refuse three-dimensional trademark applications: Iraq, Jordan, Saudi Arabia, Sudan, West Bank and Gaza.

915 For instance the *GCC Unified trademark law* and the trademark laws of *Egypt*, Lebanon, *UAE*, Qatar, Saudi Arabia, Syria, Yemen, Sudan, Libya, Jordan, Iraq, Bahrain.

916 See infra.

917 Kuwait and Qatar, see below.

require the use to be in the course of trade. This means nothing limits the trademark owner from claiming the rights on the mark when used by a third party in a non-commercial context. Besides, in some jurisdictions, although the trademark law does not provide expressly that the applicant must have an establishment that exercises activities involving the use of goods or services for which the trademark protection is requested, such condition should be met. In *Egypt* for instance, the indication of the goodwill or enterprise where the mark is used or intended to be used to distinguish its products is a requirement for trademark registration⁹¹⁸. In Lebanon, trademark ownership is primarily based on the prior commercial use of the trademark in connection with the products in the marketplace⁹¹⁹. It is to be noted that trademark registration in Lebanon reinforces its protection but has only a declaratory effect and constitutes a simple presumption that can be reversed⁹²⁰.

In Kuwait and Qatar a use shall occur in the context of commercial activity or a commercial context⁹²¹. This shall be also true in all the GCC States, thus, in the *Kingdom of Saudi Arabia, Sultanate of Oman, United Arab Emirates, Qatar, Bahrain, Kuwait* and the other Arab countries members of the World Trade Organization⁹²². Actually, these countries are signatories of the TRIPS Agreement, which means Art. 16 TRIPS shall apply⁹²³.

Thus, the use for the purposes of political debate, religious ceremonies, teaching, academic research or any other non-commercial use such as parody shall be free because it is unlikely to constitute a use in the course of trade. Nevertheless, there is a case pending before courts in *Kuwait* since December 2010 involving a Kuwaiti blogger who is being sued by the owner of a newly opened Benihana restaurant in Kuwait for posting an unfavorable review of a meal on his non-commercial blog. The company has filed claims against the blogger in excess of

918 Prime Minister Decree No 1366/2003, Section 72(5). See H. El Saghir, *Intellectual Property The Monograph*, Kluwer, Netherlands, 2009, p. 117. The regulation in *Egypt* "requires that the registration application must be attached to a document indicating the place of goodwill or enterprise where the mark is used or intended to be used to distinguish its products".

919 See, for instance, Metn Criminal Judge, Decision No 2/1998, January 1st 1998, Adl 2000, p. 679; also Beirut Court of Appeal, June 16, 1987, Hatem vol. 194, p. 215.

920 The right of the first user of a trademark in Lebanon overrides that of the depositor or registrant of said trademark. See, for instance, Court of Cassation, January 21, 1960, Baz vol. 8, p. 61; also Beirut Court of Appeal, January 17, 1989, Adl 1989, p. 80.

921 *Kuwait* trademark law, Section 61: "A trademark is anything which takes a distinctive form whether in words, signatures, letters, figures, drawings, symbols, titles, seals, representations, engravings or any other mark or a combination thereof when used or is intended to be used in distinguishing goods or products for the purpose of indication that they are of the owner of such mark by *virtue of manufacture, selection, trading or offering for sale*" (we emphasized).

Qatar trademark law, Section 7: "These shall be considered as registrable marks: Names having a distinctive form, signatures, words, letters, numerals, designs, pictures, symbols, stamps, seals, vignettes, reliefs and any other sign or combination of signs, *if used or intended to be used to distinguish the products of enterprises in the fields of industry, handicraft, agriculture, forestry or mining or to distinguish goods sold or services performed in the course of trade*" (we emphasized).

922 All the GCC States are members of the World Trade Organization (hereinafter referred to as WTO): *Bahrain* (1995); *Kuwait* (1995), *UAE* (1996); *Qatar* (1996); *Oman* (2000); *Saudi Arabia* (2005); As for the other Arab countries members of the WTO: *Egypt* (1995); *Morocco* (1995); *Djibouti* (1995); *Mauritania* (1995); *Tunisia* (1995) and *Jordan* (2000). Some other Arab countries are observers at the WTO: *Algeria; Iraq; Libya; Syria; Yemen* and *Lebanon*.

923 TRIPS, Article 16: "The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using *in the course of trade* identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion" (we emphasized).

5.001 Kuwaiti Dinars (\$18.000 U.S.) because he gave an unfavorable assessment of his meal. Benihana claims that their name has been “destroyed and abused” by the blog⁹²⁴.

1.3 Notion of trademark use

Even if used in the course of trade, a sign does not qualify necessarily for a trademark and is not likely as such to prejudice a registered trademark unless the additional condition of designating goods and services and linking them to a particular origin is met⁹²⁵. This condition is not explicitly stated in the trademark laws of Arab countries, but can be inferred from the general idea that a trademark owner can prohibit the use of a sign for goods or services identical or similar to those designated in the registration. This could also mean a mark that is not used or intended to be used is not a trademark. This is the case in Egypt and the UAE.

The use of a trademark is not required for registration or renewal of a mark in the Arab countries. However, a trademark is vulnerable to cancellation by any interested party if there has been no effective use of the mark for a period ranging between 3 to 5 consecutive years preceding the date of filing for cancellation⁹²⁶.

In the case of well-known marks, the rights of the owner extend to prevent others from using the mark on dissimilar goods or services as well⁹²⁷. The obligation to protect well-known marks begins in the Paris Convention article 6*bis* (1) and article 16(2) and (3) of the TRIPS Agreement⁹²⁸. The trademark laws of Arab countries do not specify how to measure the notoriety of the trademark. In *Lebanon* it is a condition that the mark should be well-known worldwide and in the country at the same time⁹²⁹. In *Egypt*, if the well-known mark is registered in a WTO Member State and in *Egypt* at the same time, its protection extends to products that are not similar to those in respect of which the well-known mark is registered⁹³⁰.

924 www.248am.com.

925 A trademark that is used or intended to be used but not for the purpose of distinguishing products or services may also not be a trademark. In the *UAE* for example, a person may use an expression on a product, or adopt a special product feature, but the purpose may be to describe the product or to give it an additional technical feature. See P. Hansen, “Intellectual Property Law and Practice of the United Arab Emirates”, Oxford, 2009, p. 77.

926 Section 74 of the Lebanese trademark law reads as follows: “If a trademark legally filed does not cause an acknowledged true objection within the five years period following the filing, it shall not be possible to object afterwards to the first depositor concerning the right of ownership of this trademark due to precedence of its use, unless it is proved in written deeds that the depositor was not ignorant or unaware at the time of effecting the filing that the trademark belonged to the person who used it first”. And Section 75 adds: “Any person, who proves, after the lapsed of the five years period mentioned in the preceding Article, that he has freely and continuously used the trademark prior to the filing, may keep that right of use but for the period of fifteen years only, starting from the date of filing. This right of use may be transferred with the transfer of the commercial establishment. The owner of this right may, in order to maintain his right, raise a legal claim for illegal competition”.

927 The following countries include the protection of the well-known mark in their trademark legislations: *Egypt, Algeria, Bahrain, Iraq, Jordan, Kuwait, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, UAE, and Yemen*.

928 The Arab countries that are members to Paris Convention on April 2011 are: *Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen*.

929 See Beirut First Instance Court, May 8, 2001, No 209 (McDonalds vs. Manhattan); and Beirut First Instance Court, April 12, 2001, No 160 (McDonalds vs. McDonalds Hamburger); Beirut Court of Appeal, 1st Circuit, May 9, 1974, No 683 (Nescafé); Beirut First Instance Court, Commercial 4th Circuit, April 10, 1991, No 114 (Hennessy vs. Hennessy); Bekaa Court of Appeal, July 31, 1997, No 129 (Mars vs. Match). Published in R. Sader, “The Reference on IP Cases”, Beirut, *Lebanon*, 2006, p. 42.

930 Provided however that the use of the well-known mark in relation to those products would indicate a connection between those products and the owner of the trademark, and that the interest of the owner of the registered trademark is to be hampered by such use.

In the *UAE* there is a prohibition of the registration of translations of famous marks⁹³¹, which extends to goods and services that are not similar to those for which the well-known mark is registered⁹³².

There are no regulations that govern the use of trademarks in comparative advertising in Arab countries. It is highly likely that the use of a mark in comparative advertising will be perceived as an act of unfair competition. Also, there may be some other factors that might influence the presence of comparative advertising in the region. In *Saudi Arabia* and *Kuwait*, for example, comparative advertising is prohibited because it is not in line with the provisions of the Sharia'a (the body of Islamic religious law)⁹³³.

1.4 Scope of protection

The trademark owner has the exclusive right to use it, which means the right to affix it on goods, packages, correspondences, advertisings, and any other way in relation to the goods for which it is registered. The protection given to the trademark owner can be invoked with regard to use for identical, similar or dissimilar goods or services alike⁹³⁴.

Section 10 of the *UAE* trademark law states that "a trademark which is identical or similar to a previously registered mark may not be registered for the same products or services, or for products or services that are not the same, if the use of the mark for which registration is sought would give rise to the impression of a connection between it and the products or services of the owner of the registered mark or would lead to the possibility of damage to his interests"⁹³⁵. Section 37 makes a distinction between counterfeiting, imitating, and using of a registered mark⁹³⁶. Counterfeiting a trademark means doing an exact copy of the registered mark, not of the product as a whole. The text uses the verb "*zawwara*", used generally in relation to the counterfeiting of money, or a forged signature. Imitating a trademark means making a copy of the mark with a level of copying that will deceive the public. The text uses the verb "*qallada*", used generally in relation to copyright infringement. Using a counterfeited or imitated mark does not require that the use be in relation to the goods or services for which the mark is registered or those that are similar. Section 39 of the *GCC Unified trademark law*

931 Section 3 (14) reads as follows: "Marks that are considered to be not more than translations of a famous mark or another previously registered mark if the registration of the mark would cause confusion amongst consumers in relation to the products that are distinguished by the mark or similar products". And following Section 4.1, a trademark that has an international reputation exceeding the borders of the country from which it originates to other countries may not be registered except based on an application made by the original owner or based on an official authority from the owner.

932 Section 4.3 of the *UAE* trademark law: "A mark that has a reputation may not be registered to distinguish goods or services not similar or not identical to those distinguished by the mark, if: (a) the use of the mark would indicate a connection between the goods and services required to be distinguished by it and the goods and services of the owner of the original mark; or (b) the use of the mark would lead to the possibility of damage to the owner of the original mark". However, the right to prevent the use of well-known marks by persons other than the owner for goods or services not related to those the mark is used to distinguish is more difficult to find.

933 In the teachings of the Sharia'a, people are encouraged not to compete at the cost of harming others and, accordingly, comparative advertising is perceived in *Saudi Arabia* and *Kuwait* as being an insulting instance of confrontation and bragging.

934 Although protection against the use for dissimilar goods is not a general rule applicable to all trademarks, but protection covers dissimilar goods in the case of well-known marks.

935 For instance, industrial oils are in class 4 but they have no relevant relationship with candles, also in that class; pharmaceutical products are not closely related to pesticides, but both are in class 5.

936 Section 37(1): "Whoever counterfeits a trademark, which is lawfully registered or imitates it in such a manner as to mislead the public, or uses in mala fide a counterfeited or an imitated trademark".

corresponds to article 37 and deals with the production of counterfeit or imitation products, and with the trading of such products⁹³⁷.

In *Egypt*, the trademark owner may object another's registration of confusingly similar marks in connection with similar goods or services as well as marks that are nearly identical are unlikely to confuse relevant consumers where such marks are used on entirely unrelated, dissimilar goods or services. The Court of Cassation held that the classification of trademarks to classes is for the purpose of registration⁹³⁸, and that the classification of goods and services to classes is irrelevant when assessing whether the mark is confusingly similar to another. The likelihood of confusion is the touchstone of the trademark infringement. There is infringement if the confusingly similar mark is likely to deceive the relevant sector of the public⁹³⁹. Following this doctrine, several tests exist to measure the similarity between the different marks. Graphic or visual similarity is based on similarity of the visual elements that is likely to confuse the relevant sector of the public, like using similar words, colors, or geometrical shapes. Similarity in the way of pronunciation may be found even if the spelling or the meaning is different. Aural similarity is more persuasive where the mark carries no meaning in the language but only has a distinctive sound. There could be also conceptual similarity relating to the meaning of the sign where marks have the same ideological perception even though the spelling, the appearance, and the pronunciation are different⁹⁴⁰. The Court of Cassation decided that similarity is a matter that falls within the discretion of the competent court to decide depending on the circumstances of each case⁹⁴¹. Courts have developed some principles that help to test whether the mark will confuse the relevant consumer. The presence of a different element is insufficient to defend a claim of infringement. Similarities of the elements between the two marks, not the differences between them, are the relevant matter⁹⁴². And the consideration is to be given not to each element of the mark but to the general perception of the image of the mark⁹⁴³. And the consideration of confusion is attributed to the relevant average consumer, not to the cautious consumer⁹⁴⁴.

Considering the scope of exclusive rights, the potential impact of trademark laws in Arab countries on the availability of signs enjoying protection must not be underestimated. In particular, the owners of marks with a reputation obtain far-reaching control over the use of the protected sign in trade. In Egypt for instance protection is afforded to well-known trademarks even when there is no confusion. The requirement of similarity of goods or services does not apply in cases of well-known trademarks. The trademark office should reject ex-officio any third party application to register any mark that is identical to a well-known mark and is intended for products that are identical or non-identical to those of the well-known mark. In the UAE, a trademark of international reputation, which goes beyond the borders of the original

937 This Section 39 of the *GCC Unified trademark law* is almost a copy of Section 37 of the *UAE trademark law*. In this regard see, Peter Hansen, "Intellectual Property Law and Practice of the United Arab Emirates", Oxford, 2009, p. 138.

938 It is necessary in determining the registration fees according to the classes and facilitating revealing the previously registered marks. See Court of Cassation, Case No. 342, judicial year 22, March 15, 1956.

939 On these issues see, H. El Saghir, "Intellectual Property – *Egypt*", Kluwer Law, 2009, p.124.

940 Court of Cassation, No 90, judicial year 27, January 24, 1963.

941 Court of Cassation, No 59, judicial year 56, April 24, 1956; Court of Cassation, No 78, judicial year 32, December 15, 1966.

942 See, Court of Cassation, No 543, judicial year 37, May 15, 1967.

943 See, Court of Cassation, No 430, judicial year 25, January 28, 1960.

944 See, Court of Cassation, No 331, judicial year 21, February 4, 1954. See, H. El Saghir, "Intellectual Property – *Egypt*", Kluwer Law, 2009, p.125.

country of the trademark to other countries, shall not be registered, which means it is protected even without registration. It is to be noted that no Arab trademark law in the region provides any explicit protection against blurring, tarnishment and unfair free riding, but many trademarks enjoy civil protection under the unfair competition rules⁹⁴⁵.

Therefore, the use or the reference to a protected trademark for the purposes of criticism, comment or comparative advertising, may be affected by the exclusive rights of trademark owners. However, the trademark proprietor's exclusive right is not without limitations. Some provisions for prohibiting the misappropriation or registration of signs can be found in all Arab trademark laws, thus setting certain limits to the exclusive rights granted by the trademark law.

2. Limitations on the scope of trademark protection

Several safeguards against encroachments upon the public domain exist in the laws of Arab countries. Some signs are excluded from trademark registration on the basis of absolute or relative grounds for refusal. As a consequence, these signs cannot be protected. Some conditions are imposed in view of a mark to be registrable. Three conditions in Egypt and Lebanon for instance must be satisfied to register a trademark: Distinctiveness (the ability of the mark to distinguish the goods or services for which the mark is intended to be used); Newness (the mark has not been previously used by others in the market in connection with the relevant goods or services), this condition is not met if the mark is identical or similar to a mark that has been used by a third party with the relevant goods or services before the filing date of the application; and the legality requirement (the mark is not contrary to the public order or on the list of the prohibited signs)⁹⁴⁶. If protection is acquired, some exceptions and limitations still ensure the freedom to use these signs.

2.1 *Exclusion of signs on absolute grounds for refusal*

Official emblems

There are statutory limitations of trademark rights in the trademark laws of all Arab countries. The majority of Arab countries is member of the Paris Union. The rank of the Paris Convention is higher than national laws⁹⁴⁷. Thus, Art. 6ter Paris Convention shall apply⁹⁴⁸. The purpose of this Section is to protect the armorial bearings, flags and other State emblems

945 See Beirut Court of Appeal, Civil 1st Circuit, May 8, 1971, No 571, R. Sader, "The Reference on IP Cases", Beirut, Lebanon, 2006, p. 275; *Egypt* Court of Cassation, Case No 436, judicial year 22, June 14, 1956; *Egypt* Court of Cassation, Case No 877, judicial year 36, May 23, 1966, cited in Samiha Al Kalioubi, *Industrial Property*, 6th ed., Cairo, *Egypt*, Dar Al Nahda El Arabia, 2007, p. 580.

946 See, on the newness criteria: Mount Lebanon First Instance Court, Civil 3rd Circuit, April 29, 1999, No 468, Adl 2000, p. 301; and, Mount Lebanon Court of Appeal, Civil 12 Circuit, February 4, 2004, No 12, Adl 2004, p. 455.

947 The Arab countries that are members to Paris Convention on November 2011 are: *Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates* and *Yemen*.

948 See, for instance, Beirut First Instance Court, Commercial 3rd Circuit, No 209, May 8, 2001; Beirut First Instance Court, Commercial 3rd Circuit, No 160, April 12, 2001 (Paris Convention prevails in case of conflict between its articles and the national trademark law; and the national law should prevail when it does not contradict the Paris Convention). In *Egypt*, Section 66 of the trademark law begins with the wording "[w]ithout prejudice to the provisions of International Conventions applicable in *Egypt*, any natural or juridical person [...] shall have the right to apply for registration of a trademark". Section 6ter (1) (a) of the Paris Convention: "The countries of the Union agree to refuse or to invalidate the registration, and to prohibit by appropriate measures the use, without authorization by the competent authorities, either as trademarks or as elements of trademarks, of armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view".

of the States party to the Paris Convention⁹⁴⁹. Common patrimony signs covered by Art. 6*ter* can be excluded from registration on this basis. This absolute ground for refusal applies without distinction to trademarks for goods and service marks. As to the optional exclusion of additional emblems not covered by Art. 6*ter*, all Arab trademark laws include a list of items excluded from trademark registration. This list contains absolute bars to registration with regard to certain signs, such as symbols that are contrary to the public moral⁹⁵⁰, or signs of international organizations⁹⁵¹. Thus, some trademark laws of Arab countries prohibit the registration of signs identical or similar to symbols like the insignia of the Red Cross, Red Crescent, or Red Star⁹⁵², and this could be considered as an extension in Arab countries of this international rule stated in Art. 6*ter*.

Some other Arab countries prohibit the registration of symbols with a high symbolic value, in particular religious symbols. This further ground for refusal may be understood to cover also signs which, in the light of a country's history, political and cultural traditions, are perceived as national symbols. This is why some Arab countries' trademark laws prohibit marks which resemble the emblem of the king or royal crests or the word royal or any other words, characters or representations which may lead to the belief that the applicant enjoys royal patronage⁹⁵³. Some trademark laws prohibit the registration of marks containing the words "privilege", "privileged", "registered", "registered drawings/design", "copyright", "imitation is forgery", "patent", "patented", "by royal patent" or similar words and phrases⁹⁵⁴.

Requirement of distinctiveness

Another exclusion that could qualify as a statutory limitation reside in the fact that in all Arab countries and in the *GCC Unified trademark law*, an application for registration will be rejected on an absolute ground if the sign concerned is not capable of distinguishing the applicant's goods or services from those of others⁹⁵⁵. Section 68 of the Lebanese trademark law states that a trademark is "any sign of any kind intended to bring benefit to the consumer, the factory owner and the dealer, by distinguishing between things and showing the identity, source, origin of goods". Section 67 of the Egyptian trademark law states that "marks devoid of any

949 The protection granted by Section 6*ter* is extended to armorial bearings, flags, other emblems, abbreviations and names of international intergovernmental organizations, of which one or more countries of the Paris Union are members. Any program or institution established by an international intergovernmental organization, and any convention constituting an international treaty may, under certain conditions, benefit from the protection granted by Section 6*ter* (1) (b): "The provisions of subparagraph (a), above, shall apply equally to armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations of which one or more countries of the Union are members, with the exception of armorial bearings, flags, other emblems, abbreviations, and names, that are already the subject of international agreements in force, intended to ensure their protection".

950 Mainly in *Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Syria, UAE, Egypt, Lebanon, Yemen* and the *GCC Unified trademark law*. Marks that contravene public morals or public order are those who are considered to be contrary to certain Islamic values. For instance, in the *UAE* the trademark office will reject applications covering pork products, alcoholic beverages, night clubs, discotheques, casinos, gambling and gaming. Some other trademark offices may require that marks containing problematic words be amended to remove or replace the offending words such as "bar", "drug" or "sexy".

951 Mainly in *Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, Syria, UAE, Egypt, Yemen* and the *GCC Unified trademark law*.

952 For instance *Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia, UAE, Egypt, Yemen* and the *GCC Unified trademark law*.

953 For instance *Jordan* and the *Saudi Arabia*.

954 For instance *UAE, Jordan* and the *GCC Unified trademark law*.

955 A mark may be classified according to its distinctive character as generic, descriptive, suggestive and fanciful or arbitrary.

distinctive characteristics” shall not be registered as a trademark. Section 3 of the *UAE* trademark law states that a “mark which is devoid of any distinctive character or property [...] or familiar drawings and ordinary pictures of goods and products” shall not be registered as a trademark. Thus, it is necessary to know whether the mark is *prima facie* distinctive and, if not, whether the mark has acquired distinctiveness based on its use.

For instance, in Lebanon, a sign cannot be protected as a trademark for lack of distinctiveness if it consists of the usual label of a product⁹⁵⁶, specifically in the pharmaceutical field. Aspirin, Calcium, Vitamin and Inophyline may serve as examples in this regard⁹⁵⁷. Similarly, generic marks or expressions in the public domain, such as Monotype, Citronnade or Parquet, are not eligible for protection⁹⁵⁸. Moreover, protection cannot be obtained with regard to descriptive signs consisting of statements, logos or labels describing the product, the goods or services, such as Extra, Ideal, or Vegetaline⁹⁵⁹ in *Egypt*⁹⁶⁰.

With regard to denial of registration because of lacking distinctive character, signs of cultural significance, such as social titles in some Arab countries, including the honorific words “King”, “Prince” or “Sheikh” are not in principle registrable unless the applicant can prove a legal entitlement to them⁹⁶¹.

The general concept of “distinctive form” applied in Arab countries means the mark must have some level of inherent distinctiveness, but this required level appears to be very low. In the *UAE* for instance, the word Emirates is registered by Emirates Airlines although it is not inherently distinctive. In the *GCC Unified trademark law* it is clearly stated that marks which are devoid of distinctive character cannot be registered. However, the law does not tackle the situation where a non-distinctive trademark acquires distinctiveness through use. Three-dimensional signs that are exclusively constituted of the shape that is dictated by the functionality or nature of the product are prohibited from registration. There is no provision in the laws of Arab countries dealing with generic trademarks. Hence, it is unclear whether the owner of a trademark loses the rights in a trademark, and its registration is canceled, if the trademark becomes the generic name of a product.

Other prohibitions of registration

The trademark laws of Arab countries contain other statutory limitations of trademark rights such as prohibiting the registration of a color per se or three-dimensional trademarks, and imposing the condition that a mark should be visually perceptible to be registered⁹⁶². Section

956 E. & Ch. Eid, “Commercial Law”, tome 1, Beirut, 2009, p.458.

957 In *Egypt* for instance the trademark office refused to register the words Aspirin and Eupharma for pharmaceutical products. See M. Abbas, “Industrial Property”, Dar Annahda AlArabiya, Cairo, 1970, p. 286.

958 A generic mark may not legally serve as a trademark because nobody should be allowed to monopolize generic terms. See Mount Lebanon First Instance Court, Civil 3rd Circuit, April 29, 1999, No 468, Adl 2000, p. 301 (the word “Parquet” is not protected for lack of distinctiveness); Aley Criminal Judge, April 17, 2000, No 1495.

959 Alexandria Court of Appeal, January 1, 1950, Legislation and Judicial Review, No 3, p. 212.

960 The descriptive mark identifies solely the characteristic of the goods or services and is not protected unless it acquires a secondary meaning through its use, then it becomes eligible for trademark protection. It was decided that the term “good fair” may not serve as a trademark to distinguish a certain type of cotton. Cairo Mixed Court of Appeal, May 26, 1897, No 9. Cited in Aksam Kholi, “Waseet Alkanun Attijari”, Cairo, 1964, p. 359.

961 Section 3.8 of the *UAE* trademark law.

962 *Egypt* trademark law for instance. Additional limitations of trademark rights may be admitted under other circumstances, in particular when a third party uses a sign that consists of or contains elements that are in the public domain, namely, signs which are the usual designation of goods or services in respect of which the trademark is registered or which are descriptive thereof, and that, therefore, may be freely used by all, including as part of complex or graphic trademarks.

65 of the Egyptian trademark law states that: “the registrant of a trademark shall be deemed to be the proprietor thereof if the mark is used for five consecutive years without any dispute in respect of priority of use. Any person having prior use may dispute and request cancellation of the said registration within the said five years. Nevertheless, cancellation of trademark may be requested at any time if such registration was filed in bad faith”. Section 47 in the Lebanese trademark law states that “If a trademark legally filed does not cause an acknowledged true objection within the five years period following the filing, it shall not be possible to object afterwards to the first depositor concerning the right of ownership of this trademark due to precedence of its use, unless it is proved in written deeds that the depositor was not ignorant or unaware at the time of effecting the filing that the trademark belonged to the person who used it first”. In Lebanon the use of the mark prevails its registration⁹⁶³, and bad faith of the registrant could cause a trademark cancellation⁹⁶⁴.

2.2 *Exclusion of signs on relative grounds for refusal*

Trademark offices in Arab countries are able to reject a trademark on relative grounds. The application is rejected where the trademark already exists and other parties have prior rights to it. Rejection on relative grounds may be obtained through an opposition procedure. This exclusion on relative grounds contributes to the preservation of the public domain neither because a sign should remain freely available nor because communities of indigenous peoples are entitled to bring an opposition to prevent the acquisition of trademark rights with regard to their traditional or religious symbols. It rather contributes directly to the preservation of the public domain because a trademark shall not be registered or, if registered, may be liable to be declared invalid, where and to the extent that the use of that trademark may be prohibited pursuant to provisions of the trademark law itself, or pursuant to other laws than trademark law. In *Lebanon* for example, trademark oppositions are not available. Registration is automatically obtained at the filing date. The alternative that an opponent can use is the cancellation of the trademark before courts. The cancellation or any equivalent procedure should be based on relative and absolute grounds, bad faith issues, conflicting copyright or design rights; rights under Section 6bis of the Paris Convention or notorious or well-known mark; rights under Section 6septies of the Paris Convention; rights in a registered company name (local or foreign), rights under Section 8 of the Paris Convention; rights under Section 6ter of the Paris Convention; offenses against public policy or principles of morality. If the cancellation action is based on priority of use, the deadline for commencing this procedure is within five years from the date of registration of the contested trademark.

2.4 *Exceptions to trademark rights*

Art. 17 TRIPS permits Member States to provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties⁹⁶⁵. For instance, the

[Footnote continued from previous page]

963 Court of Cassation, April 27, 1961, Hatem, vol. 45, p. 52, No 3; Court of Cassation, June, 28, 1963, Hatem, vol. 51, p. 58, No 2; Court of Cassation, January 1, 1961, Hatem, vol. 3, p. 64. Like the US system, the Lebanese trademark law gives right to the first user of the mark, at the contrary of the major part of Arab countries trademark systems where the use of a mark does not give any right to protection. In Kuwait, Only application gives exclusive rights to a trademark

964 This Section provides that a trade mark shall not be registered if or to the extent that the application is made in bad faith.

965 In addition to fair use of descriptive terms, national laws may provide for other limitations of trademark protection, such as prior user rights.

use of the name or address of a person⁹⁶⁶, indications concerning the kind, quality, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services⁹⁶⁷, and the use of trademarks necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts⁹⁶⁸, may be exempted provided the use is in accordance with honest practices in industrial or commercial matters. This group of defenses may be conveniently referred to as “descriptive use defenses”, since they broadly revolve around the descriptive use of a sign. Descriptive use defenses are not expressly recognized under Lebanese, Egyptian and Emirati trademark laws, and there is no case law dealing with this issue. But it is likely that a finding of a likelihood of confusion would foreclose the tolerance of a non-statutory fair use defense in all Arab countries especially in *Lebanon*⁹⁶⁹ and in *Egypt*⁹⁷⁰.

3. Conclusion

In the Arab world, trademark rights are not confined to word and figurative signs. They may also be obtained with regard to shapes, colors and melodies. The trademark right gives the trademark owner a broad control over the use of the protected mark. It appears that in Arab countries the scope of protection reflects the aim to protect the investment made in the creation of a particular trademark. Against this background, the inherent limits of trademark rights, such as the condition of use in trade and use for goods or services, are applied elastically to cover all protected trademark functions. The reference to a protected trademark for the purposes of indicating properties of trademark-related products, comparative advertising, criticism and comment may be affected by the exclusive rights of trademark owners who can prohibit such use.

Several safeguards against encroachments upon the public domain could be taken into account on various issues concerning limitations of trademark rights, or even concerning the protection of freedom of expression, like in the above mentioned Benihana case. Arab countries particularly provide for various exclusions from protection and apply these exclusions as absolute grounds for refusal. Exceptions or the assumption that common patrimony, cultural or otherwise important signs do not have the required distinctive character do not play a decisive role. Exceptions, such as the Art. 17 TRIPS fair use defense, are absent in Arab

966 Under Egyptian trademark law the use of one’s own name is permissible provided that it has a distinctive feature. For example, some surnames/family names have become brand names (e.g.: Ezz Steel). First names are also used within a composite mark (e.g.: Dina Farms).

967 Under Egyptian trademark law the use of indications concerning the characteristics of the goods or services is not permissible; this is considered Commercial Data not protectable as a trademark. Except for signs related to quality (Certification Mark) and/or the category of a product (collective mark) (e.g. Egyptian cotton; US Wheat, Quality Seal). See H. Serageldine & M. Mokhtar Alereiry, AIPPI, Report Q195, 2007, p. 2 www.aippi.org/download/commitees/195/GR195Egypt.pdf

968 There is no express prohibition under the Egyptian trademark law for using another’s mark to indicate product compatibility and it is mostly both tolerated and accepted by courts. An example is the use of another’s trademark by car repair workshops to indicate the cars they service.

969 Mount Lebanon First Instance Court, Civil 2nd Circuit, October 25, 1999, No 66, Adl 2000, vol. 4, p. 510; Beirut First Instance Court, Civil 3rd Circuit, October 28, 1998, No 1080, Adl 1999, vol. 3, p. 465; Beirut First Instance Court, 3rd Circuit, January 30, 1997, No 43, Adl 1998, vol. 2, p. 294; Baabda Criminal Judge, May 28, 2001, No 85.

970 *Egypt* Court of Cassation, Civil Circuit, February 4, 1954, Collection of Cassation Decisions, vol. 5, p. 486; *Egypt* Court of Cassation, Criminal Circuit, April 24, 1956, Collection of Cassation Decisions, vol. 7, p. 666. However, in the *UAE*, using another’s registered trademark without a right requires bad faith to qualify as an offense (Section 37.2 of the *UAE* trademark law)

countries. Hence, the balancing of protection and public domain interests relies particularly on exclusions from protection.

In sum, the trademark laws of Arab countries considered in this report contain various restrictions on the ability to monopolize signs that public or other traders might have a legitimate interest in using or that otherwise belong to a common patrimony. The protection regime is thus quite flexible in terms of subject matter eligible for protection but several mechanisms exist also to safeguard the public domain and counterbalance the flexible approach to protection.

J. CHINA*

China's trademark legislation as a whole seems to strike a fair balance between trademark protection and the public domain. While protecting trademarks, China utilizes several mechanisms (such as the exclusion of certain signs from registration) to limit the scope of protection. Nevertheless, certain practices can be observed, such as the expansion of well-known trademarks, and possible registration of generic signs, as explored below.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection.*

Art. 8 of the Trademark Law (TML) provides:

"...in respect of any visually perceptible signs capable of distinguishing the goods or service of one natural person, legal entity or any other organization from those of others, including any words, design, letters of an alphabet, numerals, 3-D symbols, combinations of colors, and the combination thereof, an application may be filed for trademark registration."⁹⁷¹

Accordingly, "visually perceptible" and "distinctiveness" are the two preconditions for a mark to be protected, and single color, sound and smell marks, not mentioned in the statute, are not eligible for trademark protection. While a single color, though visually perceptible, is considered to be short of distinctive character,⁹⁷² sound and smell marks are considered not visually perceptible. Some scholars argue that a single color (e.g. Pink color for plastic) may acquire "distinctiveness" or "secondary meaning" through use and should be protected. However, no single color has been registered as a trademark in China so far.

Moreover, there are certain limitations on the protection of three-dimensional symbols, which were added to the enumeration of protectable signs in 2001 prior to China's accession to the WTO. Under Article 12 TML, a three-dimensional sign shall not be registered as a trademark if the shape is (i) derived from the nature of the goods; (ii) required for obtaining a technical effect; or (iii) giving the goods substantive value. In the Zippo case, the Trademark Office⁹⁷³

* Xiuqin Lin, Professor, and Huijuan Dong, Researcher, Xiamen University, Xiamen, China.

⁹⁷¹ See Art. 8 of Trademark Law of the People's Republic of China (hereinafter TML of China

⁹⁷² See Art. 5 (6), Part 2 of Standard of Trademark Examination (as revised by the Trademark **Error! Hyperlink reference not valid. Error! Hyperlink reference not valid. Error! Hyperlink reference not valid. Error! Hyperlink reference not valid.**, Apr. 8, 2009).

http://www.saic.gov.cn/spw/flfg/200904/t20090408_55188.html.

⁹⁷³ The Trademark Office of China is called "TMO" hereinafter.

and the Trademark Review and Adjudication Board⁹⁷⁴ both rejected the registration of a three-dimensional shape for Class 34 (smoking lighter) on the ground that the shape was common for smoking lighters and shall not be used as a trademark under Article 11 TML.⁹⁷⁵ However, the Beijing First Intermediate People's Court⁹⁷⁶ decided differently, holding that the shape of the Zippo lighter, especially as a rectangular block, did not fall within common shapes of lighters and was thus sufficient for being distinctive to indicate the source of products.⁹⁷⁷

The on-going revision of the trademark legislation of China⁹⁷⁸ may extend the trademark protection to non-traditional marks such as single color marks and sound marks. According to Article 8 of the 2011 Draft of Trademark Law, a trademark “may consist of elements such as words, designs, letters, numerals, 3-D symbols, colour, sound and the combination thereof”. The proposed revision has been controversial but the most recent draft seems to give trademark proprietors more reasons to be optimistic about the future of non-traditional marks.

1.2 *Notion of use in trade*

With its traditional emphasis on the “registration”, instead of “use”, of the trademark, there is no definition of “use in the course of trade” in the Trademark Law of China. In practice, however, the use must be for a commercial purpose to qualify as use in the course of trade. According to Art. 3 of the Implementing Regulations of the Trademark Law of PR China⁹⁷⁹ (hereinafter referred to as “IR”), use of a trademark covers the use in business transactions and for promotional activities. The use of a trademark in a non-commercial context is not recognized as use in the course of trade under trademark law.

1.3 *Notion of trademark use*

It is generally accepted that the meaning of “trademark use” differs substantially in different contexts. For instance, the trademark use in infringement proceeding is different from that in trademark invalidation cases. There have been no cases dealing with the ornamental use of a trademark (for example, use of a trademark in a painting or on a T-shirt) so far. As for descriptive use, the legislations, administrative regulations, rules and judicial decisions are not entirely consistent. In the 1990's, the State Administration of Industry and Commerce (SAIC) issued several notices to provide rules on the use of a trademark by others, such as car retail services or car repair service providers. In 1995, a notice of the SAIC provided that, in order to indicate services focusing on a particular brand, the car service provider may use a description, such as “our shop repairs BMB cars”, but shall not use the trademark

⁹⁷⁴ The **Error! Hyperlink reference not valid. Error! Hyperlink reference not valid. Error! Hyperlink reference not valid. Error! Hyperlink reference not valid. Error! Hyperlink reference not valid.** is referred to as “TRAB” hereinafter.

⁹⁷⁵ Article 11 provides: The following signs shall not be registered as trademarks:

(1) those only comprising generic names, designs or models of the goods in respect of which the trademarks are used; (2) those having direct reference to the quality, main raw materials, function, use, weight, quantity or other features of the goods in respect of which the trademarks are used; and (3) those lacking distinctive features. The signs under the preceding paragraphs may be registered as trademarks where they have acquired the distinctive features through use and become readily identifiable.

⁹⁷⁶ The court is called “Beijing First Court” hereinafter.

⁹⁷⁷ Zippo Manufacturing Co. v. TRAB. See the Decision by Beijing First Intermediate People's Court, Administrative First Instance No.1299 (2007).

⁹⁷⁸ The version of the draft was published for public consultation in 2 September 2011 and is referred to as “2011 Draft for consultation” hereinafter.

⁹⁷⁹ As implemented on Sep. 15, 2002, it is called “IR” hereinafter.

“prominently”.⁹⁸⁰ In *Toyota v. Jili Automobile Manufacturing Co. Ltd*, the Beijing Second Intermediate People’s Court held that the use of the mark TOYOTA by Jili in its promotional activities did not constitute an infringement, mainly because Jili did not use the mark TOYOTA as a source identifier. Instead, the mark was used to indicate the function and components of the car.⁹⁸¹ However, in *Volvo v. Ruian*, the Court held that the use of the indication FOR VOLVO by the defendant in its products (filters) and packaging was an infringement of the plaintiff’s trademark, because the defendant used the mark VOLVO prominently in a way that might cause confusion among consumers about the relationship between the plaintiff and the defendant.⁹⁸²

1.4 Notion of genuine use by the trademark proprietor

“Trademark use” is a controversial notion. The Trademark Law of China mentions the concept in various provisions, such as Art. 31⁹⁸³, Art. 40⁹⁸⁴, Art. 44⁹⁸⁵ and Art. 52⁹⁸⁶. The notion of genuine use by the trademark proprietor is reflected in Art. 3 IR, which states: “The use of trademarks includes, among others, the use of trademarks on goods, packages or containers thereof and commodity trading instruments, or use of trademarks in advertisements, exhibitions and other commercial activities.”⁹⁸⁷ According to Judge Zhou Yun-chuan from the Beijing First Intermediate Court, Art. 3 IR is the non-exhaustive illustration of various manners of using a trademark, instead of a definition of “trademark use”. To constitute a trademark use, the use must satisfy the following conditions: (1) the use must be conducted in conformity with legally prescribed manners; (2) the use should be complied with regulatory rules, which means that the use should be confined to the signs and the goods/services registered; (3) the use must occur within China’s territory; (4) the use must be under the control of the trademark proprietors; (5) the use must be public, genuine, lawful and commercial.⁹⁸⁸

It is not easy to satisfy those requirements in practice. For instance, in the GNC case, Fule Co. Had obtained in 1997 a registration of the mark GNC for the “non-medical use of nutritious fish oil” under Class 30 and granted Co. B an exclusive license to use it. Later in 1999, Fule Co. Assigned the mark to Co. B by agreement, which was approved by the Trade Mark Office in 2002. However, a third party, Health First Co. Ltd filed an application for the revocation of the mark GNC on the ground that Fule Co. Had failed to use the mark for three consecutive years. The Trade Mark Office revoked GNC on the ground of non-use because Fule Co. Failed to provide evidence to prove its use of the mark between October 1998 and October 2001 as required. Fule Co. Appealed to the Trademark Review and Adjudication Board (TRAB), which overruled the decision of the Trade Mark Office and decided to maintain

⁹⁸⁰ See The Notice on Prohibiting Car Component Service and Car Repair Service from Using the Trademark of Others without Authorization, by the SAIC, July 27, 1995. (This regulation has been repealed.)

⁹⁸¹ See the Decision by Beijing Second Intermediate People’s Court, Civil First Instance No.06286 (2003).

⁹⁸² 需引出案名，案号，同注24类似，<http://china.findlaw.cn/info/case/zscqal/93151.html>

⁹⁸³ It deals with “prior use”.

⁹⁸⁴ It deals with “licensing and the use of licensees”.

⁹⁸⁵ It deals with the revocation proceeding based on “no use within three years”.

⁹⁸⁶ It deals with the trademark infringement.

⁹⁸⁷ See Art. 3.

⁹⁸⁸ See Zhou Yun-chuan, “The Understanding and Application of “Ceasing Use of Registered Trademark for Three Consecutive Years””, in the Intellectual Property Division of Beijing First Court, (eds) *A Study on the Problematical Issues Concerning Administrative Trial for Trademark Affirmation Cases*, Intellectual Property Press, 2008, p.159-185.

the registration of GNC for Fule Co. The TRAB held that, the facts that Co. B had authorized others to produce GNC honey products and make packaging, promotional materials wearing “GNC” mark signified that the GNC mark had been used in commercial activities, and the genuine intention to use was reflected in the fact of licensing and assigning of the mark GNC. The court of first instance upheld the decision of the TRAB. However, upon appeal, the Beijing Higher People’s Court delivered a final decision to revoke the mark GNC on the ground that the mark had not been used for 3 years. The court held that, the licensing and assigning of the mark by the trademark registrant did not constitute genuine use in trade; neither was it genuine use in the sense of trademark law for the assignee to produce promotional leaflets and packaging boxes with the GNC mark for honey products because this use did not fall within the registered class “nutritious fish oil for non-medical use”.⁹⁸⁹

In another important case, Pfizer v. TRAB, both the Supreme People’s Court⁹⁹⁰ and TRAB held that the factual use of the sign “Weige” by the media was not a genuine use by Pfizer, especially because a commercial purpose, which is required for genuine trademark use, was absent. Notably, a mere media report about a trademark/brand did not constitute genuine use by the trademark owner.⁹⁹¹

In general, it seems that the notion of genuine trademark use has been interpreted in a relatively strict manner in administrative proceedings and judicial practice. However, the newly adopted Judicial Interpretation of the Supreme People’s Court in 2010⁹⁹² extended the notion of trademark use. It provides that the use of the mark shall be deemed to be “actual use” of a trademark if it is used by the right-holder of a registered mark or anyone authorized by the right-holder, or the use doesn’t go against the will of the right-holder.⁹⁹³ Meanwhile, where the trademark in actual use differs only slightly from the registered trademark without altering the distinctive character of the registered mark, genuine use of the trademark may be established. However, it shall not be deemed to constitute a relevant use where the right-holder merely assigns his trademark right or grants a license without actual use, or where the right-holder merely makes public notice about the registration of his marks or merely makes declarations as such to claim exclusive rights over his registered marks.⁹⁹⁴ The 2009 Draft for Consultation seems to extend the notion of “trademark use” to cover the use “by means of image, digital video and music, electronic media or other media”.⁹⁹⁵

⁹⁸⁹ See the Decision by Beijing Higher People’s Court, Higher Administrative Final No.78 (2006).

⁹⁹⁰ It’s called “SPC” hereinafter.

⁹⁹¹ Since the medicine “Viagra” was invented by Pfizer in 1998, the word “Weige” (“伟哥” in Chinese) has been used widely as the Chinese description of “Viagra” in media reports. Later, Guangzhou Welman Drug Industry Co. Filed an application for registering the mark “Weige” for medicines. Pfizer raised an objection subsequently. Pfizer claimed that it had used the word “Weige” for a certain period of time and it should be the legitimate applicant of registration, according to Art. 31 of TML of China. However, the application of “Weige” for Welman was approved in 2010. See SPC, Civil Adjudication No.312 (2009); see also TRAB Adjudication No.4751 (2010).

⁹⁹² “Opinions on Issues of the Trial of Administrative Cases related to the Authorization and Affirmation of Trademark Rights”, issued on Apr. 20, 2010, No.12, hereinafter “2010 Judicial Interpretation”.

⁹⁹³ See Art. 20 Judicial Interpretation (2010, No.12).

⁹⁹⁴ See Art. 20 Judicial Interpretation (2010, No.12).

⁹⁹⁵ See Art. 8 of 2009 Draft for Consultation. But this provision is deleted in the 2011 Draft.

1.5 Scope of protection

The scope of protection depends on the popularity of the mark and whether the mark has been registered. According to the popularity, trademarks may be roughly divided into three categories⁹⁹⁶: well-known trademarks, trademarks with certain influence⁹⁹⁷ and general marks.⁹⁹⁸

For general trademarks, the protection is confined to registered marks and the goods in respect of which the use of the mark has been approved.⁹⁹⁹ Registrants have the right to exclude others from using identical or similar marks in respect of the same or similar goods without their authorization. Such protection can be justified by the theory of confusion, which is considered by the SPC to cover confusion as to affiliation and sponsorship besides confusion as to the origin of goods or services.¹⁰⁰⁰ Thus, for general marks, a likelihood of confusion is required to establish an infringement. In the *Xiahua v. Changhong* case¹⁰⁰¹, the Shanghai Higher People's Court held that, while determining whether there was an infringement, the analysis should focus on the general perception of the overall features of the disputed mark and those of the registered trademark by the relevant public. The distinctiveness and recognition among the public of the registered mark should also be taken into account.

For influential marks, which, as an exception, enjoy protection even without registration, the prior users are entitled to prevent others from registering such marks by unfair means. If anyone other than the prior user has obtained the registration of influential marks in an unfair manner, which is construed to cover bad faith, the prior user may request the TRAB to revoke the registration within 5 years upon the date of registration. The protection of influential marks is based on the principle of good faith under civil law to maintain well-established honest business practice.

As for well-known trademarks¹⁰⁰², the scope of protection differs between registered well-known marks and non-registered well-known marks. If a well-known mark has not been registered in China, it is prohibited to register or use an identical or similar sign in relation to the same or similar goods. Under Art. 13 TML of China, if a mark for which registration is sought is a reproduction, an imitation or a translation of another party's well-known mark not registered in China and is likely to cause confusion, the application shall be rejected and the unauthorized use of such a mark be prohibited.¹⁰⁰³ For well-known marks registered in China,

⁹⁹⁶ In addition to the three categories prescribed in TML of China, there are "famous marks" (Zhu Min Shang Biao) usually recognized by provincial government and renowned marks (Zhi Ming Shang Biao) usually recognized by local municipal governments. The recognition of "famous marks" or "renowned marks" has been a common mechanism used by local governments to encourage local enterprises to promote their brands.

⁹⁹⁷ See Art. 31 TML of China. "Trademarks with certain influence" are called "influential marks" hereinafter.

⁹⁹⁸ "General marks" hereby refers to the trademarks other than well-known trademarks and influential marks.

⁹⁹⁹ See Art. 51 TML of China. It is notable that "services" is not mentioned in Art. 51.

¹⁰⁰⁰ See Art. 11 of Opinions on Issues of the Trial of Civil Cases Related to Trademarks (Judicial Interpretation, 2002, No.32); see Art. 9 of Opinions on Issues of the Trial of Civil Cases Related to the Protection of Well-known Trademarks (Judicial Interpretation, 2009, No.3).

¹⁰⁰¹ It is a high-profile case litigated in many cities since 2003.

¹⁰⁰² Since China started to provide special protection for well-known marks in 2001, there are numerous legislations, judicial interpretations (in 2001, 2002, 2006, 2008 and 2009) and administrative regulations on the protection of well-known marks

¹⁰⁰³ See Para. 1, Art. 13 TML of China.

the protection is extended to cover non-identical or dissimilar goods or services. The proprietors of registered well-known marks have the right to exclude others from registering or using the same or similar marks in relation to non-identical or dissimilar goods if such registration is likely to mislead the public and damage the interests of the proprietor of the registered well-known mark.¹⁰⁰⁴

Well-known marks have enjoyed extensive protection in China since 2001. To streamline the system, the SPC issued Judicial Interpretation (2009, No. 3) to clarify the rules on the protection of well-known marks. According to this Interpretation, a well-known mark is a “mark that has been widely known by the relevant public within China’s territory”.¹⁰⁰⁵ Meanwhile, the likelihood of confusion test under Art. 13(1) TML (on the protection of well-known marks not registered in China) shall be construed to cover (i) confusion among the relevant public about the origin of the goods bearing well-known marks and the origin of the goods bearing disputed marks; and (ii) circumstances sufficient for the relevant public to believe that there are certain business connections, such as licensing or affiliation, between the proprietor of the well-known mark and the holder of the disputed mark.¹⁰⁰⁶ Art. 13(2) TML (on the protection of well-known marks registered in China) prohibits acts “misleading the public so that the interests of the trademark proprietors are likely to be damaged”. The provision applies in situations where the relevant public is misled to believe that there is a certain connection between the well-known trademark and the disputed mark in a way that diminishes the distinctiveness, tarnishes the reputation or unfairly free-rides on the reputation of the well-known mark in the market.¹⁰⁰⁷ The theory of dilution and unfair free-riding is explicitly adopted by the aforementioned Judicial Interpretation (2009, No. 3) to enhance the protection of well-known marks registered in China. Moreover, the SPC emphasizes that the scope of protection shall be contingent on the popularity of the mark concerned, though the protection for registered well-known marks is extended to dissimilar goods.¹⁰⁰⁸

2. Misappropriation of signs belonging to a common patrimony

2.1 Exclusion of signs

The Trade Mark Law of China provides for absolute grounds for refusal of registration or use of certain words or signs,¹⁰⁰⁹ including the common patrimony signs falling under Art. 6ter PC.¹⁰¹⁰ Moreover, it is not permitted to register or use common patrimony signs including the signs or names of the places where the Central and State organs locate, or the names and designs of landmark buildings, such as “Zhong Nai Hai”, “Diao Yu Tai”, “Tian An Men”, “Xin

¹⁰⁰⁴ See Para. 2, Art. 13 TML of China.

¹⁰⁰⁵ See Art. 1 of Judicial Interpretation (2009, No.3). Different from previous definition as shown in the “Provisions on the Recognition and Protection of Well-known Marks” (issued by the SAIC in 2003), the definition of Judicial Interpretation (2009, No.3) seems to focus on the “WELL-KNOWNNESS” of the mark, instead of the “REPUTATION” of the mark concerned. Notably, a well-known mark is required to be widely-known within China’s territory.

¹⁰⁰⁶ See Para. 1, Art. 9 of Judicial Interpretation (2009, No.3).

¹⁰⁰⁷ See Para. 2, Art. 9 Judicial Interpretation (2009, No.3).

¹⁰⁰⁸ See Art. 11 Judicial Interpretation (2010, No.12).

¹⁰⁰⁹ See Art. 10 TML of China.

¹⁰¹⁰ See Art. 10 TML of China.

Hua Men”, “Huai Ren Hall”, ¹⁰¹¹ and so on. Likewise, the signs identical or similar to the names or symbols of political parties or governments, or identical to the title of army ranking are also excluded from registration.¹⁰¹² Such signs or names are generally excluded from registration or use as a trademark or as an element of a trademark *ex officio* by the Trade Mark Office.¹⁰¹³

2.2 Determining distinctive character

It is generally presumed that common patrimony signs, such as sacred signs and signs of cultural significance, are devoid of distinctive character. However, some common patrimony signs may be regarded as distinctive if it would not lead the relevant public to associate the mark concerned with a common patrimony sign. For instance, a mark containing the indication “red flag” or “five stars” as shown below is not considered to be identical or similar to China’s state flags.¹⁰¹⁴



Red Flag



Five Stars

Likewise, certain religious signs, such as “Shaolin Temple” (“少林寺” in Chinese), can be registered as a trademark.¹⁰¹⁵



2.3 Acquisition of secondary meaning

Common patrimony signs may obtain secondary meaning as a result of use in the course of trade. Moreover, the religious meaning of a sign may have been diluted to such an extent that

¹⁰¹¹ These places are all the localities where the central government agencies sit. See Art. 3 (4), Part 1 of Standard of Trademark Examination.

¹⁰¹² See Art. 10 (5) & (6), Part 1 of Standard of Trademark Examination .

¹⁰¹³ See Art. 3 (4), Part 1 of Standard of Trademark Examination

¹⁰¹⁴ See Art. 10, Part 1 of Standard of Trademark Examination.

¹⁰¹⁵ No.145 Decree of the State Council issued in 1994 permits religious entities or the enterprises under their directorship to apply for registration of their exclusive sites (e.g. Temples) as trademarks.

the relevant public no longer associates the sign with the religion it was supposed to represent. One classical example is the registration of the “Taiji” figure, which is the symbol of Taoism. Through widespread use in practice, the “Taiji” figure has acquired other meanings (or secondary meaning). It is used to identify the source of goods in the market. Thus, the connection between the “Taiji” figure and Taoism has been substantially weakened. Against this background, the registration of the “Taiji” figure as a trademark was finally admitted.¹⁰¹⁶



2.4 *Exceptions to trademark protection.*

Unlike patent law and copyright law, the Trade Mark Law of China does not provide for general limitations or exceptions to trademark rights, let alone particular exceptions to trademarked common patrimony signs. However, there are some inherent limitations that may be relevant in this context. For example, the trademark owner cannot assert rights against the use in news reporting, commentary or parody. This rule applies to trademarked common patrimony signs and other signs with little differentiation.

3 Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

Generic signs

According to Art. 11 TML, it is not permitted to register signs lack distinctive character, which include

- (1) Those only comprising generic names, designs or models of the goods in respect of which the trademarks are used. For example, it shall not be permitted to register “Gao Li Bai” for ginseng¹⁰¹⁷, “Muller” for milling tools, “XXL” for clothing.
- (2) Those having direct reference to the quality, main raw materials, function, use, weight, quantity or other features of the goods in respect of which the trademarks are used;
- (3) Other signs lacking distinctive features.¹⁰¹⁸ This includes signs too simple or too complicated to identify the source of goods or services. For instance, the signs “Z” and “Zhao” (a common Chinese surname) are considered to be non-distinctive.

The boundary between Art. 11(1), (2) and (3) TML is not strictly drawn. The courts apply the three grounds elastically.¹⁰¹⁹ However, it is clear that the above signs are commonly used and

¹⁰¹⁶ See Art. 10 (4), Part 1 of Standard of Trademark Examination.

¹⁰¹⁷ “Gaoli” means Korea, and ginseng is commonly called “Gaoli Seng”.

¹⁰¹⁸ See Art. 11 TML of China.

¹⁰¹⁹ See Judge Rui Song-yan, “Application of Trademark Law”, in Intellectual Property Division of Beijing First Court, (eds) A Study on the Problematical Issues Concerning Administrative Trial for Trademark Affirmation Cases, Intellectual Property Press, 2008, p.213-4.

should be available for all traders in the industry. There have been many cases highlighting this point. One is the “夜光” (“Ye Guang”) case,¹⁰²⁰ in which the application for registration of “Ye Guang” was refused on the ground that the mark directly indicated the function of the goods and was thus devoid of distinctive character. Another case is the revocation of the registered trademark “优盘” (“You Pan”, means U disc)¹⁰²¹ on similar grounds. The TRAB held that “You Pan” was a generic name for computer memory devices and should not be registered as a trademark.¹⁰²²

(4) Geographical names: the names of China’s geographical locations at and above county level or well-known foreign places should not be registered or used as trademarks, unless the name of a geographical location has acquired secondary meaning or is part of a collective or certification mark.

However, if a trademark using any of the above-mentioned geographical names has been approved and registered prior to the adoption of the 2001 Trade Mark Law, it shall continue to be valid.¹⁰²³ For historical reasons, many geographical names have been registered and developed to be well-known marks, such as Qingdao Beer, Maotai Wines.

(5) Functional shapes: Art. 12 TML excludes from registration of functional three-dimensional shapes. This includes (i) the shape that merely derives from the nature of the products¹⁰²⁴; (ii) the shape necessary to obtain a technical effect;¹⁰²⁵ or (iii) the shape that gives the goods substantial value.¹⁰²⁶

From the limited practice concerning three-dimensional marks, which were first introduced in 2001, it seems China’s administrative organizations and judicial courts have taken a rather cautious approach. In the Fenda Bottle case, a bottle shape with circling ribbed at the lower part was considered not to be distinctive by both the TRAB and the Beijing First Intermediate Court, which held that the shape was commonly used as a soft drink bottle and was not capable of distinguishing the products of the Coca Cola Company from those of others. The circling ribbed at the bottle was commonly used to prevent slipping of the bottle and was not distinctive.¹⁰²⁷ However, in the Zippo case, the Beijing First Intermediate Court overruled the decision of the Trade Mark Office and TRAB,¹⁰²⁸ holding that the “Zippo” shape was distinctive because its overall design was creative and did not fall within the ordinary choice of the

[Footnote continued from previous page]

¹⁰²⁰ “Ye Guang” means noctilucence and suggests that the products can give out light at night.

http://www.ruixinip.com/alfx_show.asp?flag=3&id=473.

¹⁰²¹ “优盘” (“You Pan”) is the Chinese translation of “flash disk” or “U Disk”.

¹⁰²² See Adjudication of the Trademark Dispute Relating to the Mark (No. 1509704) “You Pan”, which was made by TRAB on Oct.13,2004 (TRAB, 2004, No.5569).

¹⁰²³ See the last paragraph of Art. 10 TML of China.

¹⁰²⁴ This means “the shape must be used or commonly used to realize the inherent function and use of the products”. See Art. 4 (2), Part 4 of Standard of Trademark Examination.

¹⁰²⁵ This means “the shape necessary to realize the specific function of the products, or to make it easier to realize the inherent function of the product.” See Art. 4 (2), Part 4 of Standard of Trademark Examination.

¹⁰²⁶ This means “the shape that make the outlook and shape of the products add the value of the product”.

¹⁰²⁷ <http://news.sina.com.cn/s/2005-11-29/08237567476s.shtml>.

¹⁰²⁸ Both the TMO and the TRAB ruled that the shape of “Zippo” was commonly used in lighters and was a generic shape for the designated goods.

industry.¹⁰²⁹ In the FERRERO Roche case, the TRAB and the court of first instance held that the three-dimensional shape of “Ferrero Roche”, which mainly consisted of an ornamental ribbon, rectangle container and a spherical object, lacked distinctive character and could not be used to distinguish the origin of the products, although the choice of color in the mark was somewhat special. However, the Beijing Higher People’s Court overruled the decision of first instance, holding that the three-dimensional mark at issue was distinctive and should be registered, because the color and packaging methods of the disputed mark did not fall within the scope of ordinary choice of the industry. Its original design had made it become a landmark feature of Ferrero’s products.¹⁰³⁰

3.2 *Determining distinctive character*

There is a presumption that certain signs, such as descriptive and generic signs, are not distinctive and should be kept free for the public or other traders, as shown in the cases of “Ye Guang” and “You Pan” discussed above. Non-distinctiveness is also presumed with regard to certain non-traditional marks, such as single color¹⁰³¹, smell and sound marks, to keep those signs available for the public or other traders. In addition, ordinary or commonly-used shapes of goods are considered not to be distinctive. For instance, the regular shape of a chocolate bar is considered not distinctive with regard to chocolates.¹⁰³²

3.3 *Acquisition of secondary meaning*

Art. 11 TML permits generic signs and descriptive signs to be registered as trademarks if they acquire distinctive features through use and become readily identifiable as trademarks. According to the “Trademark Review Standard”, generic signs under Art. 11(1) TML may become distinctive if they have acquired specific meaning in the market through use and are perceived as a source identifier by the relevant public. Although the Trade Mark Law does not use the term “secondary meaning”, the essence of the principle is reflected in Art. 11 as cited and has been adopted in practice, as shown in several high-profile cases such as “Liang Mian Zhen”¹⁰³³ and “Tian Qi”.

In the Liang Mian Zhen case, the TRAB ruled that the mark had acquired a high reputation among relevant consumers due to substantial investment by the trademark owner in the advertisement and promotion of the toothpaste for which the mark is used. Relevant consumers would directly associate the mark with the products of the trademark owner so that the mark had become distinctive to distinguish the toothpaste of the registrant from those of others.¹⁰³⁴

In the “Tian Qi” case, the application for registration of “Tian Qi” for toothpaste and shampoo was refused by the Trade Mark Office, which considered that “Tian Qi”, i.e. Panax notoginseng, directly suggested the main raw material of related goods. However, the TRAB held that “Tian Qi” had acquired distinctive character (or secondary meaning) through factual use and extensive advertisement for a long time, although “Tian Qi”, a kind of Chinese herb medicine, lacked inherent distinctiveness.

¹⁰²⁹ See the Decision by Beijing First Intermediate People’s Court, Administrative First Instance No.1299 (2007).

¹⁰³⁰ <http://zheng9.com/ReadNews.asp?NewsID=2137>.

¹⁰³¹ See Art. 5 (6), Part 2 of Standard of Trademark Examination.

¹⁰³² See Art. 4 (4), Part 4 of Standard of Trademark Examination.

¹⁰³³ In Chinese, “Liang Mian Zhen” is a kind of herb used as a supplemental material for the trademark owner’s toothpaste.

¹⁰³⁴ <http://www.lawtime.cn/info/shangbiao/changshi/2010072635826.html>.

In the recent Yimu herb case, the Trade Mark Office permitted the registration of the term “Yimu herb” accompanied by a picture for sanitary napkins. The TRAB upheld this decision. However, the Beijing First Intermediate Court held that the TRAB erred in that it did not examine whether the registration contravened Art. 11 TML which prohibits the registration of marks directly denoting the raw material of related products. The court further requested the TRAB to make a new decision. The Court of Appeal upheld that decision.

It is not easy to acquire “secondary meaning”. It requires that not only relevant consumers would associate the mark with the operator or the user of the mark immediately, but also that the mark obtained high popularity in China to an extent close to well-known marks. It is clear that at least two requirements need to be satisfied to acquire secondary meaning: one is the distinctive character of the mark, and the other is high popularity in China. For instance, in the “Qi”¹⁰³⁵ case, the TRAB revoked the registered trademark “Qi” on the ground that the word “Qi” directly suggested the raw material of the goods and was devoid of distinctive character. The rightholder of the “Qi” mark argued that the trademark had gained some influence in the Sichuan Province and, thus, had acquired secondary meaning. However, the TRAB dismissed the argument on the ground that the mark had gained popularity only in the Sichuan Province but not throughout China.¹⁰³⁶

For the name of a geographical location under Art. 10 TML to be registered, it must possess “other meaning” and this other meaning must be stronger than the first meaning of the geographical name.¹⁰³⁷ Notably, “other meaning” in the sense of Art. 10 TML is different from the notion of “secondary meaning” under Art. 11 TML. According to Judge Kong Xiang-jun, the Head of the Intellectual Property Division of the SPC, “other meaning” under Art. 10 TML means that the location name, besides the indication of a geographical locality, originally has a further independent meaning, rather than acquiring “secondary meaning” through use.¹⁰³⁸ In the Honghe case, the Court of First Instance held that “other meaning” in the sense of Art. 10 TML not only required the mark to be the name of a location but also required it to have another clear and widely-known meaning. “Honghe” is not only the name of a county in the Yunnan Province but also the name of a river in Vietnam. The Court of Second Instance added that the notion of “other meaning” referred to a meaning that was “clear, easily acceptable for public and different from the location name”. The name of a location was mainly used to identify different locations, not to distinguish producers or traders. Moreover, if a location name was monopolized by a company or individual, this would prevent other traders from using it.¹⁰³⁹

3.4 Exceptions to trademark protection

According to Art. 49 IR, the proprietor of a trademark is not entitled to prohibit others from using generic or descriptive indications in a manner that is fair.¹⁰⁴⁰ In practice, fair use

¹⁰³⁵ In Chinese, “Qi” means medlar.

¹⁰³⁶ <http://china.findlaw.cn/chanquan/shangbiao/sbfal/20481.html>;
<http://www.lawtime.cn/info/shangbiao/sbaial/2010090138413.html>

¹⁰³⁷ See Art. 11 (1), Part 1 of Standard of Trademark Examination.

¹⁰³⁸ See Kong Xiang-jun, Trademark and Unfair Competition Law: Principles and Cases, Law Press, 2009, p80.

¹⁰³⁹ See the Decision by Beijing Higher People’s Court, Higher Administrative Final No.65 (2003).

¹⁰⁴⁰ See Art. 49 of IR of TML of PRC. “Where an registered trademark contains the generic name, shape or model of the goods in respect of which it is used, or directly indicates the quality, main raw material, function, use, weight, quantity and other features of the goods, or contains a place name, the right-holder of the registered

includes: (i) descriptive use or inevitable use of the trademark to describe the goods or services, insofar as necessary in good faith; (ii) indicative use to suggest the kind of the goods or services; (iii) proper use in comparative advertising. The Trade Mark Law of China attempts to strike a proper balance between the trademark protection and the public domain through these fair use exceptions.

A classical example of fair use is the San Zhu case,¹⁰⁴¹ in which the Trade Mark Office held that the use of “San Zhu Jun” (means “3 germs”) by the defendant to describe the main ingredients of its products was a fair use, because “San Zhu” in this context was used to denote the number and quantity of its raw material, not to identify the source of the products.¹⁰⁴² Similarly, in the “白蒲” (“Bai Pu”) case, the court held that “Bai Pu” was not only a registered mark but also a geographic name, and that the trademark-owner was not entitled to prohibit others from using it fairly. The defendant, located in the Town Baipu was entitled to indicate the geographical origin of its products.¹⁰⁴³ In the high-profile Xiahua v. Changhong case¹⁰⁴⁴, the courts in Beijing and Shanghai all held that the use of “HDTVready” by the defendant did not infringe the plaintiff’s registered trademark “CHDTV”, because “HDTV”, meaning “High-Definition Television”, was a commonly-used terminology in the industry. Hence, the trademark owner was not entitled to exclude fair use of the term by other traders.

4. Conclusion

In China, the Trade Mark Law is considered to protect not only the traditional origin function, but also the quality supervision function and the investment (such as advertising) made in the development of a particular brand. In the context of trademark infringement, the scope of protection depends on whether the mark concerned is registered or it is well-known or not. For registered general trademarks, protection is available to prevent confusion. In the case of unregistered trademarks, only the holders of marks with a certain influence¹⁰⁴⁵ have the right to prevent others from unfairly registering competing signs. Notably, proprietors of registered well-known marks enjoy additional protection to exclude others from using similar marks for dissimilar goods or services. This protection may be obtained without establishing a likelihood of confusion. For unregistered well-known marks, the proprietors are entitled to prevent others from using identical or similar signs for similar goods or services, if this is likely to cause confusion.

Indeed, the IR provides a fair use exception concerning generic and descriptive signs. Nevertheless, as shown in the above-described Yimu herb case and the Zippo case, the impact of protecting arguably generic marks on the public interests should never be underestimated. When assessing whether a proper balance is achieved between the protection of trademark owners and the public domain in China, the following elements should be taken into account:

[Footnote continued from previous page]

trademark has no right to prohibit others from using fairly”. That is referred to by some scholars as “fair use” exception.

¹⁰⁴¹ See the Reply of State Administration of Industry and Commerce of Whether the Use of the Words “San Zhu Jun & Zhong Cao Yao” is Infringing Act (1997, No.505).

¹⁰⁴² <http://china.findlaw.cn/info/case/zscqal/59139.html> (last visit on May 15, 2011).

¹⁰⁴³ <http://www.chinaiprlaw.cn/file/200204161160.htm> (last visit on July 18, 2007).

¹⁰⁴⁴ The plaintiff and defendant are the leading TV manufacturers in China.

¹⁰⁴⁵ “Marks with a certain influence” means marks with a certain reputation.

- The Trade Mark Law of China does not contain specific provisions with regard to common patrimony signs, such as those of religious and culture significance.¹⁰⁴⁶ However, the registration of trademarks of this type may be refused on the grounds that this would have an “other unhealthy influence”. Moreover, registration may be refused if the mark is “detrimental to socialism or customs”. The scope of these grounds for refusal is very broad. Therefore, they may serve to safeguard the public interests in a flexible manner. However, some cultural signs, such as “Shaolin Temple”, have been registered in practice, although the scope of protection resulting from registration is far from clear.
- As for the name of a geographical location, the Trade Mark Law of China does not exclude registration absolutely. Rather, protection may be obtained if a geographical name has acquired “other meaning”. Moreover, the condition of “other meaning” is not clear and has become the focus of many disputes in practice. Notably, if a mark contains the name of a location, even if registered, it is rather weak and only enjoys limited protection. The proprietor, for instance, cannot exclude other traders in the region from using the name of the geographical location as an indication of geographical origin.
- The Trade Mark Law of China allows descriptive signs to be registered provided that they have acquired distinctiveness through use and become easy to identify. In practice, the line between descriptive signs and non-descriptive signs is thin. Thus, there is a certain tension at the interface of the registrability of descriptive signs and the public domain.
- Functional shapes (including shapes deriving from the nature of the goods concerned, those necessary to obtain a technical effect or giving substantial value to the goods) are excluded from registration. China’s experience with recognizing three-dimensional marks so far is rather limited, but the issue highly controversial and more well-defined rules remain to be expected.
- A single color is excluded from registration due to its lack of distinctiveness, but combinations of colors are considered to be distinctive. This position may be changed before long according to Article 8 of the newly published 2011 Draft of China’s Trademark Law, which includes a single colour as a registerable sign.

K. INDIA*

This report focuses on the registered trademark law of India, along with specific references to the tort of passing off, which complements the scope of protection for registered trademarks.¹⁰⁴⁷ The Trademarks Act, 1999¹⁰⁴⁸ and the Trademarks Rules, 2002 govern the

¹⁰⁴⁶ See Art. 10 TML of China.

* *Dr. Dev Gangjee, Lecturer, Department of Law, London School of Economics, London, United Kingdom; Visiting Professor, National University of Juridical Sciences, Kolkata, India (2010-2011).*

¹⁰⁴⁷ An overview of the application of the tort of passing off, with its three requirements of protectable goodwill, misrepresentation and ensuing damage, is found in *Cadila Health Care v Cadila Pharmaceuticals* (2001) 2 SCR 743; *Satyam Infoway v. Sifynet Solutions* (2004) 6 SCC 145.

¹⁰⁴⁸ The Trademarks Act, No. 47 of 1999 (hereafter, the Act of 1999).

law relating to Trademarks in India.¹⁰⁴⁹ The Act and Rules came into effect on September 15, 2003.¹⁰⁵⁰ These have replaced the regime under the Trade & Merchandise Marks Act, 1958.¹⁰⁵¹ The new regime is in part a response to the need to harmonise Indian law in accordance with the Paris Convention and the TRIPs Agreement. It was also felt that a comprehensive review of the trademark regime was necessary in light of new developments in commercial practices, the increasing globalization of trade and industry and the need for a simplified, more effective trademark management system. Four preliminary points are worth making about Indian trademark law today.

(1) The first relates to the relevance of the decided cases under the Act of 1958 for the Act of 1999. The simple point to be made – and one that is underappreciated – is that while key aspects of the current Indian legislation resemble contemporary harmonised UK/EU law on the surface, it continues to be influenced by the pre-harmonisation UK approach in certain areas. This approach diverges from EU law in important ways.¹⁰⁵² Given their intertwined pasts, both Indian trademark legislation and judicial doctrine have historically followed the contours of British law.¹⁰⁵³ Therefore at several places the Act of 1999 looks very similar to the UK Trademarks Act of 1994. However, with the Act of 1994, British Law has begun an irreversible drift away from its common law origins as it becomes increasingly European, mapping itself onto the EU Trademarks Directive.¹⁰⁵⁴ Consequently civil law concepts and interpretative techniques have begun to inform the development of substantive European and UK trademark law.¹⁰⁵⁵ Statutory trademark law in the UK today looks very different from the pre-1994 law, found in the Trademarks Act of 1938. By contrast, as we see below, there is greater doctrinal continuity between the Indian Acts of 1958 and 1999. While the language of Indian legislation appears similar to equivalent EU provisions, the older common law doctrines and techniques continue to be relevant. This has implications for the issues arising under “use as a trademark” and the likelihood of confusion, considered below.

(2) There has been a recent (and welcome) expansion of electronic resources containing Indian case law and some of these are freely accessible online. While restricted access subscription databases carry the edited reports,¹⁰⁵⁶ there are also commendable open access resources available for the researcher with an interest in Indian legal materials.¹⁰⁵⁷ All the cases cited here are available via these electronic resources.

¹⁰⁴⁹ Hereafter, the Rules. The Act and Rules are available at: http://ipindia.nic.in/tmr_new/default.htm

¹⁰⁵⁰ Notification No. SO 1048(E), Gazette of India, Sept. 15, 2003.

¹⁰⁵¹ The Trade & Merchandise Mark Act. No. 43 of 1958 (hereafter, the Act of 1958).

¹⁰⁵² For details of the UK/EU approach, see the *Region Report on the European Union* in this Study.

¹⁰⁵³ See for e.g. *Sunder Parmanand Lalwani and Ors v Caltex (India) Ltd* AIR 1969 Bom 24 (Bom HC) at [32] (“Our Trademarks law is based on the English Trademarks law and the English Acts”).

¹⁰⁵⁴ See Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008 (codified version) (OJ 2008 L 299, p. 25), and the earlier, in terms of substance identical, Directive 89/104/EEC of the Council of December 21, 1988.

¹⁰⁵⁵ See for e.g. The manner in which the CJEU bypassed the literal wording of the legislation and adopted a teleological or purposive approach in *Zino Davidoff SA v Gofkid Ltd* (C-292/00) [2003] 28 FSR 490. More importantly, much of European trademark law has developed against the backdrop of European rules on the free movement of goods in the common market, while these considerations do not apply in the Indian context.

¹⁰⁵⁶ The leading providers are Manupatra <<http://www.manupatra.com/>> and Indlaw <<http://www.indlaw.com/>>.

¹⁰⁵⁷ See the *Legal Information Institute of India* <<http://www.liiofindia.org/>>; *India Code* for Indian legislation <<http://indiacode.nic.in/>>; *The Judgment Information System* for decisions from the federal High Courts and Supreme Court <<http://judis.nic.in/>>; and finally, the excellent *Indian Kanoon* <<http://www.indiankanoon.org/>>.

(3) Any study on the effect of trademarks on the public domain must begin by considering the basic requirement of public access to the trademark register, so that one may quickly and conveniently ascertain which signs have been claimed, by whom and for which categories of goods and services. As part of its broader “efficiency and transparency” initiatives,¹⁰⁵⁸ the Trademark registry has recently made available to the public an open access web-based searchable trademark register in 2011.¹⁰⁵⁹ While this is an encouraging start, there is further work to be done. For instance, the online register can only be searched on a class-by-class basis (instead of a single search across all classes) and there are limited options for searching according to the type of mark. This makes it difficult to search for non-traditional trade marks according to the categories of colours, sounds, three-dimensional or shape marks etc.

(4) Finally, one must appreciate the pragmatic realities of intellectual property litigation in India, where the adjudication process is often slow and complex. As a workaround, the vast majority of cases are determined at the stage of applications for interlocutory relief. Once an interim injunction is obtained, parties rarely proceed further and only exceptional IP cases proceed to a full trial and judgment on the merits. The Indian Supreme Court has recently expressed its dissatisfaction with this state of affairs.¹⁰⁶⁰ According to the doctrine of precedent, these interim decisions have low precedential value. Yet they are often the best available decisions on a particular point. As we will see, despite being interim resolutions, judges are often sensitive to the broader impact of their decisions and make overt references to the need to keep descriptive or culturally significant signs free.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection.*

In India, a trademark is defined in Section 2(1)(zb) as follows:

“trade mark’ means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours.”

A “mark” is further defined in Section 2(1)(m):

“mark’ includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.”

¹⁰⁵⁸ *Annual Report of the Office of the Controller General of Patents, Designs and Trade Marks (2009-2010)*, at 16.

¹⁰⁵⁹ Acknowledged in *Intellectual Property India Public Notice* 13 January 2011 (CG/F/Public Notice/2010-11/128) (“For the convenience of the public and users of the system [a] free public search is made available in [the] IPO official website”). The registry database can be searched at:

<http://124.124.193.235/tmrpublicsearch/tmsearch.aspx>

¹⁰⁶⁰ *Shree Vardhman Rice & General Mills v. Amar Singh Chawalwala* (2009) 10 SCC 257 at para [3] (“[We] are of the opinion that the matters relating to trademarks, copyrights and patents should be finally decided very expeditiously by the Trial Court instead of merely granting or refusing to grant injunction. Experience shows that in the matters of trademarks, copyrights and patents, litigation is mainly fought between the parties about the temporary injunction and that goes on for years and years and the result is that the suit is hardly decided finally. This is not proper”). See also *Bajaj Auto Limited v. TVS Motor Company Limited* (2009) 9 SCC 797.

It is evident that the definition of a trademark is open ended, setting out the general requirements of (1) a mark, (2) capable of being represented graphically and (3) capable of distinguishing. The inclusive definition specifically mentions the shape, packaging and colour of goods, while the Registry's Trademarks Work Manual¹⁰⁶¹ refers to colours and shapes of goods, along with holograms, sounds and smells, which "will require special consideration".¹⁰⁶² A preliminary concern is that while non-traditional trademarks are accepted for registration, they are hard to trace since they are difficult to search for on the open access trademark register. The only categories of searches by mark type are for word, device and phonetic marks, without any mention of colours, shapes or sounds. This may not be a major problem at present, as it appears that application numbers are low for these kinds of marks. They do not even figure in the Annual Report of the Controller General of Patents, Designs, Trademarks and Geographical Indications.¹⁰⁶³ However as the interest in such new categories of marks is growing,¹⁰⁶⁴ adding this search functionality will become essential in future because the registration of these types of marks has serious consequences for competitors or the general public. One need only think of the exclusionary effects of a single colour in the abstract (such as red or green) or part of a popular tune in the public domain being registered as a sound mark. The Registry's Trademarks Work Manual recognises these concerns and contains a number of special examination requirements – primarily relating to distinctiveness and graphical representation – for such newer types of marks.¹⁰⁶⁵ For instance, in the case of abstract single colour marks, the Draft Manual clearly acknowledges that "there is a public interest in not limiting the availability of colours for other traders".¹⁰⁶⁶ It also adopts a cautious stance when assessing distinctiveness for colours:

"As colour per se is not normally used by traders as a means of brand identification, unlike words or pictures, consumers are not in the habit of making assumptions about the origin of goods and services based solely on their colour or the colour of their packaging. It follows therefore that a single colour will only in exceptional circumstances be capable of denoting the origin of a product or service. Marks consisting of a single colour will usually be liable to objection under Section 9(1)(a) of the Act because they inherently lack the capacity to distinguish."¹⁰⁶⁷ (Emphasis in the original)

1.2 *Notion of use in trade*

For the purposes of infringement under Sections 29(1), (2) and (4) of the Act of 1999, the defendant's use must be "in the course of trade" for it to be prohibited. A recent decision by the Madras High Court¹⁰⁶⁸ suggests that this phrase is to be interpreted in a manner similar to the EU approach:

¹⁰⁶¹ A draft of the Trade Marks Work Manual (hereafter, the Draft Manual) dated 23 Jan 2009 is available at: http://ipindia.nic.in/tmr_new/default.htm

¹⁰⁶² Draft Manual Ch II at [3.2].

¹⁰⁶³ See for e.g. *Annual Report of the Office of the Controller General of Patents, Designs and Trade Marks (2009-2010)* 48 (This only records word, device, number, letter, as well as letter and numeral mark applications. No mention is made of any of the more non-traditional marks.)

¹⁰⁶⁴ As documented in these meetings. WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) Sessions 16-21. Documents at: <http://www.wipo.int/sct/en/meetings/>.

¹⁰⁶⁵ Draft Manual Ch II, at [5.2].

¹⁰⁶⁶ Draft Manual Ch II, at [5.2.1.2].

¹⁰⁶⁷ Ibid.

¹⁰⁶⁸ *Consim Info Pvt. Ltd v. Google India* (2010) 3 MIPR 67, at para [116] (30 September 2010, Mad HC).

“On the question as to when the use of a trademark constitutes “use in the course of trade”, the [Court of Justice of the European Union] held that “the use of a sign identical with a trademark constitutes use in the course of trade, where it occurs in the context of commercial activity with a view to economic advantage and not as a private matter”.¹⁰⁶⁹

This suggests that rights to prohibit infringing uses are restricted to the commercial sphere. The use of a trademark in a private context (e.g. Hand-painting a t-shirt which incorporates the trademark), political debate, use in a religious context, for teaching or for academic research is unlikely to constitute use “in the course of trade”. However, use of a trademark in a political or cultural context may fall within trade usage if it is combined with a commercial activity and this remains an unexplored boundary.

1.3 Notion of trademark use

It appears that on this issue, Indian trademark law broadly continues to follow the pre-1999 position, by requiring that the defendant is using the sign as a trademark, i.e. Employing the same or a similar sign as an identifier of commercial source for the defendant’s own goods and services. Here there is a clear divergence from the more recent UK and EU positions,¹⁰⁷⁰ despite the similarity of infringement language in some parts of Section 29. Therefore Section 29(1), which contains the established general infringement test, expressly mentions the requirement that the defendant’s use must be “in such manner as to render the use of the mark likely to be taken as being used as a trademark”.¹⁰⁷¹ This is understood to be an objective test (what would consumers think of the defendant’s use) as opposed to a subjective test (did the defendant intend to use it as a trademark). An illustration of the judiciary’s willingness to permit such non-trademark uses by defendants is found in *Cadila Healthcare*.¹⁰⁷² Although a passing off decision, the plaintiff had also applied for related trademarks and the arguments do refer to the fact that the defendant was not using the sign as a trademark but merely descriptively. *Cadila* argued that “Sugar Free” had acquired distinctiveness for its artificial sweetener and objected to the defendant’s use of “Sugar Free” on a Pro-Biotic Frozen Desert. The Delhi High Court was clear about the outcome:

“It is important to be borne in mind that use of a descriptive expression as a trademark by a trader, irrespective of the said trademark having acquired a secondary meaning and distinctiveness in relation to the trader’s products, does not entitle such trader from precluding other traders from using the said expression for the purposes of describing the characteristic features of their products”.¹⁰⁷³

The general requirement of trademark use by the defendant was again confirmed in *Hawkins Cookers* where a “reading of Section 29 of the [Act of 1999] shows that the use of a registered

¹⁰⁶⁹ The interpretation is traced back to the CJEU’s decision in *Arsenal FC plc v Reed* (C-206/01) [2002] ECR I-10273; [2003] ETMR 19 at [40].

¹⁰⁷⁰ For the more expansive EU and UK positions, where any use which affects the origin, quality as well as advertising, communication and investment functions of a trademark will fall within the scope of infringement, see the accompanying *Report on the European Union* at Section 1.3.

¹⁰⁷¹ Section 29(1) states: “A registered trademark is infringed by a person who, not being a registered proprietor or a person using by way of permitted use, uses in the course of trade, a mark which is identical with, or deceptively similar to the trademark in relation to goods or services in respect of which the trademark is registered and in such manner as to render the use of the mark likely to be taken as being used as a trademark”. For a recent decision acknowledging this requirement, see *Nestle India Ltd. v. Mood Hospitality Pvt. Ltd.* (2010) 42 PTC 514 (Del).

¹⁰⁷² *Cadila Healthcare Ltd. v. Gujarat Co-Operative Milk Marketing Federation Ltd. And Ors.* (2008) 36 PTC 168 (Del). See also *Cadila Healthcare Ltd. v. Dabur India* (2008) 38 PTC 130 (Del).

¹⁰⁷³ *Ibid.*, at [54].

trade mark by a third party in the course of trade... is not permissible when it renders the use of the mark likely to be taken as being used as a trademark".¹⁰⁷⁴ This is an important prerequisite for infringement, since a defendant may be using the registered sign but in a purely descriptive manner (as above), or for aesthetic purposes (e.g. Using the colour red as product decoration) or nominative use referring to the plaintiff's own goods and services (e.g. A garage advertising that it repairs certain brands of cars). This upstream threshold ensures that none of these activities would be infringing in the first place. There is no need to excuse the defendant's conduct under the subsequent rubric of defences.

However this requirement of trademark use does not exist for the dilution provisions in Section 29(4) of the Act of 1999.¹⁰⁷⁵ Therefore for dilution, a much broader range of uses by the defendant could potentially be caught within this provision, including descriptive, aesthetic or nominative uses, instead of being excluded from the scope of infringement at this initial stage.

1.4 Scope of Protection

With an introductory reminder about the tort of passing off, which remains a much utilised option even for registered trademarks,¹⁰⁷⁶ Indian trademark law provides for four broad layers of protection. The infringement provisions contained in Section 29 mirror the relative grounds of refusal found in Section 11 of the Act of 1999.

(i) Double Identity

The narrow "double identity" provision stipulates that where the defendant uses a sign *identical to the registered trademark on identical goods and services*, this will be considered infringing and the court shall "presume that it is likely to cause confusion on the part of the public".¹⁰⁷⁷ Thus there is no need to prove the likelihood of confusion in these cases of "double identity". Where the marks or goods are only similar, this presumption does not apply and confusion must be proved. It is also worth noting that unlike UK/EU law, the "double identity" provision is restricted to cases where confusion can be presumed i.e. Where the origin indicating function of a trademark is jeopardized and not where other functions of a trademark, such as the quality, advertising, investment or communication functions, are independently affected.¹⁰⁷⁸

(ii) Likelihood of Confusion

Here Indian law proves a little unwieldy, although the essence of the likelihood of confusion test is familiar. There appear to be two distinct types of likelihood of confusion tests, one a continuation of the old regime is Section 29(1)¹⁰⁷⁹ and the other similar to Section 10(1) and (2) of the UK Act of 1994, found in Section 29(2) and (3). The coexistence of these two types of likelihood of confusion tests is itself a little confusing, since the newer test in Section 29(2) is

¹⁰⁷⁴ *Hawkins Cookers Limited vs Murugan Enterprises* (2008) 1 MIPR 128 (Del) at paras [54]-[57] (S. K. Kaul, J.).

¹⁰⁷⁵ As pointed out in *Moods Hospitality Pvt Ltd v Nestle India Ltd.* (2009) 40 PTC 494 (Del).

¹⁰⁷⁶ Simultaneous actions for registered trademark infringement as well as the tort of passing off are recognised in Sections 27(2), 134 and 135 of the Act of 1999.

¹⁰⁷⁷ Section 29(2)(c) and Section 29(3) of the Act of 1999.

¹⁰⁷⁸ Contrast the CJEU's approach in *L'Oreal SA v Bellure NV* (C-487/07) [2009] ETMR 55 where protection in double identity cases (an identical sign used for identical goods or services) is explicitly extended to these additional functions. Instead, Indian law operates along the lines of Art 16(1) of TRIPs ("In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed").

¹⁰⁷⁹ In fact it is identical to Section 29(1) of the previous Act of 1958.

broader. For Section 29(1) infringement, the marks being compared have to be identical or “deceptively similar”,¹⁰⁸⁰ while the goods or services must be the same as the registered trademark. Since this test represents continuity with the old regime, previous authorities are applicable. Over the decades, the Indian Supreme Court has considered the following factors to be relevant:¹⁰⁸¹

- central to the comparison between signs is a determination of whether the “essential features” of the registered trademark have been reproduced in the defendant’s sign;
- the essential features are identified through a visual as well as aural/phonetic comparison of the marks considered as a whole, yet with due importance being given to the leading or unusual components of each sign;
- depending on the context, differences between the signs may be relevant – this is more important for device or composite marks;
- along with a comparison of the respective goods and services;
- as viewed through eyes of prospective consumers for those goods and services, who have imperfect recollection; and
- to see whether, when considered as a whole, the similarity is likely to lead to confusion in the minds of the relevant public.

Meanwhile the test in Section 29(2) is a parallel test for establishing the likelihood of confusion, along the lines of current UK/EU law. Leaving aside situations of double identity (considered above), Section 29(2) covers situations where the marks are identical or similar and the goods or services are identical or similar and this is likely to cause confusion on the part of the public, or which is likely to suggest a commercial association with the registered mark and thereby lead to confusion. It is designed to be a more flexible test, covering situations where the signs in dispute are *similar* and the goods and services are *similar*, instead of being identical.¹⁰⁸² In short, we seem to have the old UK approach (Act of 1938) and the new UK approach (Act of 1994) existing side by side in the Indian statute. The difference is that the new UK/EU approach takes into account additional factors like conceptual similarity between the signs and the distinctiveness of the plaintiff’s registered trademark. Furthermore under the global comparison approach of the UK/EU, the factors are interconnected, so any dissimilarity between goods and services can offset similarities between signs and vice versa.¹⁰⁸³

Despite this curious form of drafting, Indian courts sensibly seem to prefer the more familiar infringement test for establishing “deceptive similarity” contained in Section 29(1). Indian judges have also demonstrated a firm commitment to the public domain on several occasions,

¹⁰⁸⁰ Defined in Section 2(1)(h): “A mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion”.

¹⁰⁸¹ *Corn Products Refining Co v. Shangrila Food Products Ltd.* AIR 1960 SC 142; *Amritdhara Pharmacy v. Satya Deo Gupta* AIR 1963 SC 449; *Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories* AIR 1965 SC 980; *Roche v. Geoffrey Manners and Co. Pvt. Ltd.* AIR 1970 SC 2062; *S. M. Dyechem Ltd v. Cadbury (India) Ltd.* AIR 2000 SC 2114.

¹⁰⁸² As was recognised recently by a Division Bench in *Raymond Ltd. v. Raymond Pharmaceuticals* (2010) 2 MIPR 400 (Bom) at para [9].

¹⁰⁸³ For details, see the accompanying *Report on the European Union* at Section 1.4.

by narrowing the scope of protection available for descriptive marks, where the registration itself is highly questionable. In this matter, the Delhi High Court has led the way in several decisions:

In one of these decisions, the appellant had registered LORSORB and LO-SORB for edible oil products and sought an injunction to prevent the respondent's use of "Low Absorb" and "Low Absorb Technology" on edible oil products. The appeal was dismissed on the basis that the defendant was using a common descriptive expression to convey that less oil would be absorbed. The appellant could not claim exclusive use over such an expression and the court's reasoning suggests that such descriptive use would not lead to consumer confusion (i.e. Infringement would be unlikely) and assuming there was infringement, it would be conduct excused under the "descriptive use" defence in Section 30(2)(a). Therefore for the purposes of injunctive relief no prima facie case of infringement was made out.¹⁰⁸⁴ The Court also underlined that for such descriptive signs to be registered via acquired distinctiveness, the applicant would have to establish its status as "an undisturbed user of a very large/considerable number of years, with the emphasis being on [the] discouragement [of the] appropriation of such marks".¹⁰⁸⁵

In another case, the appellant manufactured the sports drink GATORADE and registered the associated slogan trademark REHYDRATES REPLENISHES AND REFUELS for health drinks and beverages. The respondent was manufacturing an energy drink, for which it used the slogan "Rehydrates Fluids; Replenishes Vital Salts; and Recharge Glucose". The Court explicitly adopted the reasoning in the LOSORB case above to reject the claim for injunctive relief and dismiss the appeal.¹⁰⁸⁶

In a further lawsuit, the appellant unsuccessfully sought an injunction based on a registration for KRISHNA, the name of one of India's most prominent Hindu deities, where the defendant was trading under the sign "Parul's Lord Krishna". Both were using the marks on ghee, butter and milk products. The Court concluded that the additional words in the respondent's mark suitably qualified it, while a different colour scheme and accompanying pictorial representation made any confusion unlikely.¹⁰⁸⁷ Other factors which influenced the Court were the longstanding association of Krishna with cows and milk products in Hindu mythology, as well as the fact that several other commercial entities had registered and were using KRISHNA as part of their trademarks across a range of products.¹⁰⁸⁸ Justice Shakhder openly questioned whether the appellant's sign was distinctive in the first place, despite its registered status: "I cannot come to the conclusion that a name as common as KRISHNA; which in the cultural context of our country is as common as the word "John" used in West, has achieved... a secondary distinctiveness of the kind that it is inalienably related by the consumers to the Plaintiff's product".¹⁰⁸⁹

The effect of these decisions is to leave the registrant with trademark rights vulnerable to revocation and which will therefore have little practical effect in restricting others from using descriptive terminology. As a final point, it is also worth noting that for most disputes, the likelihood of confusion or deceptive similarity analysis occurs within the context of deciding

¹⁰⁸⁴ *Marico Ltd. v. Agro Tech Foods Ltd.* (2010) 3 MIPR 226 (Del DB).

¹⁰⁸⁵ *Ibid*, at para [21].

¹⁰⁸⁶ *Stokeley Van Camp v. Heinz India Pvt. Ltd.* (2010) 3 MIPR 273 (Del).

¹⁰⁸⁷ *Bhole Baba Milk Food Industries Ltd. v. Parul Food Specialities Ltd.* (2011) 45 PTC 217 (Del).

¹⁰⁸⁸ *Ibid*, at para [14.3].

¹⁰⁸⁹ *Ibid*, at para [14.5].

upon an interlocutory injunction application. Therefore apart from the “balance of convenience” analysis undertaken when deciding whether to grant an interim injunction, the court will look at the relative or comparable strength of the cases of either party, as opposed to a full determination of the likelihood of confusion on the merits.¹⁰⁹⁰

(iii) Well-Known Trademarks

When it comes to the scope of protection for this special category of signs, what is often overlooked is that two distinct types of protection are available to well-known trademarks¹⁰⁹¹ in India: (a) enhanced protection against the likelihood of confusion and (b) protection against dilution.

(a) To begin with, well known trademarks are granted a broad scope of protection against confusing misrepresentations, via the tort of passing off.¹⁰⁹² The scope of protection is broadened across three dimensions – territorially (via the concept of a spill-over or trans-border reputation, where the plaintiff need not have trademark registration or actual sales in India); permitting more latitude when comparing goods and services (by discarding the “common field of activity” requirement); and *after establishing the misrepresentation required by passing off*, recognising dilution as a category of harm or damage. It is worth emphasizing that since this analysis remains anchored in passing off, the plaintiff must first establish that the defendant’s use will result in misrepresentation and confusion in the minds of consumers. Even prior to the Act of 1999, dilution was recognised as an additional form of harm because in such cases it was often difficult to show the conventional damage arising out of confusion – a loss of sales – since the reputed mark owner might not have an official sales presence within India. By recognizing this category, Indian courts have followed the line of UK authorities on “extended passing off”, where dilution as a species of harm arising from a misrepresentation was initially identified. In a decision concerning the misuse of Swiss Chocolate, Justice Laddie summed it up in the following words: “[i]t appears, therefore, that in this extended form of action it is mainly a reduction of the distinctiveness . . . Which is relied on as relevant damage”.¹⁰⁹³ Thus, the erosion of uniqueness or exclusivity by a defendant’s use of an identical or similar sign and its consequent detriment to a mark’s selling power or goodwill is a recognized, if somewhat controversial,¹⁰⁹⁴ species of damage under passing off. A number of recent decisions have confirmed confusion as a fundamental prerequisite for passing off, acknowledging that dilution of uniqueness or exclusivity is a species of harm flowing from consumer confusion. In a case concerning the use of HONDA on pressure cookers, thereby engaging both the dissimilar goods and trans-border reputation criteria, the Delhi High Court observed:

¹⁰⁹⁰ *Colgate Palmolive (India) Ltd. v. Hindustan Lever Ltd.* AIR 1999 SC 3105; *S. M. Dyechem Ltd v. Cadbury (India) Ltd.* AIR 2000 SC 2114, at paras [20]-[22].

¹⁰⁹¹ Defined in Section 2(1)(zg): ““well known trade mark”, in relation to any goods or services, means an [sic] mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services”. The Trademark Registry also maintains a list of marks judicially determined to be well known, at: <http://124.124.193.236/tmrpublicsearch/frmwelknownmarks.aspx>

¹⁰⁹² The leading decision is *N. R. Dongre v. Whirlpool Corporation* (1996) 5 SCC 714; also reported as *WHIRLPOOL Trade Mark* [1997] FSR 905 (Del DB and SC).

¹⁰⁹³ *Chocosuisse Union des Fabricants Suisse de Chocolat & Ors. v. Cadbury Ltd.*, [1998] R.P.C. 117, 127 (Ch.) (U.K.).

¹⁰⁹⁴ It was critically reviewed in *Harrods Ltd. v. Harrodian Sch. Ltd.*, [1996] RPC 697, 716 (U.K.) (Millet, L.J.) (“I have an intellectual difficulty in accepting that the law insists upon both the presence of confusion and damage and yet recognises as sufficient a head of damage which does not depend on confusion”).

“With the changed concept of the passing off action, it is now not material... that the plaintiff and the defendant should trade in the same field. I find that some businesses are truly international in character and the reputation and goodwill attached to them cannot in fact help being international also. . . . The plaintiff’s trademark HONDA, which is of global repute, is used by the defendants for a product like the pressure cooker, to acquire the benefit of its goodwill and reputation so as to create deception for the public who are likely to buy defendant’s product believing the same as coming from the house of HONDA or associated with the plaintiff in some manner. By doing so, it would dilute the goodwill and reputation of the plaintiff and the wrong committed by the defendants would certainly be an actionable wrong and the plaintiff is within its rights to ask for restraint against the defendants from using its mark HONDA for their products.”¹⁰⁹⁵
(Emphasis added)

Other Indian courts have confirmed this contingent relationship as well, where dilution results from confusion.¹⁰⁹⁶ Consequently, under passing off, dilution is not an independent cause of action. Rather, it is merely recognised as a genus of damage and reliant upon a determination of confusion or deception.

(b) As for the second type of protection, this is grounded in statutory dilution provisions as an independent cause of action, which does not require any confusion to be established. This second type of protection was newly introduced under the Act of 1999, both under the relative grounds of refusal at the time of registration (Section 11(2), Section 11(6)-(10)) and under the infringement provisions (Section 29(4)). This independent cause of action is considered next in greater detail. The point to remember is that these are two separate streams of analysis for well-known marks and remain conceptually distinct.

(iv) Dilution

Dilution – broadly understood as harm to a trademark by lessening its ability to distinguish goods or services in the marketplace – is a radical departure from consumer confusion, the traditional litmus test of trademark infringement in India. The scope of protection had also previously been restricted by the notion of specificity, where protection under the statute was limited to the goods and services mentioned in the registration specification,¹⁰⁹⁷ whereas dilution extends this protection to dissimilar goods. The concern is that trademark owners will try to stop others from using signs which might merely establish a link with or bring to mind the registered trademark. Therefore Indian courts have given it an appropriately cautious reception. Although not explicitly referring to “dilution”, the language of Section 29(4) is similar to the UK/EU provision and incorporates this form of infringement:¹⁰⁹⁸

¹⁰⁹⁵ *Honda Motors Co. v. Charanjit Singh*, (2003) PTC 26 (Del) 1, at para [44] (Sharda Aggarwal, J.).

¹⁰⁹⁶ *United Distillers & Vintners v. Khoday Breweries*, (2005) PTC 31 (Del) 369, at para [15] (where the use of “Johnny Walker” on whiskey was in dispute, it was held that the plaintiffs would “suffer adversely if defendant is allowed to continue using the deceptively and confusingly similar trademark resulting into irreparable loss to the plaintiffs and dilution and erosion of plaintiffs’ reputation and goodwill”); *Colgate Palmolive v. Anchor Health & Beauty*, (2003) PTC 27 (Del) 478, at para [54] (J.D. Kapoor, J.) (finding that a substantial reproduction of a trade dress was “liable to cause not only confusion but also dilution of distinctiveness of colour combination”); *Frito-Lay India v. Guru Prasad*, (2004) PTC 29 (Del.) 537, at para [8] (Mukul Mudgal, J.) (finding that the imitation of product packaging and color schemes would cause “confusion and deception, resulting in passing off . . . And further from diluting the brands, labels, packaging of the plaintiffs”).

¹⁰⁹⁷ Under Section 29(1) of the Acts of 1958 and 1999, an infringement action was only available where the defendant used the sign “in relation to any goods in respect of which the trademark is registered”. The Act of 1999 is also clear in Section 28(1) that, subject to the rules on infringement, “the registration of a trade mark shall, if valid, give to the registered proprietor of the trade mark the exclusive right to the use of the trade mark *in relation to the goods or services in respect of which the trade mark is registered* (emphasis added)”.

¹⁰⁹⁸ As confirmed in *ITC Ltd. v. Philip Morris Products SA* (2010) 42 PTC 572 (Del) at paras [31]-[34].

“A registered trademark is infringed by a person who not being a registered Proprietor or a person using by way of permitted use, uses in the course of trade, a mark which—

- (a) is identical with or similar to the registered trade mark and
- (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered; and
- (c) the registered trade mark has a reputation in India and the use of the mark without due cause takes unfair advantage of or is detrimental to, the distinctive character or repute of the registered trade mark.”

On the whole, Indian courts have taken care to ensure that all the threshold requirements are satisfied, before granting relief under this provision.

- The marks have to be identical or similar and without this pre-requisite, the action fails. In a case where the registered proprietor of ASIAN PAINTS HOME SOLUTIONS sought to prevent the defendant’s use of HOME SOLUTIONS RETAIL (INDIA) LTD and HOME TOWN, the marks were held to be dissimilar.¹⁰⁹⁹ It is worth noting that the court held HOME SOLUTIONS to be a descriptive or commonly used/generic expression and therefore unsuitable for appropriation by a single undertaking.¹¹⁰⁰
- The goods and services must be dissimilar and this option is not available where the goods and services are the same or similar.¹¹⁰¹
- The registered mark must have a reputation in India.¹¹⁰² In addition, that reputation must specifically relate to the sign in dispute, not the general reputation of the plaintiff as a corporate entity. Where the plaintiff ITC produced a range of products and services, from tobacco to hotels/hospitality and packaged ready-meals, the Court held that the aura and reputation associated with the hospitality business was distinct from the reputation for tobacco products.¹¹⁰³
- Apart from a mere mental association or link between the two signs, one of the specific conditions of infringement must have been established – detriment to distinctive character (also known as blurring); detriment to repute (also known as tarnishment); or unfair advantage.¹¹⁰⁴ However

[Footnote continued from previous page]

¹⁰⁹⁹ *Asian Paints Ltd. v. Home Solutions Retail (India) Ltd.* (2007) 35 PTC 697 (Bom) at paras [7]-[8].

¹¹⁰⁰ *Ibid*, at para [8].

¹¹⁰¹ *Nestle India Ltd. v. Mood Hospitality Pvt. Ltd.* (2010) 42 PTC 514 (Del) at para [38] (In this case, the mark YO was used by the appellants on Noodles in Class 30, whereas the defendant used YO! For t-shirts in class 25 and restaurant services in class 42. This was sufficiently dissimilar, but the dilution arguments were dismissed on other grounds.); *Raymond Ltd. v. Raymond Pharmaceuticals* (2010) 2 MIPR 400.

¹¹⁰² *Toyota Jidosha Kabushiki Kaisha v. Biju* (2011) 45 PTC 465 (Del) at para [16] (Reputation established).

¹¹⁰³ *ITC Ltd. v. Philip Morris Products SA* (2010) 42 PTC 572 (Del) at paras [38], [44]-[46], [50].

¹¹⁰⁴ These have been held to be substantial requirements and not to be presumed lightly: *Raymond Ltd. v. Raymond Pharms. Ltd.* (2007) 35 PTC 334 (Bom); *Nestle India Ltd. v. Mood Hospitality Pvt. Ltd.* (2010) 42 PTC 514 (Del); *ITC Ltd. v. Philip Morris Products SA* (2010) 42 PTC 572 (Del) at para [50].

[Footnote continued on next page]

Indian courts seem to have accepted the likelihood of dilution standard instead of the actual dilution standard, possibly because the claimant is usually seeking an interim injunction.

- This must be without due cause. Where the plaintiff was manufacturing buses, trucks and motor engines under the LUXURA mark and the defendant adopted LUXURIA for a business class bus, the court held that the defendant's attempt to signal the underlying idea of Luxury was not sufficient to establish "due cause".¹¹⁰⁵ However "due cause" itself was equated with providing a "justifiable reason" for the defendant's use.¹¹⁰⁶ A recent and important decision, considered in greater detail in Section 2.4 below, establishes that denominative use (or using the claimant's mark to refer to the claimant's own products) would constitute such a justifiable reason.¹¹⁰⁷
- By merely alleging dilution, trademark owners should not be able to prohibit the use of the mark on dissimilar goods without a showing of harm or injury, especially where the mark relates to a commonly used term.¹¹⁰⁸

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

Excluded signs are specified in Section 9 of the Act of 1999, which lists the absolute grounds for refusal of registration. Having acceded to the Paris Convention in 1998, India prevents the registration of signs falling under Art. 6*ter* of the Paris Convention by incorporating the prohibitions in the Emblems and Names (Prevention of Improper Use) Act, 1950.¹¹⁰⁹ While Section 9(2)(d) of the Act of 1999 cross references this statute, it may only partially satisfy Paris Convention obligations. The Schedule to the Emblems and Names Act lists specific organisations such as the UN and WHO but there is no general algorithm for preventing the use of signs adopted by any intergovernmental organisations and it is uncertain whether it extends to foreign States. However this Act does not prevent the use of geographical place names, since the government of the place is not synonymous with the place name. In one dispute, there was an objection to the use of GOA, an Indian coastal state and popular tourist destination, being used as part of a trade mark for chewing tobacco and betel nut products.¹¹¹⁰ The Court held that such use was unlikely to suggest State government patronage or support of such products, which was the mischief the Emblems and Names legislation sought to prevent. Such use as a trademark could not be prohibited under these provisions.

[Footnote continued from previous page]

¹¹⁰⁵ *Blue Hill Logistics Pvt. Ltd. v. Ashok Leyland Ltd.* MANU/TN/1329/2011 (Mad) at paras [49]-[50].

¹¹⁰⁶ *Ibid*, at para [50].

¹¹⁰⁷ *Tata Sons Ltd. v. Greenpeace International* (2011) 1 MIPR 107 (Del).

¹¹⁰⁸ *Kamdhenu Ispat Ltd. v. Kamdhenu Pickles and Spices Pvt. Ltd.* (2010) 173 DLT 540 (Del).

¹¹⁰⁹ An "emblem" is defined in Section 2(a) of this Act as "any emblem, seal, flag, insignia, coat-of-arms or pictorial representation specified in the schedule".

¹¹¹⁰ "*Goenkarancho Ekvot*" *Society v. Union of India* AIR 2007 Bom 184.

A supplementary possibility for preventing the registration of such official signs is found in Section 9(2)(a), barring the registration of any signs of “such nature as to deceive the public or cause confusion”. A “common patrimony” concern is also reflected in Section 9(2)(b), where a trademark will be rejected if “it contains or comprises of any matter likely to hurt the religious susceptibilities of any class or section of the citizens of India”. It is a common practice in India to use the names and depictions of gods, goddesses and spiritual leaders as trademarks but their use in conjunction with *certain types of goods* may be considered offensive. Courts and tribunals have otherwise been careful to emphasise that religious susceptibilities will not be easily presumed to be offended.¹¹¹¹ Where the applicant sought to register VISHNU CEMENT as part of a composite mark and “Vishnu” is the second deity in the Hindu trinity, the Intellectual Property Appellate Board agreed with the Assistant Registrar’s reasoning: “It is seen that the name of Hindu Gods are used as personal names and they are also commonly used as trade marks. It cannot be said that merely using that name as a trade mark would hurt the religious susceptibility of Hindus”.¹¹¹² Since they are commonly used, judges have also given a narrow scope of protection to trademarks containing such names and depictions, ensuring that they are generally available so long as there are sufficient differences between the plaintiff and defendant’s signs.¹¹¹³ Finally, certain widely used religious signs may not be sufficiently distinctive to be registered as a trademark.¹¹¹⁴

Another relevant provision is Section 13, which prevents the registration of the names of chemical elements and compounds, along with marks identical or deceptively similar to international non-proprietary names used in association with veterinary substances, pesticides and pharmaceuticals. These signs cannot be registered and must be kept open.¹¹¹⁵ On the issue of registering the names or likenesses of famous historical or cultural personalities as trademarks, there will be an obvious objection available to the trademark examiner on the basis of a lack of distinctiveness if the sign is widely used and ubiquitous. Apart from this, the Draft Manual suggests¹¹¹⁶ that where under Section 18 “third parties apply to register the name of a famous individual or a recently deceased famous individual”, an objection under Section 14 read with Section 11(10) (bad faith) is possible. The text of Section 14 states:

“Where an application is made for the registration of a trademark which falsely suggests a connection with any living person, or a person whose death took place within twenty years prior to the date of application for registration of the trademark, the Registrar may... require the applicant to furnish him with the consent in writing of such living person or, as the case may be, of the legal representative of the deceased person to the connection appearing on the trademark, and may refuse to proceed with the application unless the applicant furnishes the registrar with such consent.”

2.2 *Distinctive character and scope of protection*

¹¹¹¹ *Mangalore Ganesh Beedi Works v Sri Gokalesh Pathak* (2008) Cri L J 4673; *Vishnu Cement Ltd. v. B. S. Cement Pvt. Ltd.* (2004) 28 PTC 314 (IPAB).

¹¹¹² *Vishnu Cement* (n 64) at para [5].

¹¹¹³ For e.g. *Bhole Baba Milk Food Industries Ltd. v. Parul Food Specialities Ltd.* (2011) 45 PTC 217 (Del) (The name of the deity KRISHNA was in dispute). For further details, see Section 1.4 (ii) above.

¹¹¹⁴ *Amritpal Singh v. Lal Babu Priyadarshini* (2005) 30 PTC 94 (IPAB)

¹¹¹⁵ The trademarks registry maintains a list of prohibited marks, which contains such non-proprietary names but also those of spiritual leaders and famous historical personalities. See:

<http://124.124.193.236/tmrpublicsearch/frmprohibitedmarks.aspx>

¹¹¹⁶ Draft Manual at Section 5.12.10.

In India, an application for registration will be rejected if it is not capable of distinguishing the applicant's goods/services from those of other traders.¹¹¹⁷ There is no explicit presumption that common patrimony signs, such as sacred signs and signs of cultural significance, are devoid of distinctive character. However if they are commonly used on various goods or services – for e.g. As images or devices of deities or spiritual leaders are – they are unlikely to be distinctive and even if registered, will have a very narrow scope of protection.¹¹¹⁸ The Draft Manual clearly states the guiding principle for assessing distinctive character:

“The fundamental principle is that “traders should not obtain any monopoly in the use of words as trademarks to the detriment of the members of the public, who, in the future and in connection with their goods might desire to use them”.¹¹¹⁹

They could also face an objection under Section 9(1)(c), which prohibits the registration of “marks or indications which have become customary in the current language or in the bona fide and established practices of the trade”. Finally, caste, sect or tribe names are considered within the general rubric of personal names, where the greater the number of people with an interest in using the name, the less likely it is to be distinctive.¹¹²⁰

2.3 Acquisition of secondary meaning

Both statutory law¹¹²¹ and judicial doctrine have confirmed that a mark “may be entitled to protection if it has assumed a secondary meaning which identifies it with a particular product or as being from a particular source”.¹¹²² However the judiciary has clarified that mere use of a sign for a period of time does not automatically translate into distinctiveness; the use must result in the sign clearly operating as an indication of commercial origin.¹¹²³ There does not appear to be any direct authority on the application of special or additional criteria for assessing secondary meaning when it comes to sacred, historical or culturally salient signs. However there are some indications to suggest that while descriptive signs,¹¹²⁴ laudatory signs,¹¹²⁵ or sacred/culturally important names¹¹²⁶ can be registered as trademarks by

¹¹¹⁷ As per the definition of a trademark in Section 2(1)(zb), read with the absolute grounds of refusal stipulated in Section 9(1).

¹¹¹⁸ See Section 1.4 (ii) above.

¹¹¹⁹ Draft Manual at Section 5.1.1.1 (Citing *York Trade Mark* [1982] FSR 101(HL)).

¹¹²⁰ This practice continues at present, based on Section 9(1)(d) of the Act of 1958, which stipulated that for a mark to be registered in part A of the Register, it should not be “according to its ordinary signification... a surname or a personal name or any common abbreviation thereof or the name of a sect, caste or tribe in India”. For a recent consideration of this provision, see *Ashok Kumar Aggarwal And Ors vs Rajinder Kumar Aggarwal* (2009) 40 PTC 67 (Del) (In a dispute concerning the registrability of the common surname AGGARWAL, evidence of acquired distinctiveness required to register such marks).

¹¹²¹ The proviso to Section 9(1) states “that a trade mark shall not be refused registration if before the date of application for registration it has acquired a distinctive character as a result of the use made of it or is a well-known trade mark”.

¹¹²² *Godfrey Philips India Ltd. v. Girnar Food and Beverages* (2004) 5 SCC 257 at para [4].

¹¹²³ *Rich Products Corporation and Anr. v. Indo Nippon Food Ltd.* (2010) 42 PTC 660 (Del).

¹¹²⁴ *Stokely Van Camp Inc. v. Heinz India Pvt Ltd.* (2010) 44 PTC 381 (Del); upheld on appeal to the Division Bench in (2010) 3 MIPR 273 (Del); *Marico Ltd. v. Agro Tech Foods Ltd.* (2010) 3 MIPR 226 (Del).

¹¹²⁵ *Rhizome Distilleries Pvt. Ltd. v. Pernod Ricard S.A.* (2010) 166 DLT 12 (DB).

¹¹²⁶ *Bhole Baba Milk Food Industries Ltd. v. Parul Food Specialities Ltd.* (2011) 45 PTC 217 (Del).

acquiring secondary meaning, they would receive a very narrow scope of protection unless the defendant is setting out to deliberately copy the plaintiff's mark with an eye to misleading the public – for e.g. By copying the packaging or trade-dress along with using an admittedly descriptive or generic term that has been trademarked.¹¹²⁷ To take the example of commonly used laudatory signs, where the proprietor of IMPERIAL BLUE objected to the defendant's use of RHIZOME IMPERIAL GOLD but where there were otherwise sufficient differences in trade dress, the Delhi High Court found confusion to be unlikely merely on the basis of IMPERIAL being used in common. It held: "It is our analysis that no exclusive or proprietary right can be claimed by either of the parties before us in respect of the word IMPERIAL, which is not only in common parlance to be found in every dictionary, but also is laudatory in nature as it alludes to royalty or grandeur".¹¹²⁸

2.4 Exceptions to trademark protection

None of the defences enumerated in Sections 30, 33, 34 and 35 are overtly crafted to ensure that common patrimony signs enjoying trademark protection still remain available for certain forms of use. Nevertheless, two of these defences remain relevant. A general exception in Section 30(1) permits the defendant's use where it is "in accordance with honest practices in industrial or commercial matters" and will not "take unfair advantage of or be detrimental to the distinctive character or repute of the trade mark". There is also a descriptive use defence in Section 30(2)(a), permitting "use in relation to goods or services [which] indicates 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".

Furthermore, two of the issues already considered above remain relevant here. Non-commercial use of a cultural or historical sign, or even of a commercial mark in a culturally significant manner, should be permitted, since this will not satisfy the "uses in the course of trade" requirement in Section 29, which specifies the infringement provisions. Finally, an allegation of dilution under Section 29(4) can be met by a defence of "due cause", where there are good reasons for making use of a mark in furtherance of public domain interests. This has been clarified by a recent and important decision of the Delhi High Court.¹¹²⁹ The claimant Tata Steel had entered into a joint venture to build and operate a port at the mouth of a river. Being concerned by the effects of this port on the nesting grounds and breeding habits of Olive Ridley turtles, which are a protected species, Greenpeace created an online game under the title of "Turtle v Tata", which used the claimant's marks to identify them. In response to claims of infringement by dilution, the Court decided against the claimant on several important issues: (i) It held that the defendant's conduct was not profit making or directed towards commercially competing with the claimant, while according to the text of Section 29(4) "uses in the course of trade" is a requirement for infringement;¹¹³⁰ (ii) Quoting extensively from the South African *Laugh It Off* decisions,¹¹³¹ the Court recognised that where unauthorized use of a trademark occurs in the context of "critical comment" or "parody", this does not always amount to infringement. This is the case where the defendant's use is denominative, since it focuses attention on the activities of the trademark owner. Such denominative use would amount to "due cause" here;¹¹³² and (iii) A cautious approach to infringement is appropriate

¹¹²⁷ *Mahendra & Mahendra Paper Mills Ltd. v. Mahindra & Mahindra Ltd.* (2002) 24 PTC 121 (SC).

¹¹²⁸ *Rhizome Distilleries Pvt. Ltd. v. Pernod Ricard S.A.* (2010) 166 DLT 12 (Del DB) at para [24].

¹¹²⁹ *Tata Sons Ltd. v. Greenpeace International* (2011) 1 MIPR 107 (Del).

¹¹³⁰ *Ibid*, at para [40]

¹¹³¹ *Laugh It off Promotions CC v. South African Breweries,;* (2005) 2 SA 46 (SCA); (2006) 1 SA 144 (CC).

¹¹³² *Ibid*, at para [42].

when deciding whether to grant a preliminary injunction, since free speech interest and the effects on public debate will have to be considered.¹¹³³

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

Under the Act of 1999, all types of signs can in principle satisfy the definition of a trademark,¹¹³⁴ subject to the express provisions in Section 9 (absolute grounds). An important exception is where certain types of shapes are concerned. Therefore a mark shall not be registered if it consists exclusively of a shape resulting from the nature of the goods, a shape necessary to obtain a technical result or a shape which gives substantial value to the goods.¹¹³⁵ Such shape or three-dimensional marks cannot be “saved” by inherent or acquired distinctiveness. Given the similarity of wording, the Draft Manual draws on UK/EU case law to flesh out these absolute grounds of refusal and summarises the underlying public interest as follows:

“Section 9(3) is intended to prevent permanent monopolies being created under the Trade Marks Act, by reason of trade marks constituted by the shape of goods giving the proprietor a permanent and substantial advantage over his potential competitors. It is considered that will create unacceptable distortions in the market.”¹¹³⁶

There is clearly an availability requirement here but there do not appear to be any other administrative or judicial interpretations of these provisions till date.

3.2 *Determining distinctive character*

Apart from shapes, the general tests for distinctiveness also take the need to keep certain signs available into account. Indian law was previously aligned with UK doctrine, which held that certain signs *de jure* were incapable of distinguishing, regardless of whether in fact they were capable of distinguishing. This exclusion applied to signs where there would be a general interest in their availability, such as shapes, laudatory terms and geographical names. Although the occasional decision still refers to this approach,¹¹³⁷ by and large Indian law has moved away from this position.

Nevertheless there is a statutory presumption that the following two types of signs are non-distinctive: (i) descriptive signs – those which consist exclusively of marks or indications which may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods or rendering of the service or other characteristics of the goods or services; and (ii) indications which have become customary in the current language or in the bona fide and established practices of the trade, which includes but is broader than generic signs.¹¹³⁸ According to the proviso to Section 9(1), this presumption can be overcome by providing evidence of acquired distinctiveness. It is worth

¹¹³³ Ibid.

¹¹³⁴ For the “open” definition, see Section 1.1 above.

¹¹³⁵ Section 9(3).

¹¹³⁶ Draft Manual at Section 5.2.5.3.

¹¹³⁷ *Asian Paints Ltd v Home Solutions Retail (India) Ltd.* (2007) 35 PTC 697 (Bom) at para [8] (“Certain descriptive or generic signs are inherently incapable of distinguishing”).

¹¹³⁸ Section 9(1)(b) and (c).

noting that in a country like India where several distinct regional languages co-exist, these objections apply to terms which are descriptive or generic in the major regional languages such as Punjabi, Tamil and Bengali.¹¹³⁹ Furthermore, the registry will consider signs to be descriptive if it is reasonably likely that they will come to be descriptively used in the foreseeable future;¹¹⁴⁰ they do not have to be in descriptive use at present and this preserves the broader general interest in the availability of such signs.

When it comes to the test for distinctive character, the trademarks registry applies the same test, in principle, to all categories of marks. The registry's draft manual sets out the requirements of distinctive character when considering the definition of a trademark.¹¹⁴¹ This is determined according to the essential function of a trademark, which is to:

“[G]uarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin, and... it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality”.¹¹⁴²

However in practice consumer perception will vary for certain types of signs, making it more difficult to establish distinctiveness. Therefore for both shape as well as (abstract) colour or colour combination trademark applications, the registry presumes that consumers are not in the habit of making assumptions about the origin of goods and services based solely on their shape/packaging or colour, in the absence of any graphic or word element.¹¹⁴³ When measured against the goods and service being applied for, the shape or colour would have to be very unusual or depart significantly from the norms in that sector before an inherent distinctiveness argument will be accepted. This suggests that non-traditional marks such as shapes or abstract colour signs will be nudged towards the acquired distinctiveness requirement. The manual also notes that careful scrutiny is required since “there is a public interest in not limiting the availability of colours for other traders”.¹¹⁴⁴ Finally, the graphical representation requirement is a significant hurdle which seems to completely exclude (in practice) certain categories of marks such as scents, while colours and sounds require additional documentation to be submitted, such as an international colour code or musical notation.¹¹⁴⁵

3.3 Acquisition of distinctive character

As seen in Section 2.3 above, the relevant public can be taught over time that a descriptive or generic sign has gained a new meaning and operates as a guarantee of trade origin for an individual trader. The Draft Manual refers to the criteria developed by the Court of Justice of

¹¹³⁹ Draft Manual at Section 5.6.3.

¹¹⁴⁰ Draft Manual at Section 5.1.1.2

¹¹⁴¹ Draft Manual at Section 3.2.

¹¹⁴² The manual cites the CJEU's decision in *Philips v Remington* (C-299/99) [2003] RPC 2 at para [30].

¹¹⁴³ Draft Manual at Sections 5.2.1 and 5.2.2. (The registry manual is clear that “a single colour will only in exceptional circumstances be capable of denoting the origin of a product or service”, since such signs “inherently lack the capacity to distinguish”.)

¹¹⁴⁴ Draft Manual at Section 5.2.1.2.

¹¹⁴⁵ See generally Draft Manual at Section 5.2.

the European Union in the case *Windsurfing Chiemsee*¹¹⁴⁶ for measuring acquired distinctiveness:

- the product's market share;
- how intensive, geographically widespread and long-standing the use of the mark has been;
- the amount invested by the undertaking in promoting the mark;
- the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and
- statements from Chambers of Commerce and Industry or other trade and professional associations.¹¹⁴⁷

A further important qualification for acquired distinctiveness is that the applicant must have used the sign as a trademark i.e. As an indication of the origin of the goods and not just generally used the sign being claimed in association with the product.¹¹⁴⁸ This is important for non-traditional marks – claiming that one has used a shape or colour on products for a number of years is not sufficient. Evidence is required that this was being used as a trademark and advertised to the public as such.

As has already been pointed out, when predominantly descriptive or generic marks are registered – either on the basis of acquired distinctiveness, or on the basis that they were considered by the Registry to be suggestive marks (requiring a leap of the imagination to arrive at the descriptive component) and therefore inherently distinctive – Indian courts will be unwilling to grant them a broad scope of protection and a number of decisions have been critical of such attempts to monopolise descriptive or commonly used/generic terms.¹¹⁴⁹ The exception is when the plaintiff claims trademark rights in a descriptive term but the defendant is alleged to have directly copied the trademark (e.g. Utilising the same script or font) with an eye to benefitting from the goodwill while creating confusion.¹¹⁵⁰

3.4 Exceptions to trademark protection

The statutory exceptions and defences to trademark infringement under the new Act of 1999 listed in Section 2.4 above have not been explored in detail by the courts. Apart from these statutory defences, the general defences available in civil litigation also apply. These include *bona fide* use by the defendant, estoppel, delay in bringing suit etc. One area which has seen a spurt of litigation in recent times is comparative advertising, where the defendant makes use of the plaintiff's trademark for the purposes of the comparison and this is regulated by Section 29(8) and Section 30 of the Act of 1999. A concern here is that some courts are a little quick to find that the comparison is denigrating of the plaintiff's trademarked product and thus impermissible, even where the defendant claimed the unfavourable comparison was truthful and their product was superior.¹¹⁵¹

¹¹⁴⁶ *Windsurfing Chiemsee* (C-108&109/97) [1999] ETMR 585.

¹¹⁴⁷ Draft Manual at Section 5.1.3.1.

¹¹⁴⁸ *Ibid.* See also *Rich Products Corporation v. Indo Nippon Food* (2010) 42 PTC 660.

¹¹⁴⁹ See Section 1.4(ii) above, where some important decisions are considered in detail.

¹¹⁵⁰ *T.V. Venugopal v. Ushodaya Enterprises Ltd.* (2011) 1 MIPR 291 (SC).

¹¹⁵¹ *Paras v Ranbaxy* 2008 AIR 94 Guj; *Procter & Gamble v Unilever*, Civil Suit 43/2010 (Calcutta High Court, 5 March 2010, unreported).

4 Conclusion

The registry, courts and legal profession are increasingly familiar with the operation of the provisions of the Indian Trademarks Act of 1999. However the process of working out the extent to which the old common law approach and the new approach influenced by developments in the UK/EU coexist is still underway. In certain areas, this has important consequences for the effects of trademark rights on the public domain. It is also important to be aware of the interplay between passing off protection and statutory trademark protection. By and large, a number of provisions in the Indian trademark statute recognise the public interest. These include: (i) Specific Distinctiveness and Graphical Representation thresholds for non-traditional marks, to ensure the general availability of signs such as colours and sounds; (ii) The requirements of use “in the course of trade” for all types of infringement and use “as a trademark” for infringement by confusion; (iii) Lower degrees of protection for descriptive marks; (iv) Cumulative criteria to be fulfilled before dilution can be established; (v) the express exclusion of certain types of signs, such as functional or ornamental shapes, emblems for inter-governmental organisations, those likely to hurt religious sensibilities and those relating to famous individuals; and (vi) defences to permit descriptive or denominative uses, while the judiciary is also developing the scope of a “due cause” defence to dilution. Courts have been consistently aware of the detrimental effects of over-expansive exclusive rights over signs, sometimes having to intervene to limit the scope of questionable trademarks which had been granted by the Registry. With a revised and updated Draft Manual, alongside improvements in information technology and a more professional approach, registry practice should also become more rigorous.

While Indian trademark law contains an open ended definition of a trademark, certain types of signs such as descriptive or generic designations, as well as non-traditional trademarks, face additional hurdles during the registration process. Here the definition of a trademark and the absolute grounds for refusal set out limitations in some detail. Courts have also proved willing to read down the scope of the rights granted where there is a public interest in maintaining the availability of these signs, while also being cautious when applying new forms of infringement analysis, such as trademark dilution. However the specific defences which relate to public domain preservation interests remain relatively under-explored at present.

ANNEX: Index of Abbreviations

AIR	All India Reporter
Bom	Bombay High Court
CJEU	Court of Justice of the European Union
DB	Division Bench (of a High Court)
Del	Delhi High Court
DLT	Delhi Law Times
ETMR	European Trade Mark Reports
Guj	Gujarat High Court
HC	High Court
IPAB	Intellectual Property Appellate Board
Mad	Madras
MANU	Manupatra (Unreported Judgments)
MIPR	Manupatra Intellectual Property Reports
PTC	Patent and Trademark Cases
SC	Supreme Court
SCC	Supreme Court Cases
SCR	Supreme Court Reports

L. JAPAN AND KOREA*

Trademark laws in Japan and Korea aim to promote both the interests of the consumers and the industries by protecting the confidence in the origin and the quality of the goods. The legal systems in Japan and Korea share much common aspects, due to the history of the Westernization, reception of modern system of laws as well as geographical proximity. The first Japanese trademark law was introduced in 1884 as Trademark Ordinance, leading to the Trademark Act of 1921, which was repealed and replaced by the current Japanese Trademark Act [hereinafter JTA]¹¹⁵² in 1959. Japanese trademark law applied to Korea, first through Edict No 198 on Trademark of 1908, then directly after the annexation of 1910 until 1945. The current Korean Trademark Act¹¹⁵³ [hereinafter KTA] was first enacted in 1949, in the Republic of Korea. Several core aspects, such as the first to file principle, and a system based on examination and registration, are said to be modelled after Japanese trademark law. In both countries, the laws are complemented by separate laws on unfair competition prevention, which protect against conduct causing confusion more directly.¹¹⁵⁴

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

Both traditional and non-traditional signs are eligible for protection in Japan and Korea. Both countries have statutory definitions of signs eligible for protection listing those that may form elements of a trademark. In Japan, the main elements of an eligible mark are characters, figures and symbols or three-dimensional shapes, any combination of these elements and combinations with colour.¹¹⁵⁵ Similarly, in Korea, Art. 2 KTA lists “any sign, any letter, any figure, any three-dimensional shape, any colour, any hologram, any movement or the combination” as elements of eligible signs.¹¹⁵⁶ The definitions apply to both trademarks and service marks.

* *Nari Lee, LL.D, Ph.D, External Research Associate, Max Planck Institute for Intellectual Property and Competition Law, Munich, Germany.* The author thanks the editor, Professor Martin Senftleben, for his extensive comments on the draft of this report. The author also thanks Professor Tamura Yoshiyuki, for his comments on the Japanese part of this report, Mr. Toshihide Watabe of Hokkaido University and Ms. Ahn Hyewon of the Max Planck Institute for Intellectual Property and Competition Law, for their excellent research assistances.

¹¹⁵² Act No 127 of 1959. [hereinafter JTA] Japanese text is available in searchable database <http://law.egov.go.jp/cgi-bin/idxsearch.cgi> (accessed 15-03-2011) Unofficial English translation is available in: <http://www.japaneselawtranslation.go.jp/law/detail/?id=45&vm=04&re=02&new=1> English text does not include amendments after 2006.

¹¹⁵³ Promulgated on November 28, 1949 by Military Act No. 71, Last amended by Act 9987 of Jan 27, 2010. English Version available at KIPO's Website: <http://www.kipo.go.kr/upload/en/download/TrademarkAct.pdf> The unofficial translation does not reflect amendments made after May 21, 2009.

¹¹⁵⁴ Unfair Competition Prevention Act, [hereinafter UCPA] Act No. 47 of 1993, *English translation available at <http://www.japaneselawtranslation.go.jp/law/detail/?ft=1&re=02&dn=1&co=01&x=50&y=23&ky=unfair&page=4>*, (accessed on 15-03-2011). [hereinafter UCPA]. The translation does not reflect amendments in law after 2006. In Korea, Unfair Competition Prevention and Business Secret Protection Act. [hereinafter UCPBSPA]. *Korean text available, <http://www.law.go.kr/LSW/LsInfoP.do?lsiSeq=92123#0000>*, (last accessed Mar. 15, 2011).

¹¹⁵⁵ JTA Sec.2(1) “any character(s), figure(s), symbol(s) or three dimensional shape(s), or any combination thereof, or any combination thereof with colours (hereinafter referred to as a “mark”) (i) used in connection with the goods of a person who produces, certifies or assigns the goods as a trade; or (ii) used in connection with the services of a person who provides or certifies the services as a trade.

¹¹⁵⁶ KTA Art 2(1).

While the definitions in both countries seem rather open, using the expression “any,” it is limited, as only those elements listed may form a sign eligible for registration. The definitions are kept updated through revisions. Current laws in both countries require the signs to be *visually perceptible* in the context of goods and services. Korean law makes this explicit in the statute.¹¹⁵⁷ In Japan this is arguably implied.¹¹⁵⁸ In both countries, other identifiers and qualities that may distinguish products or services, such as sound or olfactory marks, *fall outside* the definition and would not be eligible for protection as trademarks.

The main difference in eligible signs in Korea and Japan is the treatment of colour as such and hologram and movement signs which are explicitly listed as elements of a sign in Korea, but not in Japan. For colour as such, the Japanese definition explicitly makes colour a sub-element of a sign, and makes it clear that it cannot constitute a mark eligible for protection as such.¹¹⁵⁹ In Japan, colour as such may be protected against confusion as an indication of goods and services under Unfair Competition Prevention Act Section 2(1)(i) and (ii). However, even under the Unfair Competition Prevention Act, the Japanese courts have been reluctant to extend protection to a single colour¹¹⁶⁰ or a two colour combination¹¹⁶¹ alone for failing to indicate the origin, while a three colour combination was positively viewed.¹¹⁶² Under the current Korean law, colour, hologram and moving images are main elements of an eligible sign, and they may be registered as such, subject to procedural rules.¹¹⁶³ However, in practice, the registration of a colour mark as such may still be rejected in Korea, if it lacks distinctiveness,¹¹⁶⁴ for simplicity and ordinariness.¹¹⁶⁵ It may also be rejected under Art. 7(1)(xiii) KTA, which provides for a ground for refusal for functionally essential shapes and colours or combinations thereof for goods and packaging.

In Japan, there is a legislative initiative to revise the law to allow registration of moving images, hologram, single colour and sound marks.¹¹⁶⁶ In Korea, when the ratified text of Art. 18.2(1) of the signed Korea – US Free Trade Agreement (KORUS FTA) is implemented into the Korean Trademark Act, the definition needs to be revised to actively include “sounds and smell” as elements of a “mark” to meet the obligation arising out of the bilateral agreement. Moreover, the explicit reference to visible perceptibility has to be removed from the law.¹¹⁶⁷

¹¹⁵⁷ KTA Art. 2(1)(b)

¹¹⁵⁸ This distinguishes the protection of unfair competition law. Japanese UCPA Sec.2(1)(i) which broadly protects any indication of goods and business, beyond visibly recognizable marks.

¹¹⁵⁹ Thus will be rejected under the principal paragraph of JTA Sec. 3(1).

¹¹⁶⁰ Osaka High Court (1997), Decision of Heisei 9, Mar. 27, Case no Heisei 7(ne) 1518 [Sanyo’s It’s]. Japanese text of decisions are available on Supreme court’s searchable database: <http://www.courts.go.jp/>, (last accessed Mar. 15.2011).

¹¹⁶¹ IP High Court (2006), Decision of Heisei 18, Sep 29, Case no Heisei 18 (ne) 10021 [Eisai Capsule].

¹¹⁶² Osaka District Court (1983), Decision of Showa 58, Dec 23, Case no. Showa 56(Wa) 7770. [Wet-suit].

¹¹⁶³ KTA Art 9(2) requires identification of colour mark as such in the application and Implementing Rule of KTA Art. 4(3) allows submission of colour sample to KIPO.

¹¹⁶⁴ KTA Art. 6(1)(vii).

¹¹⁶⁵ KTA Art.6(1)(vi).

¹¹⁶⁶ Smell mark is not included. See the Minutes of 22th Meeting of the Subcommittee on Trademark System, Industrial Structure Council, Intellectual Property Committee under Ministry of Economy, Trade and Industry, at p 16. (in Japanese only), accessible at JPO’s website, http://www.jpo.go.jp/shiryuu/toushin/shingikai/pdf/t_mark22/t_mark_gijiroku22.pdf (last accessed Mar. 15, 2011).

¹¹⁶⁷ See Sec. 18.2.(1) Free Trade Agreement between the Republic of Korea and the United States of America, signed on 30.6.2007 http://www.fta.go.kr/pds/fta_korea/usa/eng/2E_all.pdf (last accessed Mar. 15, 2011).

The protection requirement of a sign capable of distinguishing itself from other indications can be inferred from ineligible subject matter.¹¹⁶⁸ Three-dimensional shapes form an independent element of a mark in both countries, and may be registered as such. However, in practice, in both countries shapes may be rejected if they lack distinctiveness.¹¹⁶⁹ Shapes may acquire distinctiveness through use and the registration may then still be allowed.¹¹⁷⁰

1.2 *Notion of use in trade*

The notion of use in trade, as in other jurisdiction, distinguishes the protected uses of signs from other uses which are outside the scope of trademark law. A trademark has to be used in connection with goods or services. The goods include intangible information products (i.e. Computer program products) and services include retail services in both countries. The notion of use in trade is generally implied from the definition of signs eligible for protection, namely that a sign has to be connected to goods and services of the persons who engage in the business. “Use in trade” thus refers to habitual use in the profession. However, it is not necessarily decisive whether the use is for profit or not for profit. The requirement of use in the course of trade rather refers to the question whether the persons habitually engage in the business of producing, certifying or assigning goods, or providing or certifying services.¹¹⁷¹ This implies that a non-habitual or non-repetitious use outside the trade, such as a private use, is outside the scope of protection.

Both in Japan and Korea, the notion of “use in trade” is not defined in the statutes, while the “use” of a trademark is categorically defined in the statutes. The use includes affixing and displaying a sign on goods, packaging and associated materials, such as transaction documents and advertisement.¹¹⁷² For example, the Japanese statute explicitly includes the electronic display of a sign¹¹⁷³ and, accordingly, Japanese courts held use of a mark as a meta-tag to constitute use in trade.¹¹⁷⁴ In contrast, Korean courts held that using a trademark as part of the domain name as such is not an enumerated case of use in trade, as long as there is no additional conduct, such as selling identical or similar goods through the website.¹¹⁷⁵ As sound marks are not included as signs eligible for trademark protection, aural use of a sign is not currently included as a use in the statutes, while legal opinions expressed in literature seem to be divided on this point in both countries.

¹¹⁶⁸ KTA Art 6(1) et seq and JTA Sec. 3(1)(i) to (vi).

¹¹⁶⁹ In Korea, it can be rejected under KTA Art. 6(1)(iii), for common descriptive indication of origin, qualitative indications, shapes and the like, or under Art. 6(i)(vi) and/or Art. 7(1)(xiii). KIPO Examination Guideline Sec. 11(5) states that “common three dimensional shapes such as ball, cube, cylinder shapes.” In Japan, see IP High Court (2006) Decision of Heisei 18, Nov 29, Case no. Heisei 17 (Gyo-Ke) 10673 [Hiyoko]

¹¹⁷⁰ KTA Art.6(2) and JTA Sec. 3(2). See also IP High Court (2007) Decision of Heisei 19, Jun 27, Case no Heisei 18, (Gyo-ke) 10555, [Maglite], IP High Court (2008) Decision of Heisei 20, May 29, Case no. Heisei 19 (Gyo-ke) 10215 [Coca-Cola]; IP High Court decision (2010), Decision of Heisei 22, Nov 16, Case no Heisei 22 (Gyo Ke) No 10169. [Yakult Bottle]

¹¹⁷¹ JTA Sec.2(3)and KTA Art 2(1)(vi)

¹¹⁷² In Japan, JTA Sec..2(3) and in Korea KTA Art 2(1)(vi).

¹¹⁷³ JTA Sect 2(3)(vii)

¹¹⁷⁴ Osaka District Court (2005) Decision of Heisei 17, Dec.8, Case no Heisei 16 (wa) 12032 [Metatag].

¹¹⁷⁵ Korean Supreme Court (2004), Decision of Feb 13, 2004 Case no 2001 (Da) 577709 [Rolls Royce] Korean text of the decisions are available on the searchable database of Ministry of Government Legislation, <http://www.law.go.kr/main.html>, (last accessed Mar. 15, 2011).

Statutes in Japan and Korea are silent on uses in other contexts, such as use for the purpose of parody and political, religious, research or educational use. Courts in Japan and Korea carefully use the notion of “use” in the balance of interests and thus, the assessment of a trademark parody would need to take into account the context in which the sign is used and whether the use is related to enumerated economic conducts of use. With regard to the registration of parody marks, office practice and case law in Japan focus on the similarity of the marks¹¹⁷⁶ to deny¹¹⁷⁷ or allow¹¹⁷⁸ registration. However, there is little or no case law on trademark parody both in Japan and Korea. In Japan, in a case where a famous foreign trademark was used as a part of a name of a rock band which later became famous in Japan, the court refused to enforce the claim based on the famous trademark as the signs were not similar enough.¹¹⁷⁹ Although parody was not claimed, the decision is viewed as opening a possibility of exempting parody use of a trademark.

1.3 Notion of trademark use

The notion of use as a trademark or a trademark use forms a significant aspect of trademark law in both countries, as it determines the scope of the right,¹¹⁸⁰ and at the same time, a lack of use may cause revocation.¹¹⁸¹ The courts have relied on the *notion of use as a trademark* to balance interests in the case of use for non-trade and non-commercial purposes. While the notion of trademark use is not a part of Japanese or Korean statutes as a pre-requisite for registration or protection, the courts over the years have employed the notion of trademark use flexibly.

In some decisions, the courts focused on whether a use is part of the enumerated uses in the statutes¹¹⁸² and relied on the notion of trademark use to determine whether to provide protection for new forms of use.¹¹⁸³ In other cases, courts considered whether the use is “in relation to goods or services,” focusing on whether the signs were used to indicate the commercial origin or not. For example, a district court in Japan viewed the use of a sign on packaging as non-trademark use when it indicated the contents of the package, and not the

¹¹⁷⁶ JTA, Sec 4.

¹¹⁷⁷ For example, JPO Opposition Trial (1998) Decision of Heisei 10, Oct 27, Case no Heisei 10-90851, [Bōzu], denying registration of a parody mark.

¹¹⁷⁸ For example, IP High Court (2009) Decision of Heisei 21, Feb.10, Case no. Heisei 20 (Gyo Ke) 10311, [Shisa], allowing registration of a parody mark. Decision reported in (IIC 2010, at 986).

¹¹⁷⁹ *ELLE v. ELLEGARDEN* (2008) IP High Court, Decision of Heisei 20, Mar. 19, Case no Heisei 19 (Ne) 10057. However the IP High Court enjoined a particular misleading display on a music CD, as it is against the UCPA sec. 2(1)(i).

¹¹⁸⁰ JTA Secs. 25, 26, 37.

¹¹⁸¹ JTA Sec. 50.

¹¹⁸² In Japan, JTA Sec 2(3) and 37(i) *et seq.* In Korea, KTA Art 2(1)(vi)(a) Indicating a trademark on goods or packages of goods; (b) Transferring or delivering goods or packages of goods on which a trademark is indicated, or displaying, exporting or importing them for such purpose; and (c) Indicating a trademark on advertisements on goods, price lists, transaction documents, signboards or labels, or displaying or distributing it; Additionally, KTA Art.2(2) provides the conduct to include “an act of using goods, packages of goods, advertisements, signboards, or labels as shapes of marks”.

¹¹⁸³ Osaka District Court (2005) [Metatag] at supra note 1174 and Korean Supreme Court (2004), [Rolls Royce] and at supra note 1175.

origin.¹¹⁸⁴ Similarly, the Supreme Court of Korea found no trademark use, when the sign was used as a title of a copyrighted work.¹¹⁸⁵

Earlier case laws in both countries considered using trademark as a decoration or a design element as non-trademark use as it would not indicate the origin of goods or services.¹¹⁸⁶ Use of a mark as a mere reference to the products sold under that mark are also allowed in both countries.¹¹⁸⁷ For example, Tokyo District court in Japan found no trademark use when ink cartridges for a Brother printer were marketed, bearing the label “for Brother printers,” as the word “for” makes it clear that the use is for reference purposes.¹¹⁸⁸ Likewise the Supreme Court of Korea found that using a trademark relating to a computer program for a manual for that computer program¹¹⁸⁹ or using a trademark to indicate a technical or a quality standard¹¹⁹⁰ did not constitute trademark use, as these uses were made for reference purposes.

At the same time, as the notion of trademark use is an elastic concept, Japanese courts sometimes used it to extend the protection against a reference use for spare parts that could be misunderstood by consumers as an indication of the origin of the goods.¹¹⁹¹ Similarly, acknowledging the function of the trademark in controlling product quality, the Osaka District Court held that the use of a trademark in repackaging constituted use as a trademark and was infringing.¹¹⁹² Similarly, on the use of the trademark FUJI for a repackaged and reconstructed single use camera, the Supreme Court of Korea found the use to be a trademark use and infringing, judging from the relation to the goods and services, the nature of the sign used, the reputation of the trademark, and the intent and manner of use.¹¹⁹³

1.4 Scope of protection

The scope of protection of a trademark is determined by the scope of identity¹¹⁹⁴ or similarity¹¹⁹⁵ of the marks and the goods and services and the use as a trademark.¹¹⁹⁶ Marks

¹¹⁸⁴ Fukuoka District Court (1971) Iizuka branch, Decision of Showa 46, Sep.17, Case no. Showa 44(yo) 41, [Kyoho Grapes]. (Trademark used on the packaging indicated not the source but the contents inside the box).

¹¹⁸⁵ Korean Supreme Court, Decision of Dec. 10, 2002, Case no 2000 (Hu) 3395 [Linux].

¹¹⁸⁶ For example, Osaka Dist. Ct. Decision of Showa 51 Feb 24, Case no Showa 49 (Wa) 393, [Popeye] as decorative use. In Korea, Supreme Court, Decision of Nov. 25, 2005, Case no 2005 (Hu) 810. Compare, however, Korean Supreme Court, Decision of Dec. 26, 2000, Case no 98 (Do) 2743, which held that if the use is mixed, and the sign is used as both a trademark as well as design, then it is an infringing trademark use.

¹¹⁸⁷ *Brother Industries Ltd. v. OHM Electronics Inc & Dynic Corp*, Tokyo District Court (2004) Decision of Heisei 16, Jun 23, Case no. Heisei 15 (Wa) 29488. Korean Supreme Court, Decision of Oct 10, 2003, Case no 2002 (Da) 63640 [Windows]; Supreme Court, decision of Jun.10, Case no 2005 (Do) 1637 [Sony].

¹¹⁸⁸ *Brother Industries Ltd. v. OHM Electronics Inc & Dynic Corp*, Id.

¹¹⁸⁹ Korean Supreme Court, Decision of Oct 10, 2003, Case no 2002 (Da) 63640 [Windows]; Supreme Court, decision of Jun.10, Case no 2005 (Do) 1637 [Sony].

¹¹⁹⁰ Korean Supreme Court, Decision of Jun.13, 2003, Case no 2001 (Da) 79068. [SCA]

¹¹⁹¹ *Shinko Corp and others v. Shouei KK*. Osaka District Court (2005) Decision of Heisei 17 Jul 25, Case no. Heisei 16 (Wa) 8276, [Pump Spareparts].

¹¹⁹² Osaka District Court Decision of Heisei 6 Feb 24, Reported in 1552 Hanji 1552 139 [MAGAMP K]

¹¹⁹³ Korean Supreme Court Decision of Apr. 11, 2003, Case no 2002 (Do) 3445 [Fuji Film]

¹¹⁹⁴ JTA sec 4(1)(xi) and sec. 25, KTA Art.7(1)(vii) and KTA Art 50.

¹¹⁹⁵ JTA sec 37(i). And KTA Art 7(1)(vii) and KTA 66(1)(i).

¹¹⁹⁶ JTA 37(ii) to (viii) and KTA Art.66(1)(ii) to (iv).

that are likely to cause confusion as to the source of goods or services cannot be registered in Japan¹¹⁹⁷ nor in Korea.¹¹⁹⁸

For identity cases, a showing of likelihood of confusion is not required. For similarity cases, causing or likelihood of confusion is a core factor.¹¹⁹⁹ However, the trademark statutes in both Japan and Korea do not explicitly require causing or likelihood of confusion as a prerequisite for protection against infringement, but only similarity. Commentators consider this aspect to distinguish the trademark law from protection under the unfair competition laws.¹²⁰⁰ In practice, confusion can be established through both similarity of the signs themselves and the goods and services, but also through the notion of trademark use. Additionally, several conducts that are likely to cause confusion are deemed to be infringing.¹²⁰¹ Thus, in practice, there is an additional layer of protection against a likelihood of confusion which is merged with trademark use and operates through the test of similarity.¹²⁰² The courts require a likelihood of confusion when assessing the similarity of marks as well as goods and services, taking the entire context of the use and trade into consideration.¹²⁰³

Signs similar to registered trademarks cannot be registered¹²⁰⁴ and using them as a trademark in relation to similar goods and services is prohibited.¹²⁰⁵ In judging similarity for registration, offices consider the similarity of the marks (i.e. Appearance, pronunciation, idea) as well as the perception of the target consumers concerning the marks as well as the goods and services.¹²⁰⁶

While the impression, memory and association for the relevant public are important factors in decisions on similarity,¹²⁰⁷ the courts in Japan and Korea have highlighted the importance of considering the entirety of the marks and the context of the use, taking actual market conditions into consideration, including whether a specific use causes or is likely to cause confusion as to the commercial origin of goods or services in the market.¹²⁰⁸

¹¹⁹⁷ JTA sec.4(1)(i) to (xvi).

¹¹⁹⁸ KTA Art, 7(1)(ix).

¹¹⁹⁹ In Japan, Supreme Court (1968) Decision of Showa 43, Feb. 27, Case no Showa 39 (Gyo-tsu) 110, [Hyozan Jirushi]; See also earlier decisions, Supreme Court (1961) Decision of Showa 36, Jun..27, Case no Showa 33 (wo) 1204 [Tachibana Masamune]; Supreme Court (1960) Decision of Showa 35, Oct.4. Case no Showa 33 (wo) 766, [SINKA] (claimed under previous Act).

¹²⁰⁰ See Tamura Yoshiyuki, (2006) Intellectual Property, 4th Edition, at 103. Yuhikaku. See also, Tamura Yoshiyuki (2010) Intellectual Property, 5th edition (2010). Citation in this report is to the 4th edition.

¹²⁰¹ JTA sec. 37 (ii) to (viii) and KTA Art.66(1)(ii) to (iv).

¹²⁰² Japanese Supreme Court, (1997) Decision of Heisei 9.Mar. 11.Case no Heisei 6 (wo) 1102., [Kozoshushi]. Citing [Hyozan Jirushi], supra note1199, and in Korea, see e.g., Korean Supreme Court, Decision of Oct.27, 2000, Case no 2000(Hu) 815 [Aurora].

¹²⁰³ In Japan in Sinka, supra note 1199, In Korea, Aurora, supra note 1202.

¹²⁰⁴ JTA Sec.4(xi), KTA 7(1)(vii).

¹²⁰⁵ JTA Sec 37(i), KTA 66 (1)(i).

¹²⁰⁶ JPO Trademark Examination Guideline, http://www.jpo.go.jp/shiryoku/kijun/kijun2/syohyoku_kijun.htm (Japanese), http://www.jpo.go.jp/cgi/linke.cgi?url=/tetuzuki_e/t_tokkyo_e/tt1302-001.htm (English) KIPO Trademark Examination Guideline, http://www.kipo.go.kr/kpo/user.tdf?a=user.html.HtmlApp&c=3071&catmenu=m02_03_03 (Korean), last accessed on 15 10 2011.

¹²⁰⁷ See Hyozan Jirushi, supra note 1199

¹²⁰⁸ See in Japan Kozoshushi supra note 1202, in Korea, Aurora, supra note 1202.

Marks with a reputation enjoy a broader scope of protection in both countries. Korean and Japanese trademark law regulates marks with a reputation with slight difference at the time of registration, and in the context of infringement.

At the time of registration, marks with a reputation enjoy a broader scope of protection against conflicting registration, in three different instances. First, in both countries, the registration of a mark which is identical or similar to a well-known mark *within the country*, either registered or not, shall be rejected in the case of identical or similar goods and services.¹²⁰⁹ Secondly, in the assessment of the general ground for refusal for the registration of a mark which is likely to cause confusion,¹²¹⁰ the reputation is used as a factor in the measurement of confusion.¹²¹¹ Courts have adopted a broader concept of confusion in case of marks with a reputation, including confusion as to business association. In the *L'air du temps* case, the Supreme Court of Japan pointed out that to prevent dilution, the confusion test covered not only confusion as to the source of origin but also confusion as to the association of businesses.¹²¹² Similarly, in the *Chanel* case, the Supreme Court of Korea also applied a broader concept of confusion which includes confusing associations.¹²¹³ However, in contrast to Japanese law, the Korean Trademark Act explicitly requires the mark to be “conspicuously recognized” by the consumers as part of other person’s goodwill and business.¹²¹⁴ Thus, to enjoy a broad protection as a mark with a reputation under this section in Korea, a mark may need to have a high reputation of such a degree that consumers can easily recognize and associate the signs.

Thirdly, marks with a reputation are protected against *the unfair registration* of conflicting signs in connection with identical or similar goods or services, if the mark is known nationally or internationally.¹²¹⁵ Protection in Japan is available only for well-known marks (i.e. “widely known” among the consumers in Japan or elsewhere). In contrast, the protection in Korea against unfair registration does not require the mark to be well known or famous, and not even to be conspicuously recognized.¹²¹⁶ Thus, for the mark to receive protection, it is sufficient that it is recognized as an indication of a specific person by the consumers or traders in Korea or abroad.¹²¹⁷ In sum, the threshold for obtaining enhanced protection as a mark with a reputation against unfair registration may seem low in Korea. However, in both countries, the low threshold is complemented by limiting the protection against registration to cases of registrations made for unfair purposes (i.e. A bad faith registration to gain unfair profits, to cause damage to another person or of an otherwise unfair nature).

In addition to the protection against conflicting registration, well-known marks in Japan may benefit from the registration of defensive marks, which allows registration of marks for goods

¹²⁰⁹ JTA Sec. 4(1)(x), KTA Art. 7(1)(ix).

¹²¹⁰ JTA Sec 4(1)(xv), KTA Art 7(1)(x).

¹²¹¹ In Japan, JPO Trademark Examination Guideline, supra note 1206 (Japanese version), at Chap 3, Part 13. In Korea, KIPO, Trademark Examination Guideline, supra note 1206 at Sec. 24(Famous trademark)

¹²¹² Japanese Supreme Court, (2000) Decision of Heisei 12, Jul. 11, Case no Heisei 10 (Gyo Hi) 85, [*L'air du Temps*].

¹²¹³ Korean Supreme Court (2007) Decision of Dec 27, 2007, Case no 2006(Hu) 664, [*Chanel*].

¹²¹⁴ KTA Art 7(1)(x).

¹²¹⁵ JTA Sec. 4(1)(xix) and KTA Art.7(1)(xii) .

¹²¹⁶ Compare, Supra note, 1214.

¹²¹⁷ Supreme Court, Decision of Feb.12, 2009, Case no. 2008 (Hu) 4448. [*Mirage*] Service mark, known in the US consumers. KIPO Trademark Examination Guideline, supra note 1206, Sec 26.

and services which are likely to cause confusion.¹²¹⁸ The registration of signs identical to defensive marks will be rejected and the use of registered defensive marks is deemed infringing.¹²¹⁹ As the scope of protection is expanded substantively, well known marks have to reach the level of a famous mark – known throughout the nation.¹²²⁰ Korea does not have a defensive mark registration system.

Other than the protection against the registration of conflicting marks and the option of registering defensive marks in Japan, trademark laws in both Korea and Japan are silent on uses of marks with a reputation in the context of infringement. However, unfair competition laws in Japan and in Korea protect against confusing uses of well-known signs in relation to goods and businesses.¹²²¹ Additionally, in both countries, unfair competition laws define use of signs identical or similar to another's famous sign as unfair conduct.¹²²² Protection against dilution, tarnishment and free-riding is thus provided for signs with the highest reputation (i.e. Known not only in relevant trade circles but also to the general consumers and public). The Korean Unfair Competition Prevention and Business Secret Protection Act requires that the use be of such a nature as to damage the distinctiveness and reputation of a famous sign.¹²²³ The signs protected under unfair competition laws in both countries do not have to be registered trademarks. Additionally, in Japan, persons who in good faith, use signs which become well known, would enjoy prior user rights against the registered trademark holder.¹²²⁴

In sum, by adopting a restrictive approach to marks eligible for protection, Japan and Korea aim to guarantee the availability of signs which fall outside the definition of a trademark. At the same time, through the use of the notion of use as a trademark, the laws in both countries seek to maintain a balance between the scope of protection and the availability of signs. Marks with a reputation are protected against the registration of conflicting signs under the trade mark law, and may obtain additional protection in the case of a defensive mark registration in Japan. However, the protection for marks with a reputation against such conducts as tarnishment and free-riding is provided under unfair competition laws in both countries. This implies that the laws in Japan and Korea regard tarnishment and free-riding as a question of the unfairness of the competitive conduct rather than an aspect of a property right of the trademark owner.¹²²⁵ Additionally there are limitations and exceptions as well as doctrinal tools that are likely to ensure the availability of signs in the public domain, as elaborated in detail below, in sections 2.4 and 3.1.

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

Both Japan and Korea refuse signs falling under Article 6ter PC. However, there are additional grounds for rejections.

¹²¹⁸ JTA Sec 64.

¹²¹⁹ JTA Sec 67(i) and Sec 4(1)(xii)

¹²²⁰ JPO, Trademark Examination Guideline, supra note 1206 at Chapter 13.

¹²²¹ In Japan UCPA, sec 2(1)(i) and in Korea UCPBSPA Art 2(1)(a) and (b).

¹²²² In Japan UCPA sec 2(1)(ii) and in Korea UCPBSPA Art. 2(1)(c).

¹²²³ Korean UCPBSPA Art 2(1)(c).

¹²²⁴ In Japan, JTA Sec. 32. See more discussion below in 2.4.

¹²²⁵ Id.

The Japan Trademark Act provides for general grounds for refusal in Section 3(1)(i) *et seq* and Section 4(1)(i) *et seq*. The conditions under Section 3(1) are considered to form the basis for determining the eligibility of signs for protection, while Section 4(1) sets forth specific grounds for refusal, based on policy considerations. Section 4(1) reflects both public interests – respect for signs of authority and prevention of confusion as sources of authenticity¹²²⁶ – and private interests – protection of personal and property interests of others, prevention of indications that are confusing and misleading as to the commercial origin of goods or services.¹²²⁷

In Japan, common patrimony signs may be rejected under Section 4(1). Among other official emblems, the signs covered by Article 6ter PC are included in Section 4(1)(i) to (v) which provides grounds for refusal with regard to signs identical or similar to national and foreign flags and decorations, medals, the Imperial Chrysanthemum, State coats of arms and other emblems, including the emblems and titles of the Red Cross. The prohibition applies not only to the use of flags and emblems as a trademark, but also as an element of a mark. Similarly, marks identical or similar to a famous mark indicating a state or a local public entity shall be refused.¹²²⁸ In the same vein, marks that are identical or similar to a prize awarded at an exhibition or competition shall be rejected.¹²²⁹ However, these signs may enjoy trademark protection, if the entities themselves would file for application to register the marks.¹²³⁰

Likewise, in Korea, common patrimony signs falling under Article 6ter PC are excluded from registration as a trademark¹²³¹ and the use is prohibited under unfair competition law.¹²³² The Korean Intellectual Property Office publishes and maintains searchable databases of common patrimony signs on its website. Even when inadvertently registered, the registration would be subject to invalidation.¹²³³ The reason for this is respect for the public organizations and nations, which the signs represent. The exclusion applies to identical and similar signs. Thus, when a sign uses a flag as an element, if the sign still is not similar, then the exclusion of Article 7(1)(i) does not apply.¹²³⁴ Exceptionally if a famous international organization, such as the Red Cross or the International Olympic Committee, (IOC) or other intergovernmental organizations themselves file for application to register an official emblem as a trademark,

¹²²⁶ Ono's treatise on Japanese trademark law views sec 4(1)(i) to (vii), (ix), (xvi),(xviii) and (xix) for the interests of the public. Shoen Ono (ed.) (2005) *JAPANESE TRADEMARK ACT ANNOTATED*, Tokyo: Seirin Shoin Publishing at 195.

¹²²⁷ For competing private interests (Sec 4(1)(viii), (x) to (xv) and (xvii)). Other signs that are excluded under 4(1) are names (personal, portrait, as well as famous pseudonym and the like and abbreviations) (viii), well-known trademark (x), registered trademarks (xi), registered defensive mark (xii), lapsed mark within the statute of limitation (xiii), registered plant variety name (xiv), confusing mark (xv), misleading mark (xvi), indication of origin of wines or spirit (xvii), functionally indispensable three dimensional shapes (xviii).

¹²²⁸ JTA Sec. 4(1)(vi) JPO rejects marks related to famous trademarks indicating cities and municipalities, religious organizations, the Olympic Games and other non profit sports and cultural organization (IOC, boy scouts) under this section.

¹²²⁹ JTA Sec. 4(1)(ix)

¹²³⁰ JTA Sec. 4(2).

¹²³¹ KTA Art, 7(1)(i)ter to (i) *quinquies*

¹²³² UCPBSPA Art.3

¹²³³ KTA Art.71(1)(i)

¹²³⁴ Supreme Court Decision of Nov 30, 1971, Case no 71 (Hu) 34.

registration is allowed.¹²³⁵ Before the amendment of the Korean Trademark Act on January 27, 2010, all exclusions of common patrimony signs were equally considered absolute grounds for refusal. Accordingly, the Supreme Court had previously rejected even the registration of the Olympic mark by the IOC itself.¹²³⁶ Through the revision of Article 7, this is no longer the case. Cultural significance, religious meaning as well as sacredness of signs are not explicitly mentioned as grounds for the exclusion from trademark registration in both countries. Thus, the courts and the Office in Japan have used the general exclusion of signs contrary to public order or morality to prevent the appropriation of culturally significant or religious marks¹²³⁷ or based the refusal of registration on general eligibility criteria.¹²³⁸ Korean trademark law also allows the rejection of other common patrimony signs on the basis of public interests.¹²³⁹ While cultural or religious significance is not a specific ground for refusal, there is a ground for refusal relating to signs that are disrespectful to a particular nation, religion, race or ethnic group, or falsely indicate an association with a well-known name of a person.¹²⁴⁰ There is also a general ground for refusal of signs which are against public order and morality,¹²⁴¹ misleading and confusing.¹²⁴² For example, in the Hemingway case, the Patent Court of Korea refused the registration of the name “Hemingway” in relation with cultural goods (book publications) as it may mislead consumers.¹²⁴³

Public order or morality is a broad concept both in Japan and Korea. Not only the sign and the composition itself would be measured against societal interests and international comity, but also the use of the sign in connection with the goods or services need to be considered. Japanese and Korean courts seem to employ this concept slightly differently. In Japan, the concept was used to refuse registration of signs which were disrespectful against a particular nation.¹²⁴⁴ The concept was also used to refuse protection in case where the mark was fraudulently acquired or when the protection would generally be undesirable in light of the objectives of trademark law. For example, when a culturally significant sign is registered in bad faith, it may be invalidated based on the concept of public policy.¹²⁴⁵ As Japan has no separate section concerning names of famous or well-known deceased persons and historic figures, the Japanese Patent Office rejects signs relating to names of famous and well-known

¹²³⁵ KTA Art 7(1)(i)ter and (i)quart. Similarly, the prohibition under UCPBSPA Art.3. Is also released with the permission of the relevant government authorities.

¹²³⁶Supreme Court Decision of Jun 13, 1997. Case no 96Hu 1774 [IOC]

¹²³⁷ JTA sec. 4(1)(vii), See e.g. JPO Trial Decision (Rejection) no 2004-24437, [Buddha]; JPO Opposition Decision no. 2003-90522 [Picasso World]

¹²³⁸ JPO Trial Decision no. 1999-1018768. [Buddhist Manji Symbol], rejecting as ineligibly simple sign, under JTA sec. 3(1)(v).

¹²³⁹ KTA Art.7(1)(ii) to (xv)

¹²⁴⁰ KTA Art 7(1)(ii). See Patent Court, Decision of Jun 7 2007, Case no 2007 (Huh) 579.[Hemingway]

¹²⁴¹ KTA Art 7(1)(iv)

¹²⁴² KTA Art 7(1)(x) confusing with other's well known mark, (xi) qualitatively misleading or deceptive mark, (xii) unfair registration of mark with reputation.

¹²⁴³ Patent Court, Hemingway, supra note 1240

¹²⁴⁴ JTA, sec 4(1) (vii). See for example, JPO Trial (Rejection) no 2007-2079, rejecting registration for a mark that has an American flag on a humorous image, which was deemed disrespectful. Text of the trial available on JPO's searchable trial database, <http://www.ipdl.inpit.go.jp/Shinpan/shinpan.htm>, accessed 03-15 2011.

¹²⁴⁵ JTA sec 4(1)(vii); Tokyo High Court (2002) Decision of Heisei 14, Jul.31, Case no Heisei 13 (Gyo-Ke) 443, [Dari], rejecting as attempting to register sign similar to a famous artist's name, Salvador Dali, without permission from the heirs.

historic figures under the public policy concept of Section 4(1)(vii). In *Anne of Green Gables*, the Intellectual Property High Court used this section to invalidate a trademark registration identical to the title of an internationally famous copyrighted work, “Anne of Green Gables,” which is considered a national cultural heritage of Canada.¹²⁴⁶

In Korea, by contrast, signs that are disrespectful to a nation, race, ethnic group or religion are refused, based on the specific ground for refusal under Article 7(1)(ii) KTA. Before the amendment, this general ground for refusal concerning public order and morality has mainly been used to protect signs with a reputation against registration for unfair purposes.¹²⁴⁷ With the amendment of Article 7(1)(xii) which protects specifically signs with a reputation, as seen in the above,¹²⁴⁸ this interpretation would no longer be used.

2.2 *Distinctive character and scope of protection*

As Japan has an Emperor, signs such as the Imperial Chrysanthemum, and national flags are excluded from registration as a trademark. However, this is not because they are presumed to lack distinctiveness but rather to pay respect to what the signs represent by preventing the commercial use of the sign by an individual. The exclusion is absolute in the sense that even the consent from the relevant authorities will not make those signs registrable. Furthermore, the Japanese Patent Office reviews whether protection is sought for a mark that is identical or similar to the excluded official signs. For flags, it is not similarity but the manner of representation that, in practice, seems to be more important. Thus, even if a sign is similar, but used in a manner that does not harm the dignity and honor of the nation represented by the flag, such sign might still be registered if other conditions are met. The Japanese Patent Office weighs how conspicuous the flags and the like under Section 4(1)(i) are represented in the mark and also whether the manner of presentation is against the dignity and honor of the official emblem excluded from registration.¹²⁴⁹

There is no general presumption in Korean laws that sacred signs and signs of cultural significance, are not distinctive or that they are descriptive or generic signs. As there is no general presumption, the courts will determine cases based on specific facts and review them, based on Articles 6(1)(i) through (vi) KTA. Thus the Patent Court allowed the registration of a name of a religion,¹²⁵⁰ and religious chant¹²⁵¹ even though they were related to a particular religious group. In contrast, the same Court refused the registration of a yin and yang sign as being too simple and constituting a common sign under Article 6(1)(vi).¹²⁵²

In Japan, a culturally meaningful word mark composed of the title of a monograph or a creative work is considered descriptive and excluded from registration under Section 3(1)(iii) JTA because of a lack of distinctive character. The Japanese Patent Office as a matter of practice

¹²⁴⁶ *Sullivan Entertainment International Inc v. Government of Prince Edward Island, Canada*, IP High Court (2006), Decision of Heisei 18, Sep. 20, Case no Heisei 17 (Gyo Ke) 10349. : See also IP High Court (2008), Decision of Heisei 20, Jun.26, Case no Heisei 19, (Gyo Ke) 10391 [Conmer]

¹²⁴⁷ Korean Supreme Court, Decision of Jul.22, 2010, Case no 2010 Hu 456 [Nam-June Paik Museum]; Supreme court, Decision of 2000, Apr 21, Case no 97 Hu 860 [Picasso- Signature]

¹²⁴⁸ See discussion and text accompanying supra note 1215.

¹²⁴⁹ Compare rejection in supra note 1244 to Trial (Rejection) no 2000-7371 allowing registration of a mark that has a modified version of small American flag as part of the trademark.

¹²⁵⁰ Patent Court, Decision of May 11 2001, Case no 2000 Huh 7663 [Sungdokto]

¹²⁵¹ Patent Court, Decision of May 11, 2001, Case no 2000 Huh 7670. [Muryangchongjong jongbangshim]

¹²⁵² Patent Court, Decision of Jan 12, 2001, Case no 2000 Huh 6929. [Taegukmark]

rejects applications of this type.¹²⁵³ This understanding follows an earlier decision by the Office concerning applications with regard to titles of creative works as trademarks by the heirs of the famous Japanese author Natsume Soseki when the copyright for the works expired. The Board of Appeals rejected the application for lack of distinctive character, as descriptive and because it may cause confusion if used in connection with other texts than the author's.¹²⁵⁴ However, the title of another work of the same author is a registered trademark in connection with goods and services other than books and publications.¹²⁵⁵ Additionally, the Japanese Patent Office takes the view that titles of regular publications (i.e. Newspaper, magazine) are outside this presumption and may be registered as trademarks.¹²⁵⁶ Similarly culturally significant signs, such as Hamlet¹²⁵⁷ and the Mona Lisa,¹²⁵⁸ are registered in relation to goods and services not concerning cultural goods or services. The use of the sign with cultural significance thus remains available in a cultural context. The same situation arises in Korea as exemplified by the Mozart case where the Supreme Court of Korea allowed the registration of the word mark "Mozart" as a service mark for tea shops.¹²⁵⁹

In Korea, in contrast to sacred signs and religious symbols, culturally important signs can be safeguarded for the public to a certain extent through the operation of Article 6(1)(iv) KTA which provides relative grounds for refusal for a sign consisting solely of conspicuously geographic names. This includes locations of cultural heritage sites and names of cultural properties which are known as a conspicuous geographical location. For example, in Seoul, East Gate (Dongdaemun) and South Gate (Namdaemun) are examples of names of cultural heritage sites which were designated as national treasures. At the same time, they constitute geographic names. As there is an exclusion of conspicuously geographical names, in case where a sign for culture property becomes a conspicuous geographical name, they are excluded. However, to be excluded, the degree of the connection of a sign to the geographic location has to be so high that the sign has to be used widely as a name for the geographic location by the general public.¹²⁶⁰ In Chomsungdae, the name of the historical observatory tower which is designated as one of the national treasures, is considered famous. In addition, an encyclopaedia suggests that the observatory tower in Kyongju is widely associated with the name.¹²⁶¹ However, the Patent Court of Korea held that this evidence of connection of the famous name of the cultural property to the location was not close enough to qualify it as a conspicuous geographic name and thus, allowed a service mark registration concerning restaurant services using the name.

Additionally, as a matter of practice, the Korean Intellectual Property Office treats a sign composed of the portrait of a natural person, plants and animals, natural objects, and cultural resources and heritage that are represented by photographing, printing and copying them, as

¹²⁵³ JPO Trademark Examination Guideline, supra note 1206 at Part 5.

¹²⁵⁴ JPO Trial (Appeal) no Showa 23, 181-209 [Natsume Soseki Shousetsushuu]

¹²⁵⁵ Botchan (Japanese), Trademark reg. No 1603842, in relation to food products.

¹²⁵⁶ JPO Trademark Examination Guideline, supra note 1206 at Part 5.

¹²⁵⁷ Hamlet (Japanese and English) Trademark reg. No 1984932, in relations to food products.

¹²⁵⁸ Monalisa (Japanese), Trademark reg. No 1561158, in relation to spectacles.

¹²⁵⁹ Supreme Court, Decision of Feb 13,1998, Case no 97 Hu 938 [Mozart].

¹²⁶⁰ KIPO Trademark Examination Guideline, supra note 1206, Sec 9

¹²⁶¹ Patent Court, Decision of May 1, 2003, Case no 2003 Huh 274 [Chomsungdae], Final. Appeal to the Supreme Court denied by 2003 Hu 1260.

otherwise non-distinctive signs under Article 6(1)(vii) KTA.¹²⁶² However, even where the sign was taken from a cultural heritage site, the context of use of the sign in relation to goods and services may distinguish the mark from the cultural site and leave unaffected the access to the cultural heritage. In such cases, a trademark registration of the sign was allowed.¹²⁶³

In judging distinctive character for otherwise non-distinctive signs under Article 6(1)(vii) KTA, the Office takes factors such as the appearance of the signs viewed from social context, and the evidences of actual common use by the majority in the relevant sector into consideration. Additionally, the Office considers if a sign is generally *unsuitable for an individual monopoly from the perspective of public interests*.¹²⁶⁴ For instance, in “Be the Reds!” which was a sign and catch phrase used widely by Korean football supporters and football fan clubs and associations during the 2002 Korean World Cup, the Patent Court refused the registration of the sign, under Article 6(1) (vii) KTA on the ground that an individual monopoly over the sign would be generally unsuitable in light of public interests.¹²⁶⁵

When registered, the trademarks for signs with a cultural meaning seem to receive a weak protection. Specific circumstances of use matter especially and may exclude a finding of infringement if the use is carried out in the cultural or a related domain. As a mere reference to the mark, or the use as a book title constitute non-infringing use, culturally meaningful signs would still remain available in a cultural context in Korea.¹²⁶⁶ In Japan, despite the office practice of viewing the titles of regular periodicals such as magazine and newspaper as distinctive, the courts provide a narrow scope of protection.¹²⁶⁷ In the case of a word mark of a title for a magazine, the Tokyo High Court upheld the decision of the lower court denying the right holder to enforce the right against a special issue of a competing magazine, bearing the subtitle which included the word mark. The Court viewed the use as descriptive. Similarly, the use in a cultural context does not seem to be viewed as a trademark use which would avoid invalidation, either. In upholding a decision of the Japanese Patent Office invalidating a trademark registration for non use, the Tokyo High Court distinguished the use of the author’s name as an indication of the authorship from the use of the name on the designated tangible goods (i.e. Printed matter) as a trademark.¹²⁶⁸ The Court held that the use of the mark had to be in connection with the tangible books, representing the physical quality of the books. While use of the author’s name may be an indication as to the identity and goodwill of the copyrighted works, it was not a relevant use of the corresponding mark.

2.3 Acquisition of secondary meaning.

Japanese trademark law provides for absolute grounds for refusal with regard to generic names and customary indications.¹²⁶⁹ Thus, if a common patrimony sign is generic or

¹²⁶² KIPO Trademark Examination Guideline, supra note 1206 Sec 12.

¹²⁶³ Korean Supreme Court, Decision of Oct 7 2005, 2004 Hu 1441[Chokjudonghaebi]

¹²⁶⁴ KIPO Trademark Examination Guideline, supra note 1206 Sec 7.

¹²⁶⁵ Patent Court, Decision of Oct 24, 2007, Case no 2007 Huh 6409 [Be the Reds]

¹²⁶⁶ See for example, supra note 1185.

¹²⁶⁷ *Happo Shuppan Co. Ltd. v. Nihon-iryojouhou Shuppan Inc Ltd.* Tokyo High Court (2004) Decision of Heisei 16, Jul.30, Case no Heisei 16 (ne) 2189, [Gan chiryouno saizensen (On the front line of cancer treatment)]; Compare however, Tokyo District Court (2005) Decision of Heisei 17, Dec.21, Case no Heisei 16 (wa) 8092, assertion.

¹²⁶⁸ Tokyo High Court Decision (1990), Decision of Heisei 2, Mar. 27, Case no Heisei 1 (Gyo ke) 178

¹²⁶⁹ JTA Sec. 3(1)(i) and (ii)

constitutes a customary indication, it cannot be registered. In contrast, even when a common patrimony sign is descriptive, or if it is a common personal or juridical name or very simple,¹²⁷⁰ it may become registrable, when it acquires distinctiveness through use in trade so that consumers are able to recognize the goods or services related to a business of a particular person.¹²⁷¹ To acquire this secondary meaning, a strong level of distinctiveness is required with extra marketing efforts. The courts as well as the Office rely on various detailed market- and transaction-related factors as well as perceptions of consumers and competitors, requiring factual evidence supporting the argument of acquired distinctiveness.¹²⁷² In Korea, when a common patrimony sign cannot be registered as it is descriptive or has become generic in the sense of Article 6(1)(iii) to (vi) KTA,¹²⁷³ it may still be registered if it acquires distinctiveness through use.¹²⁷⁴ This would be the case where the title of a creative work which is viewed as descriptive acquires secondary meaning as an indication of commercial origin.¹²⁷⁵ The threshold for a showing of acquired distinctiveness through use is considered high.¹²⁷⁶ For instance, the fact of advertisement or a registration abroad does not suffice. By contrast, clear evidence of the recognition of the mark among consumers in Korea is required.¹²⁷⁷

2.4 Exceptions to trademark protection

As discussed above, the requirement of use as a trademark leaves protected signs available in contexts that are not trade-related, both in Japan and Korea. Through the concept of use as a trademark, it is possible to limit trademark protection of common patrimony signs to their use as a trademark (i.e. An indication of the commercial origin of goods or services). Thus, use of signs of cultural significance would remain largely unaffected by the registration of such signs as a trademark, as the use of the signs will remain unaffected in a cultural context.

Additionally the trademark laws of Japan and Korea provide further explicit exceptions where protected signs may still be used in a commercial context.¹²⁷⁸ Effect of a trademark right does not extend to cases where a sign is used as an own name, common name or indication, descriptive indication, customary indication, or as an indispensable functional shape. In Korea, this general exception extends to geographical collective marks.¹²⁷⁹ Both the Japanese Trademark Act and the Korean Trademark Act require the exceptions with regard to own use

¹²⁷⁰ JTA Sec. 3(1)(iii)-(v)

¹²⁷¹ JTA Sec.3(2).

¹²⁷² JPO, Examination Guideline. Supra note 1206 at Chapter II.

¹²⁷³ It includes: "(iii) a common indication of origin, quality, raw materials, efficacy, use, quantity, shape (including the shape of the packaging) or price of the goods, or the method or time of manufacturing, processing or using them; (iv) mark solely of a sign indicating a conspicuous geographical name etc; (v) in a common way, a common surname or name of a legal entity; (vi) a very simple and commonplace sign"

¹²⁷⁴ KTA Art.6(2):

¹²⁷⁵ KIPO Trademark Examination Guideline, Sec 8. Korea Patent Court, Decision of 2006 May 24, [Yong-uh Gongbu choldae Hajimara (Never study English)], Case no. 2005(Huh) 8197, Unfair registration of a famous title of a book

¹²⁷⁶ Supreme Court, Decision of Sep 25 2008, Case no 2006 Hu 228. Requiring 6 types of evidentiary documents according to KIPO Trademark Examination Guideline, Sec 4 (4)

¹²⁷⁷ Supreme Court Decision of Sep 17, 1999 Case no 99 Hu 1645

¹²⁷⁸ JTA Sec. 26 and KTA Art. 51.

¹²⁷⁹ KTA Art 51(2).

of full names and the like to be in good faith.¹²⁸⁰ Thus, in both countries, common patrimony trademarks, even when registered, would be subject to the general limitations and exceptions of a trademark. For example, if Hamlet is used to indicate the title of Shakespeare's work, and not as an indication of the commercial source of unrelated goods or services, such as particular foodstuff, this would be allowed. In Korea, even when there is a registered name of a religion and religious chant, the name of the religion and chants will still remain available in a religious setting as the use of the trademark would have to be in relation to the registered goods and services.¹²⁸¹ Similarly, even when a common patrimony sign with a commercial implication was registered, as in the case of the aforementioned name of a cultural heritage site registered in relation to restaurant services, this would not affect the access and availability of the sign of cultural significance to the general public for cultural purposes.¹²⁸² The scope of protection of common patrimony signs in this context is thus strictly limited and a slight variation with regard to the circumstances and purpose of use may excuse the use. In principle, as marks with a reputation and famous marks are protected more broadly, common patrimony signs becoming signs with a reputation would enjoy broader protection. However, it is unlikely that common patrimony signs with strong cultural significance would attain this level of protection, as they would be primarily associated with their cultural meaning. Furthermore, as a mark with a reputation again is protected only when it is used as a trademark, non-trademark use of common patrimony signs with a reputation would still remain available outside the scope of trademark law, for instance, for cultural purposes.

To a certain extent, even uses in a commercial context are allowed for prior users in both Japan and Korea. Trademark laws in both countries provide for rights of prior use for the benefit of good faith users.¹²⁸³ Article 32 JTA provides for the prior user who has used the sign in good faith, a right to continuously use the sign in the course of trade, despite the registration of trademark. This prior user right in Japan is effective against the trademark holder, and the sign can be either identical or similar, in relation to identical and similar goods and services. To qualify for a prior user of a sign, the sign has to be widely known (i.e. Well known) among the consumers in Japan as the indication of the business of the prior user. It is also required that the use of the sign has not been made for unfair purposes.¹²⁸⁴ To avoid confusion, the registered trademark holder may request the prior user to affix an indication that distinguishes their goods or services.¹²⁸⁵ The Korean prior user right is similar. The law requires the use of the sign before registration not to have been made for unfair competition purposes. The trademark holder has the right to request an indication to prevent confusion.¹²⁸⁶ However, the sign does not have to be well known. The statute only requires the sign to be recognized by the consumers as an indication of the business of the prior user in Korea. Accordingly, more signs may benefit from the prior user right in Korea than in Japan.

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

¹²⁸⁰ JTA Sec. 26(1)(i) and 26(2), and KTA Art. 51(1) and (2).

¹²⁸¹ Supra note 1250 and 1251

¹²⁸² Supra note.

¹²⁸³ JTA Sec. 32(1) and KTA Art 57ter

¹²⁸⁴ See also discussion accompanying supra note 1224,

¹²⁸⁵ JTA Sec. 32(2)

¹²⁸⁶ KTA Art. 57ter

In the trademark legislation of Japan and Korea, there are further absolute grounds for refusal to make sure signs are available for the public and for other traders. In both countries, signs that are generic (i.e. Common names for goods or services, or customarily used signs) cannot be registered.¹²⁸⁷ Additionally, signs that are descriptive (i.e. Simple indications of the place of origin, sale, quality of the goods and services, common shape and the like)¹²⁸⁸ are excluded. Common family names and names of legal entity,¹²⁸⁹ or very simple or common signs¹²⁹⁰ are also excluded. A sign is considered very simple or common when it consists of a single element such as one character, number or a geometrical shape, or a common abbreviation that is not distinctive.¹²⁹¹

Other than these explicitly excluded signs, the statutes provide for a general ground for refusal for signs that are otherwise considered non-distinctive.¹²⁹² Mottos, popular phrases, years are given as examples of these signs. The statutes in both countries specifically provide that this ground applies to signs that are non-distinctive yet which are not listed in the enumerated exclusions. This implies that the explicitly excluded signs are non-distinctive. Courts and offices seem to presume non-distinctiveness of descriptive and otherwise excluded signs and also consider them unsuitable for private monopoly as they should remain available for other traders.¹²⁹³

The concern about the creation of an unjustified monopoly is exemplified strongly in cases concerning trademarks relating to common shapes, common indications of the characteristics of goods and services as well as geographical indications.¹²⁹⁴ Shape marks are eligible for protection both in Japan and Korea. However, marks solely consisting of common shapes of goods and product elements are excluded.¹²⁹⁵ A shape is considered an excluded common shape, when it is a standard shape of a product, container or a packaging, used commonly in a given trade. A dividable capsule shape for medicine, and a stick glue container shape are examples. A three-dimensional shape mark should overcome this exclusion and the shape need to acquire distinctiveness, as discussed below. As common shapes are considered either inappropriate for private monopoly or not distinctive as to the commercial origin of goods or services, they cannot be registered, unless they have become distinctive through actual use. However, even when they acquire distinctiveness through use, they cannot be registered if the shapes (including those of the packaging) are functionally indispensable for the goods.¹²⁹⁶ The exclusion is to make sure that a functionally indispensable shape remains

¹²⁸⁷ JTA Sec. 3(1)(i) and (ii), KTA Art 6(1)(i) and (ii)

¹²⁸⁸ JTA Sec.3(1)(iii), KTA Art 6(1)(iii)

¹²⁸⁹ JTA Sec. 3(1)(iv), and KTA 6(1)(v)

¹²⁹⁰ JTA Sec. 3(1)(v) and KTA 6(1)(vi)

¹²⁹¹ JPO Trademark Examination Guideline, Part 7, See also, case discussed in supra note 1238. In Korea, KIPO Trademark Examination Guideline Sec.11.

¹²⁹² JTA Sect 3(1)(vi) and KTA 6(1)(vii)

¹²⁹³ In Japan, Supreme Court, (1978) Decision of Showa 54, Apr.10, Case no Showa 53(Gyo tsu) 129, [Waikiki] In Korea, Supreme Court, Decision of Aug.16, 2004, Case no 2002 Hu 1140 [ChilJaByongCha], followed by Supreme Court Decision of Apr 14, 2006, Case no 2004 Hu 2246 [SANDUNIT]

¹²⁹⁴ Id.

¹²⁹⁵ JTA Sec.3(1)(iii), and KTA 6(1)(iii)

¹²⁹⁶ JTA Sec. 4(1)(xviii)) and KTA 7(1)(xiii)

available for the public and other traders, even when a descriptive shape mark gains distinctive character through use.

Both in Japan and Korea, courts have been generally reluctant to hold shapes as such suitable for private monopoly.¹²⁹⁷ Japanese courts found such shapes as a bird-shaped cookie,¹²⁹⁸ a whiskey bottle shape with latticed pattern¹²⁹⁹ and a golf peg shaped pencil¹³⁰⁰ as a common shape. Moreover, in Japan, there is a decision of the Intellectual Property High Court which focused on two factors (distinctiveness and monopoly) in combination and noted that the artful shellfish shape of the chocolate bar of GuyLian was not unsuitable for a monopoly in consideration of the needs of other traders. The Court concluded that the entire combination of the shapes and their arrangement developed by GuyLian was distinctive.¹³⁰¹ This case is considered an exception. In contrast to this, the Patent Court of Korea refused to acknowledge GuyLian's chocolate sea-shell bar as a valid indication of commercial origin and held instead that it was a common and non-distinctive shape which had not acquired distinctiveness through use.¹³⁰²

3.2 Acquisition of distinctive character

Signs that are excluded as descriptive, common family names or simple signs may acquire distinctive character through use. Descriptive signs, common family names and simple marks may be registered when they acquire distinctive character through use, in Japan as well as in Korea.¹³⁰³ Both in Japan and Korea, the threshold for acquired distinctiveness is very high and strong evidentiary support is necessary.

In the assessment of distinctiveness acquired through use under Article 3(2) JTA, the Japanese Patent Office first requires the used sign to be nearly identical to the trademark, relating to identical goods or services, for which registration is sought.¹³⁰⁴ Additionally, the perception of the nationwide consumers of the used sign is assessed. Various sources of evidence have to support the quantitative assessment of the consumer's perception (advertisement materials, invoices, newspaper reporting, and consumer surveys etc.). In shape mark cases, in addition to the above general guidelines used by the Japanese Patent Office, the courts have considered comprehensively facts on shape marks, such as the period of use, area of sales, the quantity sold, the advertising period, area and scale, and the presence of similarly shaped products in the market.¹³⁰⁵ Among these factors, one factor is consumers' recognition of the shape itself as an indication of commercial origin, independently of other indications attached to the product. Japanese case law on shape marks is divergent. The strictest view taken was the view expressed in the case of Suntory's whiskey bottle

¹²⁹⁷ Tokyo High Court (2003) Decision of Heisei 15, Aug. 29, Case no Heisei 14 (Gyo Ke) 581, [Suntory Whiskey Bottle] see also Coca-cola and Maglite supra note 1170. In Korea, See Korean Supreme Court, Decision of Jun 25, 2004, Case no 2002 Hu 710, [Glue stick]

¹²⁹⁸ Tokyo High Court, Hiyoko, supra note 1169

¹²⁹⁹ See Tokyo High Court, Suntory Whiskey Bottle, supra note 1297

¹³⁰⁰ Tokyo High Court (2000) Decision of Heisei 12, Dec.21, Case no Heisei 11 (Gyo Ke) 406 [Pencil Pen]

¹³⁰¹ IP High Court (2008) Decision of Heisei 20, Jun.30, Case no Heisei 19 (Gyo-Ke) 10293, [GuyLian Seashell Bar]

¹³⁰² Korean Patent Court, Decision of Jun 24, 2005, Case no 2005 Huh 2571 [GuyLian Seashell Bar]

¹³⁰³ JTA Sec.3 (2) and KTA Art 6(2)

¹³⁰⁴ JPO Trademark Examination Manual, supra note 1206 at Chapter II.

¹³⁰⁵ Maglite, supra note 1170.

shape.¹³⁰⁶ There was a strong distinctiveness of the goods sold under the mark. Moreover, the bottle shape was recognized by the majority of the consumers as Suntory's whiskey, and there were no other products in the whiskey market using the same bottle shape. Despite this, as the bottle shape was never used independently of the two-dimensional Suntory trademark, the Tokyo High Court found that the use was not identical and refused to acknowledge distinctiveness through use. In the aforementioned GuyLian case, the Intellectual Property High Court, by contrast, took a very lenient view.¹³⁰⁷ In the cases Maglite and Coca-Cola, the Intellectual Property High Court seems to take a position in the middle of these positions.¹³⁰⁸ In the Yakult Bottle case, more than 98 percent of the consumers had come to associate the shape with the designated goods. Against this background, the Court acknowledged the acquisition of distinctiveness.¹³⁰⁹

Similarly, in Korea, as it forms an exception to the rule of exclusion,¹³¹⁰ a clear evidentiary support is required to rebut the presumption of non-distinctiveness.¹³¹¹ The Korean Intellectual Property Office also requires the sign actually used to be identical to the trademark and use in relation to identical goods and services, The Office would reject the claim of distinctiveness of a sign to be acquired through use, if it was not identical or nearly identical to the trademark for which registration is sought.¹³¹² The sign must be used as an indication of origin in this context. Moreover, it must easily be recognized as such by consumers nationwide.¹³¹³ Case law on the matter takes comprehensive factors into consideration, such as period of the use, frequency and continuity of use, sales and production figures of the goods bearing the mark, market share, advertising (methods, frequency, period, substance and cost), superiority of product quality, reputation and credibility of the mark user, degree and aspects of conflicting use of the mark.¹³¹⁴ The Korean Intellectual Property Office uses, among other factors, the following factors: the nature of the trademark used, the period of use, the area of use, sales or production figures, and the *method, number and content of use*.¹³¹⁵ As to the distinctiveness of a combination of words, a combination of non-distinctive words is likely to be considered non-distinctive even as a whole, if one of the possible meanings of the words included in the combination describes a characteristic of the goods or services concerned.¹³¹⁶ Courts in Korea also have been strict in respect of shape and colour marks. In the GuyLian case in Korea, the Court held that the shell-shaped chocolate shape at issue could not be registered because it was not supported by sufficient evidence for the acquisition of distinctiveness through use.¹³¹⁷

¹³⁰⁶ See Suntory Whiskey Bottle, supra note 1297, See also Hiyoko, supra note 1169.

¹³⁰⁷ See GuyLian Seashell Bar, supra note 1301

¹³⁰⁸ See CocaCola, supra note 1170 and Maglite supra note 1170

¹³⁰⁹ Yakult Bottle, supra note 1169

¹³¹⁰ Korean Supreme Court, Decision of May 16, 2003, Case no 2002 Hu 1768 [Net2Phone]: Supreme Court, Decision of Sep 17, 1999, Case no 99 Hu 1645

¹³¹¹ Supreme Court Decision of May 12, 2006, Case no 2005 Hu 339 [SPEED 011]

¹³¹² KIPO Trademark Examination Guideline Sec.14.

¹³¹³ Supreme Court, Decision of May 24,1994, Case no 92 Hu 2274

¹³¹⁴ See e.g. Supreme Court, Decision of Sep 25, 2008, Case no 2006 Hu2288 [K2]

¹³¹⁵ KIPO Trademark Examination Guideline Sec. 14

¹³¹⁶ See for example, Patent Court, Decision of Nov 6, 1998, Case no 98 Huh 7233 [T-Net]

¹³¹⁷ Korean Patent Court, Decision of Jun 24, 2005, Case no 2005 Huh 2571

Acquisition of distinctiveness may also be raised in the context of a rejection of “otherwise non-distinctive” signs.¹³¹⁸ The Japanese Patent Office rejects signs consisting solely of repeated patterns, catch phrases, letters and shapes as otherwise non-distinctive.¹³¹⁹ The Korean Intellectual Property Office rejects signs consisting solely of letters, catch phrases, popular one liners, calendar years, prints and photographs of human, animals and plants as well as cultural objects and the like on the ground that these signs are “otherwise” non-distinctive. Against such rejection, it is possible to assert distinctiveness acquired through use, if the sign has actually become distinctive as an indication of the commercial source of goods or services. In a case concerning the registration of Louis Vuitton’s barley grain pattern combined with a single colour, the Korean Supreme Court held that even when a sign itself was objectively non-distinctive, it may become distinctive through use.¹³²⁰ Sufficient evidence that consumers conspicuously recognize the sign as related to a particular business is necessary to overcome the rejection.

3.3 *Exceptions to trademark protection*

As seen above, concerns about the availability of signs for the public and other traders are strongly present in the provisions on excluded signs both in Japan and Korea. Additionally, even when signs that should be kept available are registered for some reason, the scope of protection will not cover use of the signs as personal names or portraits, common names of goods or services, descriptive customary indications, and functionally indispensable shapes, as there are explicit limitations on the scope of trademark protection with regard to these types of use.¹³²¹ Additionally, in Korea, the scope of a trademark right does not extend to uses of colour and colour combinations which are indispensable for the function of goods or services.¹³²² Similar exceptions exist for geographical collective marks in Korea.¹³²³

Thus, the effect of trademark protection does not encroach upon the freedom of persons and businesses to use their own name in trade out of respect for the affected persons’ rights and a right of businesses which do not harm the origin function of the trademark. In Japan, if a business name is used in an uncommon manner, for example by employing an unusual calligraphy to draw attention to the mark, it does not benefit from this exception¹³²⁴ Additionally, if personal names are used for unfair competition purposes, such use will fall within the scope of protection.¹³²⁵ Additionally, exceptions are provided to guarantee availability of the sign for the public and other traders to promote commerce and competition in the market.¹³²⁶

Both in Korea and Japan, generic use of a sign as a common name or customary indication is outside the scope of protection. In judging genericity, recent case law in Japan seems to use

¹³¹⁸ JTA Sect 3(1)(vi) and KTA 6(1)(vii), See also discussion accompanying supra note 1292.

¹³¹⁹ JPO Examination Guideline supra note 1206, at Chap I Part 8.

¹³²⁰ Korean Supreme Court, Decision of Jul 11, 2003, Case no 2001 Hu 2863.

¹³²¹ JTA Sec 26(1)(i)-(v), KTA Art, 51(1)(i) to (iv).

¹³²² KTA Art 51(1)(iv)

¹³²³ KTA Art 52(2)

¹³²⁴ JTA Sec 26(1)(i). Tokyo District Court, Decision of Showa 57 Jun.16. Case no Showa 54 (mo) 2068, [Yamagayatanoriten]; and Kozozushi, supra note 1202

¹³²⁵ JTA Sec. 26(2).

¹³²⁶ JTA Sec 26(1)(ii)-(v)

a flexible standard. Courts sometimes required wide acceptance among consumers¹³²⁷ and sometimes they did not, if the sign itself was linguistically acceptable as a common name. For example, in a case concerning the name of a Sushi, the Osaka High Court accepted that the sign had become a common name, despite the evidence of no dictionary entry, when consumers linguistically understood the trademark as a generic indication, based on a part of the trademark which had become generic.¹³²⁸ In the *Enoteca Kiora* case, the Tokyo High Court considered the registered trademarks “Enoteca” and “Enoteca Kiora” not to be similar signs, and the “Enoteca” part of the mark to be non-distinctive with regard to the commercial source of goods or services, thus finding no infringement. In dictum, the Court pointed out that “Enoteca” which was originally Italian, constituted a customarily descriptive term for a type of restaurant in Japan which the defendant was free to use as a descriptive term.¹³²⁹

Korean case law on common names reflects various factors influencing the determination of a common name. When a trademark is commonly used as a common indication for a product in the relevant trade as well as by consumers at the time of registration, it is considered a common name.¹³³⁰ In the *Tiramisu* case, the Patent Court elaborated this further and held that it was not sufficient that consumers may perceive the trademark as a common name but that the trademark had to be actually used as a common name in trade.¹³³¹ Despite the trade encyclopaedia entry of the term, at the time of registration in 1992, most Korean consumers were not aware of Tiramisu as a name of an Italian dessert and only a few traders were familiar with the dessert. Thus the Court held the trademark not to constitute a common name. In contrast, for customary indications, the Supreme Court focused on how competitors used the trademark in relation to identical goods or services and whether such customary use had made the trademark a generic indication.¹³³²

In addition to these exceptions, there are limits imposed on the assertion of trademark rights that flow from the consideration of other intellectual property rights. Trademarks cannot be asserted when this would lead to a conflict with other intellectual property right claims predating the trademark registration.¹³³³ In particular in Japan, to prevent procedural abuse, Section 104ter of the Patent Act is applied in the context of the Japanese Trademark Act. If the trademark is “recognized as one that should be invalidated by a trial for invalidation,” the right holder will be rendered incapable of asserting the trademark right.¹³³⁴ The Korean Trademark Act does not have specific statutory rules for this. However, general prohibitions of the abuse of rights under § 2 of the Civil Code may be applied indirectly in trademark cases.¹³³⁵

¹³²⁷ For example, Tokyo High Court (1999) ,Decision of Heisei 11, Jun.24, Case no Heisei 10(Gyo Ke) No.386. [Chafukumame]

¹³²⁸ *Aeon Co. Ltd v. Kodaisuzume zushi - Sushiman Co. Ltd.* Osaka High Court, (2010) Decision of Heisei 22, Jan 22, Case no. Heisei 20 (ne)2836, [Shoufukumaki], *compare*, e.g. Tokyo High Court, Decision of Heisei 8 Jan, 18 [Kyono Kakicha] requiring the genericity before use.

¹³²⁹ *Enoteca KK. v Granada KK (Enoteca Kiora)*, Tokyo High Court (2004), Decision of Heisei 16, Mar.18, Case no Heisei 15(ne)4925

¹³³⁰ Korean Supreme Court, Decision of Jan 21, 1992, Case no 91 Hu 882 [Mosimeri]

¹³³¹ Patent Court, Decision of Jul 27, 2002, Case no 2002 Huh 2600 [Tiramisu].

¹³³² Patent Court, Decision of Dec 26, 2003, Case no 2003 Hu 243 [Obokchae]

¹³³³ JTA Sec 29, KTA Art. 53

¹³³⁴ JTA Sec 39.

¹³³⁵ Korean supreme court, Decision of 1993, Jan.19, Case no 92 Do 2054, [Sa Im Dang Furniture]

4. Conclusion

The protection under the current trademark laws in Japan and Korea is tied to objective elements of property rights and protection is granted by examining the similarity of the signs and goods and services. While confusion or likelihood of confusion is a core element in determining similarity, the statutes do not require it as a condition for protection. In both countries, this aspect is believed to be complemented by separate laws on unfair competition prevention which explicitly prevent confusing uses of signs belonging to others.¹³³⁶ The above overview showed that the protection regime in both countries maintains the availability of signs through a rather strict definition of signs and through the doctrine of trademark use, which provides flexibility by limiting the scope of protection (Section 1). Additionally, there are several doctrinal mechanisms that constitute safeguards against the private appropriation of signs belonging to a common patrimony (Section 2) and against their abuse (Section 3).

Both in Japan and Korea, trademark rights are not confined to word and figurative signs. Shapes and colours may enjoy trademark protection. While current laws seem to limit the subject matter of protection to visibly recognizable signs, there is a legislative initiative in both countries to consider other types of marks. Additionally, the origin function is clearly the primary protected function of trademarks. While additional functions, such as the advertising function, are implied through the definition of actionable trademark use, courts in both countries prioritize the function of marks in distinguishing the source of goods and services. Two inherent limits in both jurisdictions are set by the protection requirements of “trademark use” and “similarity”. As the composition of the laws is rather formalistic, these two limits provide important flexibility in balancing the scope of trademark protection, focusing mainly on the origin function of trademarks. The trademark use doctrine allowed courts to comprehensively take various factors into account, such as the perception of target consumers and the context of the trade sector and market concerned, and leave uses which do not serve the primary function of indicating commercial source in the course of trade outside the scope of protection. Thus both in Japan and Korea, not only uses in a non commercial context, but also uses such as referential use, use as a technical indication, descriptive use, and use as a book title are allowed. Against conflicting registration, well-known marks are protected more extensively. Against dilutive or tarnishing uses, in both countries, unfair competition law has to be relied upon.

- In the field of common patrimony signs, both the Japanese Trademark Act and the Korean Trademark Act provide for a specific ground for refusal with regard to emblems of public interest including those covered by Art. 6ter PC. Registration may also be denied because of a conflict with morality or public order, or the deceptive nature of indications referring to public institutions.
- Signs of cultural significance, such as the names of artists or titles of creative works can be registered. Signs of cultural significance may be regarded as being descriptive with regard to goods or services in the cultural sector. The impact of protection on use in a cultural context is likely to remain limited.
- In the field of descriptive signs that must be kept free for the public and for other traders, both the Japanese Trademark Act and the Korean Trademark Act rely on the acquisition of distinctive character through use as a criterion to regulate the balance between trademark protection and the public domain. The threshold for the acquisition of distinctiveness through use is considered high. Even when protection is obtained, it may

¹³³⁶ In Japan, UCPA Sec 2(1)(i), and in Korea, UCPBSPA Sec 2(1)(a) and (b).

remain limited. Moreover, there are exceptions covering descriptive indications to ensure the availability of the signs concerned.

- Shapes and colour per se are rarely found to be inherently distinctive. As colour is considered a sub-element of a mark, colour marks per se will be rejected. As for three dimensional shapes, courts have been rather reluctant to find them inherently distinctive.
- The scope of protection will not cover use as personal names or portraits, common names of goods or services, descriptive customary indications, and functionally indispensable shapes.

In sum, both Korean and Japanese trademark law in their current form offer a balanced standard of protection in consideration of the public domain and the interests of competitors. In both countries, a broad range of traditional types of marks are eligible for protection, reflecting the norms of international treaties and conventions. At the same time, the trademark use doctrine in Japan and Korea seems to be applied strictly and limitations and exceptions seem to provide sufficient tools to safeguard the public domain in terms of availability of signs for the public as well as the use of signs in competition.

M. ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) WITH PARTICULAR REFERENCE TO SINGAPORE*

This report covers “trade mark law and the public domain” in the member countries of The Association of Southeast Asian Nations (“ASEAN”),¹³³⁷ with particular reference to Singapore. In ASEAN, member countries have differing legal systems and traditions, and are at different stages of economic development. To date, all members in ASEAN, with the only exception of Laos PDR, have acceded to the World Trade Organization Agreement (“WTO”) and are signatories to the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS”). Thus, in terms of intellectual property infrastructure, some convergences in the laws are expected amongst ASEAN members but intellectual property laws within ASEAN remain far from being harmonized.

The preparation of this report is based on information obtained from primary sources of law namely, trade mark statutes and subsidiary regulations of the member countries in ASEAN as well as case authorities wherever they are available.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

Trade mark laws in member countries of ASEAN contain different definitions of a registrable trade mark.

Trade mark protection in most of the member countries of ASEAN extends to a wide range of signs including but not limited to any letter, word, name, signature, numeral, device, brand, design, photograph, picture, drawing, manual, hologram, heading, label, ticket, shape or configuration of an object, colour or combinations of colours, aspect of packaging or any

* *Susanna H.S. Leong, Associate Professor, National University of Singapore, Singapore.*

¹³³⁷ The member countries of ASEAN include Brunei Darussalam; Cambodia; Indonesia; Laos PDR; Malaysia; Myanmar; Philippines; Singapore; Thailand; and Vietnam.

combination thereof. In some member countries such as Brunei Darussalam, Cambodia, Philippines and Vietnam, only *visible* signs are registrable as trade marks. Thus, non-traditional signs like smells or sounds may not be registrable in these countries but colours and shapes are registrable if they satisfy the requisite registration criteria.

To ensure that a balance is maintained between the private interests of trade mark owners and the public interest of preserving the public domain of signs eligible for use by all traders, we note that the trade mark laws in most ASEAN countries provide that signs would be registered if and only if certain criteria of registration are satisfied. A common registration criterion found in the trade mark laws of most ASEAN countries is that the signs or marks must be *capable of distinguishing* the goods or services of one trader from those of another. This is evident in the trade mark definitions found in the laws of member countries like Brunei Darussalam, Cambodia, Indonesia, Laos PDR, Philippines, Singapore, Thailand and Vietnam. Essentially, the requirement that a sign must be capable of distinguishing goods or services means the sign must be *distinctive*.

In Singapore, it is clear that with the removal of the words “visually perceptible” from the definition of a trade mark in section 2(1) of the Singapore Trade Marks Act (“STMA”), non-traditional signs such as smells, taste and sounds (whether musical works or naturally occurring sounds) are also potentially registrable. Thus, in Singapore, the legal definition of a trade mark allows both visible as well as non-visible signs to be registered as trade marks and the impact of trade mark protection on the public domain of signs would presumably be much greater when compared to other member countries in ASEAN that do not provide trade mark protection in respect of such a wide spectrum of signs.

Signs which are potentially registrable in Singapore will be registered only if they meet the registration criteria laid down by the Singapore Trade Marks Act. All signs seeking trade mark registration under the Singapore Trade Marks Act must satisfy the following criteria:

1. Satisfy the definition of a trade mark, section 2(1) STMA

Any sign –

- (a) which is *capable of being graphically represented*; and
- (b) which is *capable of distinguishing* the goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

2. Must not fall within any of the absolute grounds for refusal: Distinctiveness, Deceptiveness, Good Faith and Related Objections, section 7 STMA.

The mark seeking trade mark registration under Singapore’s Trade Marks Act must not fall within any of the absolute grounds for refusal on reasons of a lack of distinctiveness and/or other obstacles, such as bad faith or a conflict with public policy.

3. Must not fall within any of the relative grounds for refusal: Conflicts with Earlier Marks or Earlier Rights, section 8 STMA

The mark seeking trade mark registration under Singapore’s Trade Marks Act must not fall within any of the relative grounds of refusal on reasons that it conflicts with earlier trade marks¹³³⁸ already registered on the trade mark register or earlier rights under passing off, or laws of copyright and designs.¹³³⁹

¹³³⁸ An “earlier trade mark” means –

4. Bona Fide Intention to Use Mark

An applicant for trade mark registration under Singapore's Trade Marks Act must show that the trade mark seeking registration has been used by the applicant to distinguish goods or services or that there is a bona fide intention on the part of the applicant to so use the trade mark.

The above criteria operate as effective filters to ensure that only those signs which meet the registration requirements are conferred the exclusive rights of a registered trade mark. In this way, trade mark law in Singapore seeks to strike a balance between the private interest of the trade mark owners and the public interest of preserving the public domain of signs.

Singapore's Trade Marks Act does not elaborate on the meaning of "capable of being represented graphically". However, section 16(1) of the Trade Mark Rules prescribed under Singapore's Trade Marks Act requires a trade mark applicant to provide a "clear and durable" representation of the proposed mark in the space provided in the application form. Over in Europe, courts have held that graphical representation means visual representation by images, lines or characters. This is necessary so that the sign concerned can be precisely identified. Furthermore, the requirement of graphic representation is imposed for the sound operation of the trade mark registration system. The Court of Justice of the European Union (CJEU) explained in *Sieckmann v Deutsches Patent-und Markenamt* [2003] RPC 38:

"First, the function of the graphic representability requirement is, in particular, to define the mark itself in order to determine the precise subject of the protection afforded by the registered mark to its proprietor. Next, the entry of the mark in a public register has the aim of making it accessible to the competent authorities and the public, particularly to the economic operators. On the one hand, the competent authorities must know with clarity and precision in the nature of the signs of which a mark consists in order to fulfill their obligations in relation to the prior examination of registration applications and to the publication and maintenance of an appropriate and precise register of trade marks. On the other hand, economic operators must, with clarity and precision, be able to find out registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties."¹³⁴⁰

Similar sentiments have been expressed by the High Court of Singapore in *Nations Fittings (M) Sdn v Oystertec Plc* [2006] 1 SLR(R) 712 to the effect that "the Singapore Trade Mark Registry is in fact open for public inspection" and it is "both logical and commonsensical" that "the ambit of rights in relation to registered trade marks ... should be clear on the face of the public register."¹³⁴¹ In summary, a graphical representation which satisfies the legal requirement in the definition of a trade mark under Singapore's Trade Marks Act must be a visual representation by means of images, lines or characters that is clear, precise, self-contained, easily accessible, intelligible, durable, and objective.

[Footnote continued from previous page]

a registered trade mark or an international trade mark (Singapore) filed in an earlier application; a trade mark which was entitled to protection under the Paris Convention or the TRIPS Agreement as well known mark.

See section 2(1), TMA.

¹³³⁹ See section 8(7), TMA.

¹³⁴⁰ CJEU, 12 December 2002, case C-273/00, *Sieckmann/DPMA*, [2003] RPC 38, para. 48-51, online available at www.curia.eu.

¹³⁴¹ *Nations Fittings (M) Sdn v Oystertec Plc* [2006] 1 SLR(R) 712, per Andrew Phang Boon Leong J at [47]. (p. 734)

Recent cases in Europe on how the requirement of graphical representation may be fulfilled, especially for non-traditional signs such as sounds and smells, like *Shield Mark BV v. Joost Kist h.o.d.n. Memex* [2004] RPC 17¹³⁴² and *Sieckmann v Deutsches Patent und Markenamt* [2003] RPC 38, would be highly persuasive in Singapore.¹³⁴³ Thus, the requirement that the sign must be capable of being graphically represented in the definition of a trade mark has the significant impact of limiting the type of non-traditional signs (sounds, taste, smell, colours etc.) that may ultimately be registered as trade marks in Singapore. In this way, the requirement that a sign must be capable of being graphically represented serves as an effective check when trade mark owners seek registration for signs that are drawn from the public domain, such as colours, sounds in nature and smells.

For colours, there is no express requirement under Singapore's Trade Marks Act that an application for registration of a colour mark must specify the outline, contours or proportions of the shape or object to which the colour is to be applied. To satisfy the requirement of "capable of being graphically represented", a representation of the trade mark colour should be submitted to the Intellectual Property Office of Singapore (IPOS) and usually, a colorimetric reference or other colour code may also be submitted to better define the trade mark. In practice, IPOS would require substantial evidence of *prior use* of the colour mark before accepting the mark for registration. Generally, the mark shall only be accepted for registration after *de facto distinctiveness* acquired through use has been shown. The use of the mark should be such as to satisfy the Registrar that it is the colour per se, as opposed to other signs or words, which distinguishes the goods and services from those of other traders.

Shape marks are registrable in most countries of ASEAN provided they are distinctive. However, in certain jurisdictions such as Singapore and Brunei Darussalam, specific provisions are enacted to regulate the registration of shapes as trade marks. In Singapore, shape marks must not only not fall foul of any of the absolute grounds for refusal under section 7 and the relative grounds for refusal under section 8 STMA; they must also not consist exclusively of (a) the shape which results from the nature of the goods themselves; (b) the shape of goods which is necessary to obtain a technical result; or (c) the shape which gives substantial value to the goods.¹³⁴⁴

1.2 Notion of use in trade

The words "use in the course of trade" are found in the definitions of a trade mark in the trademark acts of Singapore and Malaysia. Elsewhere in ASEAN, trade marks are frequently defined as marks used to distinguish goods or services of one undertaking (enterprise) from another. In Singapore, according to section 2(1) STMA, "trade" is defined to include any business or profession. This definition is wide enough to include any form of commercial dealing in goods or services.¹³⁴⁵ It has been suggested that "in the course of trade" refers to any activity carried out for "purposes of trade" rather than "in trade". It includes any activity between the production of goods and the actual placement of the goods before the consumers in the market, although the goods need not be placed before the consumer or the end user to qualify.¹³⁴⁶ Thus, a defendant who, through websites and brochures, offered goods for sale under an infringing mark and who used the infringing mark on catalogues and commercial

¹³⁴² CJEU, 27 November 2003, case C-283/01, *Shield Mark/Joost Kist*, online available at www.curia.eu.

¹³⁴³ Case law from the UK and the Court of Justice of the European Union are persuasive in Singapore courts because many of the provisions in TMA are in para material to trade mark provisions in the UK Trade Marks Act 1994.

¹³⁴⁴ See section 7(3), Trade Marks Act, Chapter 332, Singapore Statutes, 2005 Revised Edition.

¹³⁴⁵ *Caterpillar Inc v Ong Eng Peng* [2006] 2 SLR 669, per Tay Yong Kwang J at [54].

¹³⁴⁶ See Tan Tee Jin, *Law of Trade Marks and Passing Off in Singapore*, at [10.19] and [10.20].

documents and in advertising, as in the case of *Caterpillar Inc v Ong Eng Peng* [2006] 2 SLR 669, would have used the mark “in the course of trade”. The opposite of use of a sign “in the course of trade” is non-commercial use.

From the wordings of the various definitions of a trade mark found in the trade mark statutes of member countries in ASEAN, it is unlikely that trademark rights in ASEAN are extended to use that is not carried out in the course of trade.

1.3 Notion of trademark use

It is clear from the various definitions of a trade mark in member countries of ASEAN that a sign is registrable if it is used or proposed to be used in connection with a trader’s goods or services to *distinguish* them from those of another. It is probably true to conclude that trade mark protection in ASEAN is confined to the use of a sign in its distinguishing function. In jurisdictions such as Singapore and Brunei, it is a specific provision in the trade marks legislations that if at the time of application, the trader has not in fact used the proposed mark in relation to goods or services, he is required to provide a statement of undertaking that he “has bona fide intention” to use the mark.¹³⁴⁷

1.4 Scope of protection

A review of the trademark laws in ASEAN shows that in general, trade mark protection is by and large confined to situations where the use of a sign which is identical or similar to the registered mark causes confusion on the part of the public.

Singapore offers trade mark protection against dilution. However, protection against dilution is offered only to a particular category of trade marks which are “well known to the public at large in Singapore”. There is no definition of what “well known to the public at large in Singapore” entails. In the words of the Court of Appeal in *The Amanusa*,¹³⁴⁸ such trade marks “form a rare and exclusive class” and following from this, it may be inferred that the threshold level of knowledge required for attaining this degree of fame or notoriety must necessarily be a very high one. In the later case of *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382, the Singapore Court of Appeal further confirmed the important point that the concept of “niche fame” does not apply to the category of marks that are “well known to the public at large” in Singapore. In determining whether a trade mark is “well known to the public at large” or not, regard must certainly be had to section 2(7) STMA which sets out the matters which are relevant for consideration in the determination of whether a mark is well known or not. However, a distinction must be made between marks that are “well known in Singapore” in that they are “well known to any relevant sector of the public in Singapore” and marks that are “well known to the public at large”. The latter must “necessarily enjoy a much higher degree of recognition”¹³⁴⁹ and “it must be recognized by most sectors of the public”¹³⁵⁰ even though the Court of Appeal “would not go so far as to say *all sectors* of the public.”¹³⁵¹

¹³⁴⁷ See section 5(e) Trade Marks Act, Chapter 332, Singapore Statutes, 2005 Revised Edition and section 33(3), Laws of Brunei, Chapter 98, Trade Marks, 2000 Revised Edition.

¹³⁴⁸ [2009] 3 SLR(R) 216

¹³⁴⁹ *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382, [94]

¹³⁵⁰ *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382, [94]

¹³⁵¹ *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382, [94]

To date, there are no cases in Singapore on trade mark dilution in respect of trade marks which are “well known to the public at large”. “Dilution” in relation to a trade mark in Singapore is defined by section 2(1) STMA to mean:

the lessening of the capacity of the trade mark to identify and distinguish goods or services, regardless of whether there is

any competition between the proprietor of the trade mark and any other party; or

any likelihood of confusion on the part of the public.
(emphasis added)

However, it is expected that legal developments as well as case authorities in the European Union¹³⁵² would provide useful guidance for Singapore in fleshing out the trade mark dilution provisions under Singapore’s Trade Marks Act. The concept of trade mark dilution in Singapore should at least cover blurring and tarnishment. The taking of unfair advantage of a well known mark’s distinctive character as a form of dilution is specifically provided for in the provision.

In the context of well known marks, courts in Singapore have also held that the notion of confusion covers a connection as to business that indicates the goods or services are associated and related in some way. This occurs when the use of the proposed junior trade mark will indicate that the applicant’s goods or services are connected in some way to the goods or services of the proprietor of the earlier well known mark, for instance, that the applicant is a subsidiary, branch, extension or agency of the proprietor of the well known mark.¹³⁵³ This connection can also occur when two unrelated companies are thought of by the public to be related simply because of their similarity in name or the trade marks which are used.¹³⁵⁴

For ASEAN jurisdictions which are from the common law tradition, the action of passing off also provides relief to owners of trade marks which have not been registered. The requirement of misrepresentation and a likelihood of confusion in a passing off action also covers confusion as to affiliation and sponsorship.¹³⁵⁵

In general, trade mark protection in ASEAN countries extends to non-traditional marks, such as colours and shapes. In Singapore, trade mark protection potentially also extends to non-visual marks like sounds, smells and taste. However, it is to be noted that registration criteria, such as capacity of being graphically represented and capacity of distinguishing goods or services, are put in place within the registered trade mark regimes in countries such as Singapore to serve as effective “gate-keepers” to signs aspiring to attain the registered status.

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

¹³⁵² As indicated above, case law from the UK and the CJEU are persuasive in Singapore courts because many of the provisions in Singapore’s Trade Marks Act are para material to trademark provisions in the UK Trade Marks Act 1994.

¹³⁵³ An example of such a business connection is found in *Pontiac Marina Pte Ltd v CDL Hotels Int Ltd* [1997] 3 SLR 726.

¹³⁵⁴ See *Mobil Petroleum Company, Inc v Hyundai Mobis* [2010] 1 SLR 512, at [52].

¹³⁵⁵ *Pontiac Marina Pte Ltd v CDL Hotels Int Ltd* [1997] 3 SLR 726.

In general, trade mark laws in ASEAN do provide that certain cultural or heritage symbols or signs are not registrable.

In some member countries, images of leaders, national heroes, famous personalities and high ranking office holders are not registrable as trade marks. For example, in Indonesia, an application for registration of a mark shall also be refused by the Directorate General if (a) it constitutes or resembles the name of a famous person, the photograph of such a person, or the name of a legal entity belonging to another party, except with a written consent of the entitled party.¹³⁵⁶ In Singapore, representation of the President of the Republic of Singapore and marks consisting of names of persons living or dead are not registrable.¹³⁵⁷ This is also the case in the Philippines. “[T]he name, signature, or portrait of a deceased President of the Philippines” is not registrable except by written consent of the widow.¹³⁵⁸ In Thailand, royal names, royal monograms, abbreviations of royal names or royal monograms; representations of the king, queen or heir to the throne; names, words, terms or emblems signifying the king, queen or heir to the throne or members of the royal family are not registrable.¹³⁵⁹ The intellectual property legislation of Vietnam expressly provides that “signs identical with or confusingly similar to real names, alias, pseudonyms or images of leaders, national heroes or famous personalities of Vietnam or foreign countries” are not registrable as trademarks.¹³⁶⁰

For other member countries of ASEAN, like Laos, a trade mark cannot be registered if “a mark is identical with, or is an imitation of, or contains as an element ... *national typical cultural or historical site* ...”¹³⁶¹ whereas in Malaysia, the words “Bunga Raya” and the representations of the hibiscus or any colourable imitation thereof and the representations of any of the royal palaces or of any building owned by the Federal Government or State Government or any other government or any colourable imitation thereof are not registrable under national trademark law.¹³⁶²

2.2 Determining distinctive character

There does not appear to be a presumption in the national trade mark laws of the member countries in ASEAN that common patrimony signs, such as sacred signs and signs of cultural significance, are devoid of distinctive character, or that they are descriptive or generic signs. However, as pointed out above, certain signs of this nature are declared non-registrable by the national laws of the member countries in ASEAN.

There are no known cases of common patrimony signs enjoying trademark protection because they acquired secondary meaning as a result of use in trade.

¹³⁵⁶ Article 6.3(a), Law of the Republic of Indonesia, Number 15 Year 2001.

¹³⁵⁷ Section 11 and 14, Trade Mark Rules, Chapter 332, Singapore Statutes, 2008 Revised Edition.

¹³⁵⁸ Rule 101(c), Rules & Regulations on Trademarks, Service Marks, Tradenames and Marked or Stamped Containers (as amended by Office Order No. 39 (2002), Order 40(2002), Office Order No. 20 (2001), Office Order No. 08 (2000), Office Order No. 17 (1998).

¹³⁵⁹ Section 8(1)(3); 8(1)(4) and 8(1)(5), Trademark Act B.E. 2534 (as amended by the Trademark Act (No.2) B.E. 2542).

¹³⁶⁰ Article 73.3, Law of Intellectual Property (No. 50/2005/QH11).

¹³⁶¹ Article 12, Lao People's Democratic Republic, Intellectual Property Laws, 14 April 2008.

¹³⁶² Section 15(b), Trademark Act, Act 175 of 1976 as amended by Act A1138 of 2002; Section 13(b) & (d), Trademarks Regulations as amended by PU(A) 228 of 2001.

In general, signs must be distinctive to be registrable as trade marks in ASEAN. The requirement of distinctiveness will serve as a general threshold for common patrimony signs to surmount before obtaining registration. In this way, the general protection requirement of distinctiveness serves as an important means of preserving the public domain with regard to common patrimony signs.

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs.*

In general, trade mark laws in ASEAN provide that signs that fall within the following categories are considered non-distinctive and are excluded from registration:

- simple shapes;
- common names;
- descriptive signs indicating time, place and method of production, quantity, quality, intended purpose, value or other characteristics;
- signs which have become customary in any language of goods or services; and
- colours *per se*.

This particular conclusion is buttressed by examining the various provisions on distinctiveness in the national trade mark laws of member countries in ASEAN.

For some member countries, non-distinctiveness in shapes may be overcome by the acquisition of secondary meaning¹³⁶³ but for others, a shape mark that consists exclusively of (a) the shape which results from the nature of the goods themselves; (b) the shape of goods which is necessary to obtain a technical result; or (c) the shape which gives substantial value to the goods are not registrable and cannot be saved by the acquisition of a secondary meaning.¹³⁶⁴

3.2 *Determining distinctive character*

In the recent Singapore High Court decision in *Love & Co Pte Ltd v The Carat Club Pte Ltd* [2009]1 SLR(R) 561, Justice Chan Seng Onn endorsed the view that descriptive signs indicating time, place and method of production, quantity, quality, intended purpose, value or other characteristics are excluded from registration because they consist of signs or indications which honest traders either use or may wish to use without any improper motive. However, until there are more explicit pronouncements from the national courts in ASEAN, it seems that there is no presumption in the trade mark laws of member countries in ASEAN that certain signs, such as descriptive and generic signs, are not distinctive simply because they must be kept free for the public or other traders.

In general, descriptive and generic signs are excluded from protection but may become registrable if they acquire distinctive character through use.

¹³⁶³ For instance, see Article 74(2)(a) of the Law of Intellectual Property of Vietnam (No. 50/2005/QH11).

¹³⁶⁴ See section 7(3), Trade Marks Act, Chapter 332, Singapore Statutes, 2005 Revised Edition.

3.3 Acquisition of secondary meaning

The acquisition of a distinctive character by a mark as a result of its use is always a question of fact. The relevant question is whether the mark has gained a secondary meaning which has replaced its primary and non-distinctive meaning in respect of the goods or services concerned as a result of the use that has been made of it. To assist the courts in the European Union in making this assessment, the CJEU in *Windsurfing Chiemsee Produktions* [2000] Ch 523 identified the following important factors which ought to be taken into consideration:

- the market share held by the mark;
- how intensive, geographically widespread and long-standing use of the mark has been;
- the amount invested by the trader in promoting the mark;
- the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular trader; and
- statements from chambers of commerce and industry or other trade and professional associations.¹³⁶⁵

These set of factors were approved by the Singapore High Court in *Love & Co Pte Ltd v The Carat Club Pte Ltd* [2009] 1 SLR(R) 561. Justice Chan Seng Onn reiterated that whether or not a distinctive character *in fact* exists in relation to a mark is very much a question of fact and the court, in its evaluation of the presence or existence of factually acquired distinctiveness in an inherently non-distinctive mark, has to take into consideration:

“(a) all the relevant facts and circumstances, including the prevalence of the wide variety of actual trade mark and non-trade mark use, promotion and advertising by other traders of the same mark or similar marks with similar attributes by other traders, and all other relevant actions by other traders of similar goods and services, which have the effect of eroding the general perception of the average discerning consumer linking the inherently non-distinctive trade mark in question to the identity of the originator of the goods or services on the one hand; and

(b) on the other hand, all the relevant actions by the promoter of the trade mark in using the trade mark in question constantly as its badge of commercial origin, by inscribing the mark invariably on all their goods, by extensively and intensively promoting, advertising and educating the average discerning consumer of the promoter’s trade mark, in taking relevant enforcement action for passing off and in taking enforcement action against infringers to protect its registered trade mark (whether or not registered correctly or erroneously), all of which have the opposite effect of shoring up the perception in the eyes of the average discerning consumer that the inherently non-distinctive trade mark in question must be associated with and must have originated from that trader who has been intensively and extensively using, promoting and advertising the trade mark in question in relation to those goods or services of his.”

¹³⁶⁵ CJEU, 4 May 1999, joined cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, para. 51, online available at www.curia.eu.

Thus, even though signs which are exclusively descriptive or customary may qualify for registration if they acquire distinctiveness through use, the criteria as set out by the courts to evaluate the presence or existence of acquired distinctiveness through use may function as additional safeguards against encroachments upon the public domain of descriptive and generic signs.

3.4 Exceptions to trademark protection.

Member Countries of ASEAN	Use of own name, provided the use is in accordance with honest practices in industrial or commercial matters	Use of sign to indicate kind, quality, or other characteristics of goods or services, time of production of goods or services, provided the use is in accordance with honest practices in industrial or commercial matters	Use of sign to indicate intended purpose of goods, provided the use is in accordance with honest practices in industrial or commercial matters	Use of sign in comparative advertising, provided use is fair	Use of sign for non-commercial purpose	Use of sign for the purpose of news reporting or news commentary
Brunei Darussalam	✓	✓	✓	-	-	-
Cambodia	-	-	-	-	-	-
Indonesia	-	-	-	-	-	-
Laos PDR	-	-	-	-	-	-
Malaysia	✓	✓	✓	-	-	-
Myanmar	-	-	-	-	-	-
Philippines	-	-	-	-	-	-
Singapore	✓	✓	✓	✓	✓	✓
Thailand	-	-	-	-	-	-
Vietnam	✓	✓	-	-	-	-

It appears that one of the most common exceptions to trade mark protection in ASEAN pertains to descriptive signs which indicate kind, quality, or other characteristics of the goods or services to which the signs are applied. We may conclude that this is a further safeguard against encroachments upon the public domain. Even if trademark protection with regard to descriptive signs is acquired as a consequence of use in the course of trade, exceptions are in place to ensure that signs of this nature remain available for other traders, provided the use is in accordance with honest practices in industrial or commercial matters.

The basis of the exception for non-commercial use in Singapore lies in the objectives behind giving protection to trade marks. The primary function of a trade mark is to serve as a source indicator. Trade mark laws protect the consumers from confusion created by third party use of an identical or similar trade mark on identical or similar goods or services without consent. But, if the use of the trade mark by a third party does not conflict with the primary function of a trade mark to serve as a source indicator, then the law must surely allow such a use. Thus, when trade marks “transcend their identifying purpose” and “enter public discourse and

become an integral part of our vocabulary”, the courts are of the view that they “assume a role outside the bounds of trade mark law.”¹³⁶⁶ When this happens, “the trade mark owner does not have the right to control public discourse whenever the public imbues his mark with a meaning beyond its source-identifying function.”¹³⁶⁷ Thus, the defence of non-commercial use is particularly relevant in the protection of freedom of speech and would cover non-commercial quotations or slogans that are parodies. The same may be said about the exception of use of a sign for news reporting or news commentary to a more limited extent.

The presence of these defences or exceptions is important within the protection regime for registered trade marks to balance the private interests of the trade mark owners and the public interest in freedom of expression and information.

4. Conclusion

Member countries in ASEAN do not all share a common legal tradition and their intellectual property laws are at differing stages of developments. Nevertheless, a cursory review of the national statutory trade mark laws found in member countries of ASEAN reveals that there is general consensus that signs which are not distinctive are not registrable as trade marks. The distinctiveness threshold requirement serves as an important filter for member countries in ASEAN to weed out signs which should not qualify for registration as trade marks. For most of the countries in ASEAN, the distinctiveness of a sign is an important trade mark registration criterion.

We also see that in most jurisdictions within ASEAN, trade mark laws prohibit the registration of certain cultural, historical or national symbols. The non-registrability of these important symbols is evidence of the national legislatures’ desire to preserve signs which belong to a common patrimony.

In certain jurisdictions, notably Brunei Darussalam, Malaysia, Vietnam and Singapore, legislatures have taken additional steps to balance the scope of private proprietary rights of trade mark owners by the enactment of explicit exceptions to trade mark infringements in their trade mark laws.

In the case of Singapore, we note that trade mark protection is conferred to a much wider range of signs compared to the other member countries in ASEAN as both visible as well as non-visible signs are potentially registrable. There is thus a greater need for filtering mechanisms to preserve the balance between property rights and public accessibility and use. In this regard, we note that Singapore’s trade mark protection regime – besides the registration criteria of inherent and factual distinctiveness, and graphical representation – offers additional counterbalancing mechanisms, such as provisions on preserving common patrimony signs, and a broader set of defences and exceptions.

¹³⁶⁶ See *Mattel, Inc. v MCA Records, Inc.*, 296 F.3d 894, 898 (9th Cir. 2002), 537 U.S. 1171, 123 S.Ct. 993, 154 L.Ed.2d 912(2003) at p. 900. Although US decisions are not binding on courts in Singapore, they remain persuasive and like cases from other common law jurisdiction, provide useful guidelines to the courts on similar issues.

¹³⁶⁷ See *New Kids on the Block v News Am. Publ’g Inc.*, 971 F.2d 302, 307(9th Cir.1992). See also the preceding footnote on how US decisions as well as decisions from other common law jurisdictions are treated by Singapore courts.

N. AUSTRALIA AND THE SOUTH PACIFIC*

This report focuses on the registered trade mark laws of Australia and New Zealand, as well as more briefly considering the legal position in eleven South Pacific nations.

Historically, registered trade mark laws in Australia and New Zealand were similar to one another. Both were modeled on the same UK trade mark registration statutes,¹³⁶⁸ with the same British decisions being highly influential in Australian and New Zealand courts alike. However, after the UK overhauled its domestic laws as a result of European harmonisation in the mid-1990s,¹³⁶⁹ Australian and New Zealand law started to diverge. New Zealand enacted a new statute—the *Trade Marks Act 2002*¹³⁷⁰—that drew in part on its previous Act but also on the new UK Act in a number of respects. Australia updated its trade mark laws by enacting a new statute at around that time—the *Trade Marks Act 1995*¹³⁷¹—but did not base its new law on the new UK model. The effect of this is that current New Zealand trade mark law shares a number of key similarities with UK and European law, whereas current Australian law is more closely based on pre-harmonisation UK law.

Many South Pacific nations have historical, colonial ties to the UK, Australia or New Zealand, and this is reflected in their current domestic trade mark laws. Fiji, Papua New Guinea, Samoa and Tonga have each enacted statutes that provide for trade mark registration. The Fijian Act¹³⁷² is very much based on pre-harmonisation UK law, the current Samoan Act¹³⁷³ is based on former New Zealand law, while the Papua New Guinean Act¹³⁷⁴ is heavily based on Australian law, with courts in Papua New Guinea likely to apply relevant Australian cases.¹³⁷⁵ Tonga has adopted a basic, *sui generis* legislative scheme that does not owe its origins to any particular country's trade mark laws.¹³⁷⁶ Other South Pacific countries directly apply old Australian and New Zealand statutes. Thus, in Nauru, the since-repealed Australian *Trade Marks Act 1955* remains in force,¹³⁷⁷ while in the Cook Islands and Niue the since-repealed

* Michael Handler, Associate Professor, Faculty of Law, University of New South Wales, Sydney, Australia.

¹³⁶⁸ See, for example, *Trade Marks Act 1955* (Austl) and *Trade Marks Act 1953* (NZ), both of which were based on the *Trade Marks Act 1938* (UK).

¹³⁶⁹ See *Trade Marks Act 1994* (UK), implementing First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks [1989] OJ L40/1, later codified as Directive 2008/95/EC ("Trade Marks Directive").

¹³⁷⁰ No 49 of 2002, at www.nzlii.org/nz/legis/consol_act/tma2002121/.

¹³⁷¹ No 119 of 1995, at www.austlii.edu.au/au/legis/cth/consol_act/tma1995121/.

¹³⁷² *Trade-Marks Act*, Cap 240, at www.pacii.org/fj/legis/consol_act/tma121/. Fiji was a British colony until 1970.

¹³⁷³ *Trademarks Act 1972*, No 23, at www.pacii.org/ws/legis/consol_act1996/tma1972121/. Samoa was administered by New Zealand until 1962. At the time of writing, the Intellectual Property Bill 2011, which is intended to amend Samoan trade mark law, is before the Samoan parliament.

¹³⁷⁴ *Trade Marks Act 1978*, Cap 385, at www.pacii.org/pg/legis/consol_act/tma1978121/. Australia administered the Territory of Papua and New Guinea until 1975.

¹³⁷⁵ See *Ramu Sugar Ltd v WX Investment Ltd* [2009] PGNC 20, para 7 (National Court of Justice of Papua New Guinea), at www.pacii.org/cgi-bin/disp.pl/pg/cases/PGNC/2009/20.html.

¹³⁷⁶ *Industrial Property Act 1994*, No 19 of 1994, ss 26-33, at www.pacii.org/to/legis/num_act/ipa1994263/.

¹³⁷⁷ *Laws Repeal and Adopting Ordinance 1964*, No 4 of 1964, at www.pacii.org/nr/nauru-alphabetical-index-of-statutes-in-force/index.html. The UK, Australia and New Zealand administered Nauru as UN trustees until 1968.

New Zealand *Trade Marks Act 1953* remains in force.¹³⁷⁸ Finally, each of Kiribati,¹³⁷⁹ the Solomon Islands,¹³⁸⁰ Vanuatu¹³⁸¹ and Tuvalu¹³⁸² has an expedited registration system in place that operates exclusively for marks first registered in the UK,¹³⁸³ with the same rights afforded in those countries as those that exist under UK law.¹³⁸⁴

1. Scope of trademark protection in general

1.1 *Signs eligible for trade mark protection*

Non-traditional types of sign are eligible for protection in Australia, New Zealand and those South Pacific countries that afford protection only to marks first registered in the UK (that is, Kiribati, the Solomon Islands, Vanuatu and Tuvalu). Such signs are also likely to be eligible for protection in most other South Pacific nations.

Under both Australian and New Zealand law, a “trade mark” is defined to be “a sign” that serves a distinguishing function.¹³⁸⁵ “Sign” is defined in both countries in a similar, open-ended manner. Thus in Australia a “sign” *includes* any “aspect of packaging, shape, colour, sound or scent” or any combination of these.¹³⁸⁶ The New Zealand definition specifically mentions “taste” in addition to shape, colour, sound and smell in its list of possible signs.¹³⁸⁷ In most South Pacific countries with local registration schemes, a “mark” is defined in a similar, open-ended manner, although without non-traditional subject matter being specifically

¹³⁷⁸ See, respectively, *Cook Islands Act 1915* (NZ), s 635, at www.nzlii.org/nz/legis/consol_act/cia1915132/ and *Niue Act 1966* (NZ), s 702(1), at www.nzlii.org/nz/legis/consol_act/na196666/. Both the Cook Islands and Niue are former protectorates of, and remain in free association with, New Zealand.

¹³⁷⁹ *Registration of UK Trade Marks Ordinance*, Cap 88, at www.paclii.org/ki/legis/consol_act/routmo366/.

¹³⁸⁰ *Registration of United Kingdom Trade Marks Act*, Cap 180, at www.paclii.org/sb/legis/consol_act/rouktma416/.

¹³⁸¹ *Registration of United Kingdom Trade Marks Act*, Cap 81 of 1973, at www.paclii.org/vu/legis/consol_act/rouktma416/. A new *Trademarks Act 2003*, at www.paclii.org/vu/legis/num_act/ta2003121/, which is closely based on the Australian *Trade Marks Act 1995*, has been passed by the Vanuatu Parliament but has not yet commenced.

¹³⁸² *Registration of UK Trade Marks Ordinance*, Cap 63 of 1973, at www.paclii.org/tv/legis/consol_act/routmo366/.

¹³⁸³ Strictly, in each of Kiribati, the Solomon Islands, Vanuatu and Tuvalu “the registered proprietor of a trade mark in the United Kingdom by virtue of an entry in the register of trade marks kept under the Trade Marks Act, 1938, or any Act amending or substituted for that Act” can apply for local registration. While it is not clear whether this extends to owners of European Community Trade Marks (that have effect in the UK), the reference to “an entry in the register kept under” UK legislation suggests that the above scheme is limited to owners of marks registered under UK legislation.

¹³⁸⁴ Fiji also maintains a system for the expedited recognition of UK-registered marks under its broader domestic law: see *Trade-Marks Act* (Fiji), Part III. See also *Trade Marks Act 1972* (Samoa), ss 16 and 23 on expedited registration of overseas marks.

¹³⁸⁵ *Trade Marks Act 1995* (Austl), s 17; *Trade Marks Act 2002* (NZ), s 5(1).

¹³⁸⁶ *Trade Marks Act 1995* (Austl), s 6(1).

¹³⁸⁷ *Trade Marks Act 2002* (NZ), s 5(1).

mentioned.¹³⁸⁸ The non-exhaustive nature of all of these statutory definitions means that other types of exotic subject matter are likely to be considered to be “signs” or “marks”. For example, the Australian Trade Marks Office recognises that moving images, holograms, gestures and textures are signs that are potentially registrable as trade marks.¹³⁸⁹ In Australia and New Zealand there is a further requirement that a mark be capable of being graphically represented for it to be registrable. However, this operates differently in the two countries. In Australia, “graphical representation” does not form part of the definition of a “trade mark” but instead forms an independent ground on which an examiner can reject an application for registration.¹³⁹⁰ The Australian Trade Marks Office has set up detailed guidelines as to how non-traditional marks are to be graphically represented and if these are satisfied examiners will not object to the registration of such marks.¹³⁹¹ Importantly, third parties cannot oppose the registration of a mark, or seek to have the registration of a mark cancelled, on the ground that the graphical representation is inadequate.¹³⁹² In New Zealand, a “trade mark” is defined in part as “any sign capable of being represented graphically”¹³⁹³ and the Commissioner of Trade Marks must not register a sign “that is not a trade mark”.¹³⁹⁴ While there is a legal requirement that the representation be “clear”,¹³⁹⁵ and the Intellectual Property Office of New Zealand has provided guidelines as to how colour and shape marks are to be represented,¹³⁹⁶ it remains unclear how non-visually perceptible signs are to be, or whether they even can be, graphically represented under New Zealand law.¹³⁹⁷ Unlike in Australia, a third party can bring a “graphical representation” challenge in both opposition and cancellation proceedings.

1.2 Notion of use in trade

“Use in the course of trade” is not specifically defined in the legislation of Australia, New Zealand or other South Pacific nations. In Australia and New Zealand, “use” encompasses use of a mark on a product, its packaging, and on associated matter such as invoices, business correspondence or advertisements,¹³⁹⁸ as well as aural use.¹³⁹⁹ It also covers the

¹³⁸⁸ See, eg, *Trade-Marks Act* (Fiji), s 2; *Trade Marks Act 1972* (Samoa), s 2; *Trade Marks Act 1978* (Papua New Guinea), s 1. In Tonga, however, a mark “means any visible sign capable of distinguishing the goods or services of an enterprise”: *Industrial Property Act 1994* (Tonga), s 2 (emphasis added).

¹³⁸⁹ See IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Parts 21.9-21.10, at www.ipaustralia.gov.au/pdfs/trademarkmanual/trade_marks_examiners_manual.htm.

¹³⁹⁰ *Trade Marks Act 1995* (Austl), s 40.

¹³⁹¹ See IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Parts 10.3 and 21.2-21.10.

¹³⁹² See *Trade Marks Act 1995* (Austl), ss 57 and 88(2)(a). But note that a third party can informally raise this issue with the Registrar, who might then seek, on the Registrar’s own initiative, to have acceptance or registration of the mark revoked under s 38 or s 84A.

¹³⁹³ *Trade Marks Act 2002* (NZ), s 5(1).

¹³⁹⁴ *Trade Marks Act 2002* (NZ), s 18(1)(a).

¹³⁹⁵ *Trade Marks Regulations 2003* (NZ), regs 41(1)(b) and 42(b).

¹³⁹⁶ *IPONZ Trade Mark Act 2002 Practice Guidelines*, Guideline 2a, Part 3.4, at www.iponz.govt.nz/cms/trade-marks/practice-guidelines-index.

¹³⁹⁷ But see *ibid*, Guideline 5, Parts 9.3-9.4.

¹³⁹⁸ See *Trade Marks Act 1995* (Austl), ss 7(4)-(5), 9(1); *Trade Marks Act 2002* (NZ), s 6(a)-(b).

¹³⁹⁹ *Trade Marks Act 1995* (Austl), s 7(2); *Trade Marks Act 2002* (NZ), s 6(c).

application of the mark to goods intended solely for export.¹⁴⁰⁰ There will be use “in the course of trade” if goods or services are marketed for sale or for acquisition, even if no commercial transactions involving the goods or services are in fact entered into.¹⁴⁰¹ This means, for example, that the mere act of pouring brand X soft drink into a cup marked with brand Y is not a use in trade of brand Y, unless there is a further intention to sell that soft drink to a third party.¹⁴⁰² Similarly, the mere act of registering a domain name containing another’s mark, where no goods or services are offered from a resulting website, will not be an infringing use of the mark.¹⁴⁰³ In addition, once goods are bought for consumption or services acquired they cease to be in the course of trade.¹⁴⁰⁴ “Trade” is generally given a broad interpretation in Australia and New Zealand and would include, for example, the use of a sign by a charity (this follows from the fact that marks can be registered in relation to various charitable services). In all countries in the region trade mark rights are not extended to use that does not take place in the course of trade.¹⁴⁰⁵

1.3 Notion of trade mark use

In both Australia and New Zealand, a defendant only infringes a registered trade mark if, as a threshold matter, it uses an identical or sufficiently similar sign “as a trade mark”.¹⁴⁰⁶ That is, only the use of a sign as a badge of origin, judged objectively by reference to likely consumer reaction, will infringe.¹⁴⁰⁷ This is assessed by looking at the precise nature and context of the defendant’s use of the sign, and may involve taking into account consumer familiarity with the registered mark. The concept is perhaps best understood by looking at the types of use that have been held to be *other* than use as a trade mark. Use of a registered mark for purely nominative purposes, such as in comparative advertising or to indicate the name of a musical act or the title of a book or film, will generally not be use as a trade mark.¹⁴⁰⁸ Similarly, use in a purely descriptive manner (that is, to describe a quality or characteristic of the defendant’s goods) or decorative manner (such as use as an embellishment on a T-shirt) will generally not

¹⁴⁰⁰ *Trade Marks Act 1995* (Austl), s 228; *Trade Marks Act 2002* (NZ), s 7(1)(b)-(c).

¹⁴⁰¹ See *WD & HO Wills (Australia) Ltd v Rothmans Ltd* (1956) 94 CLR 182 (High Court of Australia).

¹⁴⁰² See *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 (High Court of Australia).

¹⁴⁰³ See *CSR Ltd v Resource Capital Australia Pty Ltd* [2003] FCA 279, para 42 (Federal Court of Australia).

¹⁴⁰⁴ See *Aristoc Ltd v Rysta Ltd* (1944) 62 RPC 65 (House of Lords).

¹⁴⁰⁵ In Australia, see *Trade Marks Act 1995* (Austl), s 17 and *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* [2010] HCA 15, para 44 (High Court of Australia). In New Zealand, see *Trade Marks Act 2002* (NZ), s 89(1).

¹⁴⁰⁶ *Trade Marks Act 1995* (Austl), s 120(1)-(3); *Trade Marks Act 2002* (NZ), s 89(2). While none of the Acts of the various South Pacific nations specifically refers to the need for infringing use to be “as a trade mark”, it is likely that this would be a requirement in such countries. This is because under former Australian law, where there was no explicit statutory reference to the need for infringing use to be “as a trade mark”, such a requirement was read into the infringement test by the courts: *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 (High Court of Australia).

¹⁴⁰⁷ See *Shell*, *ibid*, especially at p 425. In New Zealand, see generally *Villa Maria Wines Ltd v Montana Wines Ltd* [1984] 2 NZLR 422 (New Zealand Court of Appeal).

¹⁴⁰⁸ For example, see *Musidor BV v Tansing* (1994) 52 FCR 363 (Federal Court of Australia, Full Court) (use of “The Rolling Stones” on legal but unauthorised recordings of concerts by The Rolling Stones was acceptable). But compare with *Nokia Corporation v Mai* [2003] FCA 924 (Federal Court of Australia) (prominent use of “Nokia” on packaging for mobile phone accessories intended to be compatible with Nokia products held to be use as a trade mark).

infringe.¹⁴⁰⁹ Perhaps the most difficult issue is working out when a defendant has used a shape as a trade mark, so as to infringe a registered shape mark. Here, courts have tended to find that there is no use as a trade mark where the defendant has adopted the shape for functional purposes (for example, as the design of the head of an electric shaver¹⁴¹⁰ or as the shape of a device that clips on to fence wires to maintain the integrity of a fence¹⁴¹¹), but have been more inclined to find use as a trade mark where the defendant has used a non-functional shape (for example, the pattern of the sole of a shoe¹⁴¹²) or where the defendant's use implies a sub-brand relationship with the registered owner.¹⁴¹³ In this way, courts have implicitly factored competition considerations into the trade mark use analysis, and in doing so have helped to make up for some of the problems caused by the fact that Australian and New Zealand law allows for functional signs to be registered in the first place (discussed in part 3).

1.4 Scope of protection

There are some key differences between Australian and New Zealand law as to the scope of protection afforded to owners of registered marks. These can be seen by looking first at the core infringement provisions (which focus on the use of marks on identical or similar goods/services) and secondly at the additional protection provided to owners of well-known marks. The position in other South Pacific countries will be considered separately.

Core infringement provisions in Australia and New Zealand

Under Australian law, a defendant will infringe if it uses as a trade mark a “substantially identical” or “deceptively similar” sign, in relation to:

- goods/services covered by the registration;¹⁴¹⁴ or
- goods/services that are similar or closely related to those covered by the registration, but with the defendant being able to avoid liability if it can show that using the sign “as it did is not likely to deceive or cause confusion”.¹⁴¹⁵

In New Zealand, a defendant will infringe if it uses as a trade mark:

¹⁴⁰⁹ For example, see *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 (High Court of Australia) (use of an “oil drop” device in a television advertisement would be understood as providing a reference to the qualities of the defendant's petrol only); *Top Heavy Pty Ltd v Killin* (1996) 34 IPR 282 (Federal Court of Australia) (use of “Chill Out” on T-shirts not use as a trade mark). But compare with *Kolotex Glo Australia Pty Ltd v Sara Lee Personal Products (Australia) Pty Ltd* (1993) 26 IPR 1 (Federal Court of Australia) (prominent use of slogan “Sheer Relief for Active Legs” on packaging for stockings held to be use as a trade mark, and thus infringed registered “Sheer Relief” mark, with evidence of consumer confusion as to the origin of the defendant's goods taken into account).

¹⁴¹⁰ *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* [2000] FCA 876 (Federal Court of Australia, Full Court).

¹⁴¹¹ *Mayne Industries Pty Ltd v Advanced Engineering Group Pty Ltd* [2008] FCA 27 (Federal Court of Australia).

¹⁴¹² *Global Brand Marketing Inc v YD Pty Ltd* [2008] FCA 605 (Federal Court of Australia).

¹⁴¹³ *Coca-Cola Co v All-Fect Distributors Pty Ltd* [1999] FCA 1721 (Federal Court of Australia, Full Court) (use of a shape similar to the famous Coke bottle on cola flavoured confectionary held to be use as a trade mark).

¹⁴¹⁴ *Trade Marks Act 1995* (Austl), s 120(1).

¹⁴¹⁵ *Trade Marks Act 1995* (Austl), s 120(2).

- an identical mark, in relation to goods/services covered by the registration;¹⁴¹⁶ or
- an identical mark, in relation to goods/services similar to those covered by the registration, if such use “would be likely to deceive or confuse”;¹⁴¹⁷ or
- a similar mark, in relation to goods/services similar to those covered by the registration, if such use “would be likely to deceive or confuse”.¹⁴¹⁸

Unlike in Australia, the New Zealand provisions are closely modeled on those contained in European trade mark law.¹⁴¹⁹ Having said this, the Australian and New Zealand provisions tend to operate in a broadly similar manner in practice.

In both countries, courts must compare the extent of similarity between the marks (which goes to whether an infringement action can be maintained at all) and compare the goods/services (which determines which infringement provision might apply). The role that confusion plays in the core infringement analysis in both countries is complex, particularly in Australia. Perhaps the most important point to note is that the test in both countries is built on a series of abstractions. Unlike the common law passing off action, courts do not look for evidence of whether consumers have actually been or would be confused in seeing the defendant’s mark, in light of all the circumstances of the defendant’s use. Rather, the infringement tests focus on the extent of similarity between the mark as registered and the defendant’s sign, as well as the degree of similarity between the goods/services as specified in the registration and as used by the defendant, in a manner that is largely divorced from actual marketplace factors.

In comparing non-identical marks, the test in Australia looks to whether the marks are “deceptively similar”. This is defined as meaning whether one mark “so nearly resembles th[e] other trade mark that it is likely to deceive or cause confusion”.¹⁴²⁰ In New Zealand the question is whether the marks are “similar”, which forms part of a broader test that asks whether the defendant’s use of its mark on similar goods would be likely to deceive or confuse. That is, New Zealand law sets up more of a “global appreciation” test of likelihood of deception or confusion¹⁴²¹ whereas in Australia deception or confusion appears only to have a role to play in determining the degree of resemblance between the marks. In practice, however, these differences tend to be slight,¹⁴²² and both countries tend to use similar principles in

¹⁴¹⁶ *Trade Marks Act 2002* (NZ), s 89(1)(a).

¹⁴¹⁷ *Trade Marks Act 2002* (NZ), s 89(1)(b).

¹⁴¹⁸ *Trade Marks Act 2002* (NZ), s 89(1)(c).

¹⁴¹⁹ Trade Marks Directive, Art 5(1). Similarly, in those South Pacific countries that only recognise marks already registered in the UK, the rights given to registered owners in those countries are the same as those that exist under the *Trade Marks Act 1994* (UK), s 10(1)-(2) (which implemented Art 5(1) of the Directive): see *Registration of UK Trade Marks Ordinance* (Kiribati), s 6; *Registration of United Kingdom Trade Marks Act* (Solomon Islands), s 6; *Registration of United Kingdom Trade Marks Act* (Vanuatu), s 5; *Registration of UK Trade Marks Ordinance* (Tuvalu), s 6.

¹⁴²⁰ *Trade Marks Act 1995* (Austl), s 10.

¹⁴²¹ *IPONZ Trade Mark Act 2002 Practice Guidelines*, Guideline 10, Part 4.1, referring to Case C-251/95, *Sabel BV v Puma AG* [1997] ECR I-6191 (CJEU); and Guideline 10, Part 7, referring to Case C-39/97, *Canon Kabushiki Kaisha v Metro Goldwyn Mayer Inc* [1998] ECR I-5507 (CJEU).

¹⁴²² See *NV Sumatra Tobacco Trading Co v British American Tobacco (Brands) Inc* [2010] NZCA 24, para 18 (New Zealand Court of Appeal).

determining whether marks are sufficiently alike such that a likelihood of confusion would result.¹⁴²³ In both countries, it has been held that being deceived is “equivalent to being misled into thinking that the goods ... Come from some other source” whereas being confused is the same as “being caused to wonder whether that might not be the case”.¹⁴²⁴ A finding of deceptive similarity can be made in Australia even if the court believes that any confusion was unlikely to persist up to the point of sale, or was factor in inducing sale,¹⁴²⁵ although whether post-sale confusion is actionable is unclear. It is also worth noting that the reputation of the registered mark may work in favour of a finding of deceptive similarity under Australian law, but may also count against it if there is no possibility of consumer misremembering the well-known registered mark on seeing the defendant’s sign.¹⁴²⁶

The greater differences between the Australian and New Zealand core infringement provisions relate more to the circumstances in which use that does not cause confusion is relevant. First, in Australia, the use of a deceptively similar mark in relation to the goods or services covered by the registration will infringe—there is no scope for the defendant to argue that despite the similarity between the marks, the owner has not shown that the use of the mark would not cause confusion. Such an argument would be available under New Zealand law. Secondly, where the defendant has used a sufficiently similar mark and its goods/services are only similar to those covered by the registration, it might appear that in both countries the same issue of “likelihood of confusion” then arises. However, under Australian law the onus is on the defendant to prove an absence of confusion. Further, the relevant provision is worded in such a way that it will be extremely difficult for a defendant to be able to show that its past use of a deceptively similar mark not only did not cause confusion but also *will* never cause confusion, given that even if there has been no confusion in the past the registered owner might legitimately wish to change the way it uses its mark in the future in a manner that would result in confusion with the defendant’s mark.¹⁴²⁷

Additional protection for well-known marks in Australia and New Zealand

Under New Zealand law it is also an infringement to use an identical or similar mark in relation to goods or services dissimilar to those covered by the registration, where the registered trade mark is well known in New Zealand and the use takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark.¹⁴²⁸ As in the EU,¹⁴²⁹ New Zealand thus provides for anti-dilution protection against blurring, tarnishment and unfair free-riding, and these concepts are likely to be interpreted as they are under EU law. However, New Zealand’s anti-dilution law is different from EU law in a number of respects. Apart from the fact that the defendant’s use must be “as a trade mark”, protection is only afforded to owners of “well-known” marks (arguably, a different standard than marks “with a reputation” under EU

¹⁴²³ For example, key determinants in both countries are whether marks have an essential feature in common, that common descriptive elements of marks are less likely to lead to a finding of sufficient similarity, and that distinctive marks are to be given a stronger sphere of protection.

¹⁴²⁴ *Pioneer Hi-Bred Corn Company v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 (New Zealand Court of Appeal); *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1954) 91 CLR 592 (High Court of Australia).

¹⁴²⁵ *Southern Cross*, *ibid*.

¹⁴²⁶ *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606 (Federal Court of Australia).

¹⁴²⁷ See *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* [2009] FCAFC 27, para 78 (Federal Court of Australia, Full Court).

¹⁴²⁸ *Trade Marks Act 2002* (NZ), s 89(1)(d).

¹⁴²⁹ Trade Marks Directive, Art 5(2), implemented in *Trade Marks Act 1994* (UK), s 10(3), which is in effect in Kiribati, the Solomon Islands, Vanuatu and Tuvalu, all of which only protect already-registered UK marks.

law), and only where the defendant's use is in relation to "dissimilar" goods/services.¹⁴³⁰ This latter restriction means, for example, that the perfume brand owners that were successful in the UK in preventing the sale of "smell-alike" perfumes that were said to have taken unfair advantage of the reputation of those brands¹⁴³¹ would be unable to bring a similar action in New Zealand based on its anti-dilution provisions. In one respect, however, New Zealand anti-dilution law may be broader than EU law, in that the New Zealand provisions do not require that the defendant's actions be undertaken "without due cause".

In Australia, on the other hand, a party will infringe if it uses as a trade mark a sign that is substantially identical or deceptively similar to a well-known registered mark, in relation to goods/services that are dissimilar to those covered by the registration, where it can be shown that because the registered mark is well-known the defendant's use would be taken to indicate a "connection" between its goods/services and the owner of the registered mark, and where the owner can show that its interests have been adversely affected.¹⁴³² This is not an anti-dilution provision along the lines of what is contained in New Zealand or EU law. Rather, in requiring that a connection be established between the *owner* of the registered mark and the defendant's *goods/services*, this sets up a test that looks to whether consumers are confused, either as to the origin of the defendant's goods/services or whether the owner has sponsored, approved of or has some other commercial association with the goods/services.¹⁴³³

Position in the South Pacific

Finally, in most South Pacific nations that allow for local trade mark registration, the infringement action is limited to the use of the registered mark in relation to the goods or services covered by the registration.¹⁴³⁴ The main exception is Tonga, where the owner's rights extend to prevent the use of a similar mark in relation to similar goods or services to those covered by the registration, "where the effect may mislead the public".¹⁴³⁵

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

Both Australia and New Zealand prevent the registration of signs falling under Article 6*ter* of the Paris Convention, as well as other "common patrimony" signs.

¹⁴³⁰ There has been no indication that New Zealand courts will follow Case C-292/00, *Davidoff & Cie SA v Gofkid Ltd* [2003] ECR I-389 (CJEU) which would require anti-dilution protection to be extended to cover use in relation to identical or similar goods/services.

¹⁴³¹ Case C-487/07, *L'Oréal SA v Bellure NV* [2009] ECR I-5185 (CJEU); *L'Oréal SA v Bellure NV* [2010] EWCA Civ 535 (English Court of Appeal).

¹⁴³² *Trade Marks Act 1995* (Austl), s 120(3). See also s 120(4) for limited guidance on when a mark is "well known".

¹⁴³³ See, in relation to the almost identically worded connection requirement in s 185(1) of the *Trade Marks Act 1995* (Austl), *AT&T Corporation* [2001] ATMO 96 (Australian Trade Marks Office); *Pfizer Products Inc* [2004] ATMO 25 (Australian Trade Marks Office).

¹⁴³⁴ *Trade-Marks Act* (Fiji), s 38; *Trade Marks Act 1972* (Samoa), s 15(2); *Trade Marks Act 1978* (Papua New Guinea), s 49(1). For Nauru, the Cook Islands and Niue, the infringement action extends to cover the use of a substantially identical or deceptively similar mark: *Trade Marks Act 1955* (Austl), s 62(1); *Trade Marks Act 1953* (NZ), s 8. It is worth noting that in each of these South Pacific countries protection against the use of similar signs on similar goods or services may be available through the common law passing off action.

¹⁴³⁵ *Industrial Property Act 1994* (Tonga), s 29(2).

In Australia, an application for registration may be rejected by the Trade Marks Office at the examination stage, or the registration of the mark opposed by third parties, or a registration cancelled, on various grounds.¹⁴³⁶ One relevant ground is if the mark contains or consists of a “prescribed” sign or a sign so nearly resembling a prescribed sign as to be taken for it.¹⁴³⁷ Signs that have been prescribed for this purpose include:

- a representation of a mark notified by the International Union for the Protection of Industrial Property as not entitled to registration under international arrangements (ie, signs falling under Art 6*ter* of the Paris Convention);
- a representation of the Arms, or of a flag or seal, of the Commonwealth of Australia or of an Australian State or Territory;
- a representation of the Arms or emblem of a city or town in Australia or of a public authority or public institution in Australia; and
- expressions such as “Olympic Champion”, “Repatriation”, “Returned Airman”, “Returned Sailor” and “Returned Soldier”.¹⁴³⁸

Importantly, it is only where the use of a prescribed sign would deceive or confuse the public as to the status that the mark might have under legislation, or the existence of a connection between the applicant’s use of the sign and the organisation with which the sign is normally associated, that the application will be rejected.¹⁴³⁹

In addition, Australian law contains provisions that deny registration to a mark:

- (i) whose use would be contrary to law;¹⁴⁴⁰ or
- (ii) which contains scandalous matter;¹⁴⁴¹ or
- (iii) whose use would be likely to deceive or cause confusion because of some connotation that the mark contains.¹⁴⁴²

Each of these provisions can potentially be used to prevent the registration of “common patrimony” signs.

As an example of (i), Australian legislation prohibits a person from using a captured image of a Commonwealth reserve (for example, a photograph of a feature in a national park) to derive commercial gain.¹⁴⁴³ Thus any attempt to register that captured image as a trade mark should

¹⁴³⁶ See *Trade Marks Act 1995* (Austl), s 57 and 88(2)(a) for opposition and cancellation grounds based on the examination grounds of rejection (contained in ss 39 and 41-44).

¹⁴³⁷ *Trade Marks Act 1995* (Austl), s 39(2).

¹⁴³⁸ *Trade Marks Regulations 1995* (Austl), reg 4.15 and Sch 2.

¹⁴³⁹ See IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Part 31.3.1.

¹⁴⁴⁰ *Trade Marks Act 1995* (Austl), s 42(b).

¹⁴⁴¹ *Trade Marks Act 1995* (Austl), s 42(a).

¹⁴⁴² *Trade Marks Act 1995* (Austl), s 43.

¹⁴⁴³ *Environment and Biodiversity Conservation Regulations 2000* (Austl), reg 12.38(1).

be rejected on the ground that the use of that mark would be contrary to law. This ground also prevents the registration of a mark that includes the iconic Australian term “Anzac” (the acronym for “Australian and New Zealand Army Corps”) without government approval.¹⁴⁴⁴ It is important to note that the “contrary to law” ground does not require a statutory prohibition on the use of the specific word or image in question. Thus, for example, where the use of an image that has a connection with a particular indigenous community by a party outside that community would be held to contravene general statutory prohibitions on engaging in “misleading or deceptive conduct” in trade by implying an affiliation with or endorsement by that community,¹⁴⁴⁵ or would infringe the copyright of an artist within that indigenous community,¹⁴⁴⁶ an attempt to register that image can also be prevented on this ground. As to (ii), there is some scope for arguing that the adoption of a mark that would cause a significant degree of offence to a particular sector of the community (such as a religious or cultural organisation or racial minority) could be prevented on this ground,¹⁴⁴⁷ although Australian law is not settled on the question of who, exactly, must be “scandalised” by the mark.¹⁴⁴⁸ As to (iii), this restriction potentially catches marks that deceptively suggest that the owner or goods/services in respect of which registration is sought have some form of official approval or licence, such as royal patronage¹⁴⁴⁹ or government approval.¹⁴⁵⁰ It will also prevent from registration marks that confusingly suggest endorsement or approval by a well-known person, or that the goods/services in question are being provided under a licence granted by such a person. For example, a trader’s attempt to register a composite mark featuring the words “Diana’s Legacy in Roses” together with a device comprising doves, a wreath of flowers and a stylised letter “D” was successfully opposed on the basis that there was a real likelihood that consumers would conclude that the mark indicated endorsement by the Fund or the Estate of the late Diana, Princess of Wales.¹⁴⁵¹ This line of authority has been extended to prevent attempts to appropriate the name of non-human cultural icons.¹⁴⁵² In this way, certain signs that have a degree of cultural significance can be prevented from registration by third

¹⁴⁴⁴ *Protection of Word “Anzac” Regulations* (Austl), reg 2(1).

¹⁴⁴⁵ See *Competition and Consumer Act 2010* (Austl), Sch 2: Australian Consumer Law, ss 18(1) and 29(1)(g)-(h).

¹⁴⁴⁶ See *Copyright Act 1968* (Austl), ss 36(1) and 31(1)(b).

¹⁴⁴⁷ IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Part 30.2.

¹⁴⁴⁸ See, eg, the Australian Trade Marks Office’s reference to the inconsistent UK cases *Ellis & Co’s Trade Mark* (1904) 21 RPC 617 (English High Court) and *La Marquise Footwear Inc’s Application* (1946) 64 RPC 27 (English High Court) in *Trade Marks Office Manual of Practice and Procedure*, Part 30.2.3. For recent consideration, see *Hanlon* [2011] ATMO 45 (Australian Trade Marks Office).

¹⁴⁴⁹ See, eg, *Royal Worcester Corset Co’s Application* [1909] 1 Ch 459 (English High Court) (ROYAL WORCESTER for American corsets deceptively suggested royal patronage).

¹⁴⁵⁰ See, eg, *WD & HO Wills (Aust) Ltd’s Application* (1922) 17 AOJP 2 (Australian Trade Marks Office) (GOVERNMENT HOUSE rejected for cigarettes).

¹⁴⁵¹ *McCorquodale v Masterson* [2004] FCA 1247 (Federal Court of Australia). See also *Commitee Marc Chagall v Elite Wine and Spirits* [2007] ATMO 29 (Australian Trade Marks Office) (application for registration of MARC CHAGALL for alcoholic beverages rejected on the basis that consumers would be caused to wonder whether there was some connection between the mark and the deceased artist of the same name, or whether the artist or his estate had licensed the use of his name, or whether the alcoholic beverages were similar to those favoured by the artist during his lifetime and on that basis endorsed by him or his estate).

¹⁴⁵² See *Museums Board of Victoria v Martinek* [2011] ATMO 122 (Australian Trade Marks Office) (attempt to register SAM THE KOALA and associated images rejected. A rescued koala called “Sam the Koala” had become a prominent symbol of hope and resilience associated with devastating bushfires in the State of Victoria in 2009, and after the koala’s death it became an exhibit in the Museum of Victoria. The Trade Marks Office considered that at the priority date consumers would have been confused as to whether there was some association between the applicant and those involved with the koala’s discovery, rescue, rehabilitation or exhibition).

parties.¹⁴⁵³ An objection to registration on this last basis will generally not be raised by the Australian Trade Marks Office, but rather will be left to third parties to raise in opposition proceedings.

Similar to Australia, New Zealand law contains detailed grounds on which an examiner can reject applications for registration of marks containing flags, armorial bearings, official signs and hallmarks, either which are protected under Art 6^{ter} of the Paris Convention¹⁴⁵⁴ or where the applicant does not have the necessary official licence to use the sign in question.¹⁴⁵⁵ New Zealand law also prevents the registration of marks whose use would be likely to deceive or confuse,¹⁴⁵⁶ or be contrary to New Zealand law,¹⁴⁵⁷ or be “likely to offend a significant section of the community, including Māori”.¹⁴⁵⁸ In relation to this last ground, a Māori Trade Marks Advisory Committee has been established so that the Commissioner of Trade Marks can refer applications derivative of Māori text and imagery for consideration by the Committee of whether the mark is likely to be offensive to Māori.¹⁴⁵⁹ This Committee has provided general advice to the Commissioner of Trade Marks that:

- the word “kiwi” is not offensive for a wide range of goods and services;
- Māori words contained in geographical locations in New Zealand are not offensive for a wide range of goods and services, but that particular terms, names, or places names accompanied by Māori imagery ought to be referred to the Committee for further determination; and
- the “pitau” or “koru” image (a fern frond image symbolising new life and growth) is not offensive for a wide range of goods and services, but if the application contains an association with genetic technologies or includes other Māori text and/or imagery it should be referred to the Committee.¹⁴⁶⁰

As a final point, New Zealand law also prevents the registration of the name of a living person or a person who died within ten years unless the application is made in the name of the person or a letter of consent is obtained.¹⁴⁶¹

Of the South Pacific nations, Papua New Guinea,¹⁴⁶² Tonga,¹⁴⁶³ Nauru,¹⁴⁶⁴ and the Cook Islands and Niue¹⁴⁶⁵ restrict the registration of specific common patrimony signs such as flags,

¹⁴⁵³ Albeit that these signs might be able to be registered by the well-known person in question.

¹⁴⁵⁴ *Trade Marks Act 2002* (NZ), ss 28-30.

¹⁴⁵⁵ *Trade Marks Act 2002* (NZ), s 27.

¹⁴⁵⁶ *Trade Marks Act 2002* (NZ), s 17(1)(a).

¹⁴⁵⁷ *Trade Marks Act 2002* (NZ), s 17(1)(b).

¹⁴⁵⁸ *Trade Marks Act 2002* (NZ), s 17(1)(c).

¹⁴⁵⁹ See *Trade Marks Act 2002* (NZ), ss 177-180. On the work of the Advisory Committee, see http://www.med.govt.nz/templates/ContentTopicSummary_1290.aspx.

¹⁴⁶⁰ *IPONZ Trade Mark Act 2002 Practice Guidelines*, Guideline 16, Part 6.

¹⁴⁶¹ *Trade Marks Act 2002* (NZ), s 23. See also s 24 on representations of the British Royal Family.

¹⁴⁶² *Trade Marks Act 1978* (Papua New Guinea), s 20. See also s 21 on applications for the name of a living or recently deceased person.

¹⁴⁶³ *Industrial Property Act 1994* (Tonga), s 26(2)(d).

national emblems and Royal insignia.¹⁴⁶⁶ In addition, most South Pacific nations prevent from registration marks whose use would be contrary to law or morality, or which contain scandalous matter, or whose use would be likely to deceive or cause confusion.¹⁴⁶⁷

2.2 *Distinctive character and acquisition of secondary meaning*

In Australia, an application for registration will be rejected if it is not capable of distinguishing the applicant's goods/services from those of other traders.¹⁴⁶⁸ This first involves determining whether the mark is *prima facie* distinctive or, if not, whether the mark is "to any extent inherently adapted to distinguish" the applicant's goods/services (that is, the *extent* to which the mark is descriptive of those goods/services, or whether it is a generic term for them). If the mark is not to any extent inherently adapted to distinguish, the issue then becomes whether the mark has acquired distinctiveness based on pre-filing-date use. If the mark is inherently adapted to distinguish to a limited extent, the issue is whether the mark has acquired or will acquire distinctiveness based on use before or after the filing date, or intended use.¹⁴⁶⁹

Where the mark contains or consists of a well-known title or name of a famous book, story, film, play or musical work, and the application is in Classes 9, 16 or 41, the Trade Marks Office has stated that it is likely to find that the mark is not *prima facie* distinctive if the work is clearly in the public domain, and research shows either that the sign will be viewed by purchasers as a description of the content or subject matter of goods/services rather than merely a title or the work is perceived to be a classic and the sign has meaning only as the title of a work.¹⁴⁷⁰ On this basis, the Office has indicated that it would raise a distinctiveness objection to marks such as MACBETH, LITTLE RED RIDING HOOD or BEETHOVEN'S 5TH SYMPHONY but not to marks such as THE DA VINCI CODE or YESTERDAY.¹⁴⁷¹ Similarly, where the mark consists of the name of a well-known person or character, and is for goods or services (such as books or publishing) where other traders would have a legitimate need to make use of the name of the person or character, the mark is likely to be considered to lack *prima facie* distinctiveness.¹⁴⁷² Importantly, however, there would seem to be no restriction on the use of common patrimony terms in relation to goods/services *unconnected* with the primary meaning

[Footnote continued from previous page]

¹⁴⁶⁴ By way of the *Trade Marks Act 1955* (Austl), s 29.

¹⁴⁶⁵ By way of the *Trade Marks Act 1953* (NZ), s 21.

¹⁴⁶⁶ Also, Kiribati, the Solomon Islands, Vanuatu and Tuvalu, which only protect already-registered UK marks, provide *de facto* protection for common patrimony signs.

¹⁴⁶⁷ See *Trade-Marks Act* (Fiji), s 10; *Trademarks Act 1972* (Samoa), s 5(6); *Trade Marks Act 1978* (Papua New Guinea), s 19; *Industrial Property Act 1994* (Tonga), s 26(2)(b)-(c). For Nauru, see *Trade Marks Act 1955* (Austl), s 28. For the Cook Islands and Niue, see *Trade Marks Act 1953* (NZ), s 16.

¹⁴⁶⁸ *Trade Marks Act 1995* (Austl), s 41(2).

¹⁴⁶⁹ This is a paraphrase of the operation of *Trade Marks Act 1995* (Austl), s 41(2)-(6). At the time of writing, it is proposed that the wording and structure, but not the operation in substance, of s 41 be reformed: see Intellectual Property Laws Amendment (Raising the Bar) Bill 2011, Sch 6, item 113.

¹⁴⁷⁰ IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Part 22.21.

¹⁴⁷¹ *Ibid.*

¹⁴⁷² *Ibid.*, Part 22.18.2. See *Museums Board of Victoria v Martinek* [2011] ATMO 65 (Australian Trade Marks Office); *Museums Board of Victoria v Martinek* [2011] ATMO 122 (Australian Trade Marks Office) (applications for SAM THE KOALA and associated images rejected on basis of lack of distinctiveness. See the earlier discussion in Part 2.1 for details of the cultural significance of "Sam the Koala" in Australia).

of the sign. For example, the mark WALTZING MATILDA (the name of an iconic Australian song) has been registered in relation to such goods as beverages, barbecues, foodstuffs, clothing, films, and horticultural products, and services such as food provision and film production, in each case without the need to show acquired distinctiveness.¹⁴⁷³ Much the same applies to applications for the names of culturally significant Australian figures in relation to goods/services unrelated to that figure.¹⁴⁷⁴

A similar situation is likely to prevail in New Zealand, whose distinctiveness provisions are closely modeled on those in the EU Trade Marks Directive (that is, New Zealand law contains three separate grounds of rejection for marks that are “devoid of distinctive character”, “descriptive” or “generic”, with a demonstration of pre-filing-date acquired distinctiveness needed to overcome such grounds¹⁴⁷⁵), as well as in the South Pacific nations under consideration.¹⁴⁷⁶

2.3 Exceptions to trade mark protection

As seen in 1.2 and 1.3 above, infringement under the law of Australia, New Zealand and the South Pacific nations under consideration requires use of a sign by the defendant “in the course of trade” and “as a trade mark”. The fact that non-trade usage of registered signs will not constitute infringement allows considerable freedom for activities such as non-commercial parodies of marks that have cultural significance. Further, the use “as a trade mark” requirement provides additional scope for parties engaged in commercial practices to make nominative use of registered common patrimony signs. By way of example, Disney Enterprises was successful in Australia in defending a trade mark infringement action brought by a trader who had registered THE HUNCHBACK OF NOTRE DAME for entertainment services, with the court finding that Disney’s use of this title in connection with its films and on related goods did not constitute use as a trade mark.¹⁴⁷⁷

In addition, both Australian and New Zealand laws contain defences to infringement for activities such as certain types of descriptive use (such as to describe a quality of the defendant’s goods)¹⁴⁷⁸ and nominative use (such as comparative advertising).¹⁴⁷⁹ Given that most types of descriptive and nominative use are not prima facie infringing, because they are

¹⁴⁷³ See Australian registered trade marks 218783, 228232, 336891, 749100, 768214 and 856692. An attempt to register the mark for sound recordings was rejected on the basis that it would be likely to deceive or confuse consumers that the recordings were of the song: *Waltzing Matilda Centre Ltd v Jolly Swagmen Pty Ltd* [2002] ATMO 9 (Australian Trade Marks Office). Any attempt to limit the specification to sound recordings of the song would, however, have raised a distinctiveness objection.

¹⁴⁷⁴ For example, there are marks on the register that include “Captain Cook” (an early European explorer of Australia) for foodstuffs, furniture and cruise services, “Ned Kelly” (an iconic Australian bushranger) for clothing, pies and bicycles, and “Henry Lawson” (a famous colonial Australian poet) for wine.

¹⁴⁷⁵ See *Trade Marks Act 2002* (NZ), s 18(1)(b)-(d), (2); *IPONZ Trade Mark Act 2002 Practice Guidelines*, Guideline 5 on assessing distinctiveness.

¹⁴⁷⁶ See *Trade-Marks Act* (Fiji), s 8(1); *Trademarks Act 1972* (Samoa), s 5(3); *Trade Marks Act 1978* (Papua New Guinea), ss 15-17; *Industrial Property Act 1994* (Tonga), s 26(2)(a). For Nauru, see *Trade Marks Act 1955* (Austl), ss 24-26. For the Cook Islands and Niue, see *Trade Marks Act 1953* (NZ), ss 14-15.

¹⁴⁷⁷ *Christodoulou v Disney Enterprises Inc* [2005] FCA 1401 (Federal Court of Australia).

¹⁴⁷⁸ See *Trade Marks Act 1995* (Austl), s 122(1)(b) and *Trade Marks Act 2002* (NZ), s 95(c)(i) (use of a sign to describe the “kind, quality, quantity, intended purpose, value, geographical origin, or other characteristic” of goods/services, with a requirement of “good faith” in Australia and “honest practice” in New Zealand);

¹⁴⁷⁹ *Trade Marks Act 1995* (Austl), s 122(1)(d) and *Trade Marks Act 2002* (NZ), s 94 (use in comparative advertising, with a requirement of “honest practice” in New Zealand); *Trade Marks Act 1995* (Austl), s 122(1)(c) (good faith use of the trade mark to indicate the intended purpose of goods).

unlikely to constitute use “as a trade mark” objectively assessed, these defences generally have little work to do.¹⁴⁸⁰ However, they provide further safeguards that would allow the use of common patrimony signs.¹⁴⁸¹

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

None of the laws of Australia, New Zealand or the various South Pacific nations contain an express restriction on the registration of functional signs along the lines of that which exists under US law,¹⁴⁸² or an express restriction on the registration of functional shapes akin to that which exists under EU and Singaporean law.¹⁴⁸³ However, in Australia, the suggestion has been made in a number of cases that there are certain types of three-dimensional sign that can never meet the statutory definition of a “trade mark”¹⁴⁸⁴ and are thus excluded from registration because they are not severable from the goods in question.¹⁴⁸⁵ These cases have all been in the context of shapes that are thought to be dictated by the nature of the goods and/or perform a technical function,¹⁴⁸⁶ with courts being explicitly concerned about the anti-competitive implications of allowing single traders to monopolise technical product shapes.¹⁴⁸⁷ Despite these cases, however, it is rare to see applications for registration in Australia being rejected by the Trade Marks Office on the ground that the sign cannot be a “trade mark”. Instead, much of the work in preventing the registration of such marks, as well as other signs that it is thought ought to be kept free for general use, falls to the distinctiveness enquiry.¹⁴⁸⁸ As will be seen in 3.3 below, an important limitation of the distinctiveness enquiry in this context is that acquired distinctiveness is prioritised over the policy of keeping functional signs free for general use.

3.2 *Determining distinctive character*

In Australia and New Zealand, a key policy interest underpinning the test for prima facie distinctiveness is the need to keep certain signs free for use by the public. Both countries

¹⁴⁸⁰ The Australian defences in s 122(1)(b)-(c) are only likely to apply where consumers would consider the defendant’s use to be as a trade mark but where the defendant can show that it honestly intended to use the sign descriptively or for nominative purposes.

¹⁴⁸¹ See also *Trade Marks Act 1978* (Papua New Guinea), s 55(1) for specific defences under Papua New Guinean law.

¹⁴⁸² Compare with 15 USC §1052(e)(5).

¹⁴⁸³ Compare with Trade Marks Directive, Art 3(1)(e); *Trade Marks Act 1998* (Singapore), s 7(3).

¹⁴⁸⁴ *Trade Marks Act 1995* (Austl), s 17.

¹⁴⁸⁵ A similar argument might be available in New Zealand, based on s 18(1)(a) of the *Trade Marks Act 2002* (NZ): see *Fredco Trading Ltd v Miller* [2006] NZCA 151, paras 36-37 (New Zealand Court of Appeal).

¹⁴⁸⁶ See *Koninklijke Philips Electronics NV v Remington Products Australia Pty Ltd* [2000] FCA 876, paras 12, 15 (Federal Court of Australia, Full Court); *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* [2002] FCAFC 273, paras 130, 137 (Federal Court of Australia, Full Court); *Mayne Industries Pty Ltd v Advanced Engineering Group Pty Ltd* [2008] FCA 27, paras 63-66 (Federal Court of Australia); *Sebel Furniture Pty Ltd v Acoustic & Felts Pty Ltd* [2009] FCA 6, para 144 (Federal Court of Australia).

¹⁴⁸⁷ See especially *Philips v Remington*, *ibid*, paras 1, 17; *Kenman Kandy*, *ibid*, para 137.

¹⁴⁸⁸ In New Zealand, see *Fredco Trading Ltd v Miller* [2006] NZCA 151, paras 17-19 (New Zealand Court of Appeal).

have based their tests on that set out in the old UK House of Lords' decision in *W & G du Cros v Registrar of Trade Marks*, which requires decision-makers to ask whether "other traders [are] likely, in the ordinary course of their business and without any improper motive, to desire to use the same mark, or some mark nearly resembling it, upon or in connection with their own goods".¹⁴⁸⁹ This test, which looks to the needs of other traders to be able to use signs for their ordinary semantic qualities, has been restated in the current Australian test used to assess prima facie distinctiveness¹⁴⁹⁰ and informs the New Zealand test for whether a mark is "devoid of distinctive character".¹⁴⁹¹ It is perhaps worth noting that although the New Zealand Act contains two additional grounds of rejection for (broadly speaking) "descriptive" and "generic" signs, the public interest in keeping signs free for general use underpins all three grounds.¹⁴⁹² It is also likely that such policy considerations will inform the tests to be applied in those South Pacific nations with laws based on UK, Australian and New Zealand law.¹⁴⁹³

In practice, this means that word marks that merely describe characteristics of the specified goods/services, such as their nature, quality, purpose, geographical origin or value, will generally lack prima facie distinctiveness, and will only be registrable following a showing of acquired distinctiveness.¹⁴⁹⁴ This is also likely to be the case for certain foreign words that are descriptive or generic when translated into English, as well as words that are misspelled versions of descriptive or generic terms,¹⁴⁹⁵ common names,¹⁴⁹⁶ and slogans that do little more than describe the goods or exhort consumers to purchase them.¹⁴⁹⁷ For non-traditional types of sign, the test established in Australia for assessing the distinctiveness of single colour marks—which looks to whether the colour serves a utilitarian, ornamental or economic function or whether there is a proven competitive need for the colour¹⁴⁹⁸—is such that it is difficult to see a tribunal ever finding that a single colour mark is prima facie distinctive. While a similar position has been taken in assessing the distinctiveness of functional shape marks in Australia, a different approach has been taken in relation to non-functional shape marks, where there is controversial authority to the effect that if the shape is considered to be "concocted" or "invented", it will be considered to be prima facie distinctive.¹⁴⁹⁹

¹⁴⁸⁹ (1913) 30 RPC 660, 671-2 (House of Lords).

¹⁴⁹⁰ *Clark Equipment Co v Registrar of Trade Marks* (1963) 111 CLR 511, 514 (High Court of Australia).

¹⁴⁹¹ *Intellectual Reserve Inc v Sintes* [2009] NZCA 305, para 22 (New Zealand Court of Appeal).

¹⁴⁹² *Ibid*, paras 16, 22-23, 30-35. This should be contrasted with the position in the EU: Case C-329/02 P, *SAT.1 SatellitenFernsehen GmbH v OHIM* [2004] ECR I-8317 (CJEU).

¹⁴⁹³ See *Trade-Marks Act* (Fiji), s 8(1); *Trademarks Act 1972* (Samoa), s 5(3); *Trade Marks Act 1978* (Papua New Guinea), ss 15-17. For Nauru, see *Trade Marks Act 1955* (Austl), ss 24-26. For the Cook Islands and Niue, see *Trade Marks Act 1953* (NZ), ss 14-15.

¹⁴⁹⁴ For key examples, see *Clark Equipment Co v Registrar of Trade Marks* (1963) 111 CLR 511 (High Court of Australia) (MICHIGAN for heavy earth moving equipment); *Burger King Corporation v Registrar of Trade Marks* (1973) 128 CLR 417 (High Court of Australia) (WHOPPER for burgers); *McCain Foods (Aust) Pty Ltd v ConAgra Inc* [2002] NZCA 123 (New Zealand Court of Appeal) (HEALTHY CHOICE for frozen foods).

¹⁴⁹⁵ See, eg, *Aldi Stores Ltd Partnership v Frito-Lay Trading Co GmbH* [2001] FCA 1874 (Federal Court of Australia, Full Court) (CHEEZY TWISTS for snack food).

¹⁴⁹⁶ See, eg, *Time Warner Entertainment Co, LP v Stepsam Investments Pty Ltd* [2003] FCA 1502 (Federal Court of Australia) (HARRY POTTER for clothing).

¹⁴⁹⁷ See, eg, *Unilever Australia Ltd v Société des Produits Nestlé SA* [2006] FCA 782 (Federal Court of Australia) (slogan GO ON... For foodstuffs).

¹⁴⁹⁸ *Philmac Pty Ltd v Registrar of Trade Marks* [2002] FCA 1551, para 65 (Federal Court of Australia).

¹⁴⁹⁹ *Kenman Kandy Australia Pty Ltd v Registrar of Trade Marks* [2002] FCAFC 273 (Federal Court of Australia, Full Court). For an different outcome in New Zealand involving a shape with only partially functional features, see *Fredco Trading Ltd v Miller* [2006] NZCA 151 (New Zealand Court of Appeal).

As a final point, it is important to note that Australian and New Zealand decision-makers do not apply presumptions either for or against the registrability of particular types of mark (such as shapes or colours): rather the approach of examiners and courts is to apply the established legal tests that look to the likelihood that other traders would wish to use the sign in question and to make an assessment about the prima facie distinctiveness of the mark on that basis.

3.3 Acquisition of distinctive character

The overall effect of the Australian and New Zealand law on acquired distinctiveness is that a party can obtain a monopoly in a sign that other traders might well wish to use for its ordinary properties, including wholly descriptive or generic terms, functional shapes and functional colours.

In New Zealand, a mark that prima facie lacks distinctive character can be accepted for registration if, before the filing date of the application, the trade mark had acquired a distinctive character as a result of either the use made of it or of any other circumstances.¹⁵⁰⁰ In looking at the use that has been made of the mark, New Zealand tribunals have been strongly influenced by UK and European decisions, and thus look to factors such as how intensive, widespread and long-standing the use of the mark has been, the market share held by the mark and the amount spent promoting it, the proportion of consumers that identify goods or services as originating from the applicant, and statements from industry bodies and professional associations in support of the mark's acquired distinctiveness.¹⁵⁰¹ It has also been held that the more descriptive the mark, the stronger the evidence of use that will be required to demonstrate acquired distinctiveness.¹⁵⁰²

In Australia, the position is more complicated. If a mark is not prima facie distinctive, the next issue is whether or not the mark is "to any extent inherently adapted to distinguish" the applicant's goods/services: that is, whether it is (i) wholly descriptive or generic (meaning that it is not inherently adapted to distinguish to any extent¹⁵⁰³), or (ii) whether it is only partially descriptive (meaning that it is inherently adapted to distinguish to a slight extent¹⁵⁰⁴). For (i), registration depends on whether the mark had acquired distinctiveness by the filing date, based solely on use before that date.¹⁵⁰⁵ For (ii), registration turns on whether the mark has acquired *or will acquire* distinctiveness, based on the use *or intended use* of the mark and any other circumstances.¹⁵⁰⁶ Australian law is thus unusual in contemplating that certain non prima

[Footnote continued from previous page]

¹⁵⁰⁰ Trade Marks Act 2002 (NZ), s 18(2).

¹⁵⁰¹ See *IPONZ Trade Mark Act 2002 Practice Guidelines*, Guideline 5a, Part 2, based on Joined Cases C-108/97 and C-109/97, *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v Boots- und Segelzubehör Walter Huber and Attenberger* [1999] ECR I-2779, para 51 (CJEU).

¹⁵⁰² See, eg, *Bunac Travel Services Ltd* [2008] NZIPOTM 5 (IP Office of NZ), applying *Re Joseph Crosfield & Sons Ltd* (1909) 26 RPC 837 (English Court of Appeal).

¹⁵⁰³ For examples from case law, see above nn 1152-1156.

¹⁵⁰⁴ Examples from case law include: TENNIS WAREHOUSE for the online retailing of tennis equipment (*Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 664 (Federal Court of Australia)); SHEEN for sewing cotton (*J & P Coats Ltd's Application* (1936) 53 RPC 355 (English Court of Appeal)); HAIRFUSION for hair styling services (*Advanced Hair Studio of America Pty Ltd v Registrar of Trade Marks* (1988) 12 IPR 1 (Federal Court of Australia, Full Court)); and the slogan SOUNDS DIFFERENT for radio broadcasting (*Austereo Pty Ltd v DMG Radio (Australia) Pty Ltd* [2004] FCA 968 (Federal Court of Australia)).

¹⁵⁰⁵ Trade Marks Act 1995 (Austl), s 41(6).

¹⁵⁰⁶ Trade Marks Act 1995 (Austl), s 41(5).

[Footnote continued on next page]

facie distinctive marks can be registered on the basis of a mere potential to acquire distinctiveness. The tests that apply for determining acquired distinctiveness are broadly similar to those that apply in New Zealand. Tribunals look at the duration and extent of use of the mark, turnover figures and advertising expenditure and (particularly for marks lacking any inherent adaptation to distinguish) trade declarations and consumer surveys that show how the sign has come to be understood.¹⁵⁰⁷ Importantly, tribunals will look to see whether the non prima facie distinctive sign has been or will be used as a trade mark¹⁵⁰⁸ and will be cautious in accepting that such a mark has acquired distinctiveness if it has always been used in conjunction with other subject matter. For this reason, applicants for the shape of goods have sometimes struggled to show that their shapes have acquired distinctiveness when those shapes have always been used with primary distinguishing brands,¹⁵⁰⁹ and applicants for single colour marks have sometimes had difficulty showing acquired distinctiveness when the single colour has formed part of a larger total get-up.¹⁵¹⁰

3.4 *Exceptions to trade mark protection*

As indicated in 2.3, Australian and New Zealand law both provide a range of safeguards for parties using registered marks for descriptive or nominative purposes. Thus even where traders have succeeded in registering descriptive terms or functional shapes on the basis of acquired distinctiveness, a defendant that uses these signs other than as a trade mark will not infringe. In addition, there are specific defences available for the honest or good faith use of registered marks for certain descriptive or nominative purposes.

3. Conclusion

In summary, the trade mark laws of Australia, New Zealand and many South Pacific nations each contain various restrictions on the ability to monopolise signs that other traders might have a legitimate interest in using or that otherwise belong to a common patrimony.

In terms of registration requirements, in each of these countries it is recognised that non-traditional subject matter such as shapes, sounds and scents can potentially be trade marks. Nevertheless, it remains difficult to register such signs, although it should be noted that no country's laws contain an explicit restriction on the registration of functional signs, like that which exists under US law. As regards the distinctiveness test, while there are broad similarities between the laws of the countries under consideration, particularly in the focus on the needs of other traders in the assessment of prima facie distinctiveness, Australia takes a somewhat more liberal approach to the requirement (for example, in relation to shape marks and acquired distinctiveness) than do other countries. There are also a range of provisions in place in Australia, New Zealand and most South Pacific nations restricting the registration of marks whose use would be contrary to law, which are scandalous or offensive, or whose use would deceive the public as to the existence of some official approval or sponsorship or licensing arrangement. These restrictions provide a degree of protection against the

[Footnote continued from previous page]

¹⁵⁰⁷ IP Australia, *Trade Marks Office Manual of Practice and Procedure*, Parts 23.3.4, 23.4.3.1 and 23.5.6. See also *Sports Warehouse Inc v Fry Consulting Pty Ltd* [2010] FCA 644 (Federal Court of Australia).

¹⁵⁰⁸ See further 1.3 above on use as a trade mark.

¹⁵⁰⁹ See, eg, *Chocolaterie Guylian NV v Registrar of Trade Marks* [2009] FCA 891 (Federal Court of Australia) (seahorse shape for chocolate used descriptively, and always used with distinctive word and device marks).

¹⁵¹⁰ See, eg, *BP Plc v Woolworths Ltd (No 2)* [2006] FCAFC 132 (Federal Court of Australia, Full Court) (attempt to register the colour green rejected because the applicant's total get-up was a green/yellow combination).

monopolisation of certain common patrimony signs beyond those falling within the scope of Art 6^{ter} of the Paris Convention.

The levels of protection afforded to owners of registered trade marks vary as between the countries considered in this report. In most South Pacific nations a registered owner can only prevent the use of its mark in relation to the specified goods or services. Protection in Australia extends to similar and, for well-known marks, dissimilar goods, with consumer confusion having a different role to play in these two cases. New Zealand affords the broadest protection in that it has enacted specific anti-dilution provisions designed to prevent blurring, tarnishment and unfair free riding. Despite these differences, in all countries considered in this report an infringement action can only be maintained against a defendant that uses another's registered mark in the course of trade. In Australia, New Zealand and most South Pacific nations there is a further requirement that the use be "as a trade mark". These requirements, coupled with specific defences, provide valuable safeguards that allow for descriptive, decorative and nominative uses of registered marks.

O. RUSSIAN FEDERATION*

In the Russian Federation the rights to trademarks and service marks are addressed in Chapter 76 of the Civil Code of the Russian Federation¹⁵¹¹ (hereinafter – "Civil Code", "CC"). A number of issues related to the legal protection and use of trademarks and service marks are also regulated in resolutions of the Government of the Russian Federation and by-laws of the Federal Service on Intellectual Property, Patents and Trademarks (hereinafter – "Rospatent"). In addition to the above, in the area of trademark protection, the respective provisions of international treaties (to which Russia has acceded) apply, since such treaties are considered to be a part of the Russian legal system.

It is necessary to stress that in the Russian legislation there is no distinction between signs belonging to the "public domain", "signs belonging to a common patrimony" and "signs that should be available for the public". The aforementioned types of designations are, in essence, covered by paragraphs 1, 2 and 4 of Article 1483 CC reflecting the notion that their registration is not allowed (they fall within the scope of absolute grounds for refusal of registration).

In this report the section related to "signs belonging to a common patrimony" covers the following types of designations:

- designations falling under the definition of Article 6^{ter} of the Paris Convention for the Protection of Industrial Property (paragraph 2 of Article 1483 CC);
- designations identical or confusingly similar to the official names and depictions of the particularly valuable objects of cultural heritage of peoples of Russia, objects of world cultural or natural heritage, depictions of cultural values stored in collections, corpus, funds (paragraph 4 of Article 1483 CC); and
- religious insignia.

* *Ksenia Fedotova, Member, UNESCO Chair of Copyright and Intellectual Property Rights Moscow, Moscow, Russia.*

¹⁵¹¹ Civil Code of the Russian Federation, Part IV of 18.12.2006 No. 230-FZ, published in *Sobranie Zakonodatel'stva* of 25.12.2006, Nr. 52, Pos. 14803.

The section related to “signs that should be available for the public” addresses the designations enumerated in paragraph 1 of Article 1483 CC.

Taking into account that the international legal framework for the protection of trademarks and international instruments available for the preservation of the public domain has already been discussed in previous chapters, this report is based on the rules and regulations contained in the Civil Code and the by-laws of Rospatent. Russian court practice is cited to illustrate the application of the specific rules and issues mentioned in the report.

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

In accordance with the provisions of Article 1482(1) CC, words, figurative (design), three-dimensional and other designations or combinations thereof may be registered as trademarks. The scope of the definitions relating to the terms “word”, “figurative (design)”, “three-dimensional” and “combined” for various types of signs is addressed in paragraph 2.2. Of the Rules on Composing, Filing and Examination of Applications for Registration of Trademarks and Service Marks (hereinafter – “the Rules”).¹⁵¹²

The definition provided in Article 1482(1) CC implies that the list of signs eligible for trademark protection is not exhaustive. Paragraph 2.2 of the Rules expressly mentions sound and light designations as examples of signs eligible for trademark protection. Also, holographic, smell and motion signs as well as designations consisting solely of one or several colours may potentially be eligible for registration. The possibility of registration of such “non-traditional” designations as trademarks is expressly indicated in paragraphs 7.3.2.1, 7.3.3 of the draft Administrative Rules (“Reglament”) of Rospatent on Arranging the Process of Filings of Trademarks and Service Marks, their Examination and Issuance of Certificates. The above draft Rules have not been adopted yet, but their text is published on the official web-site of Rospatent for public reference.¹⁵¹³

1.2 *Notion of trademark use*

Russian legislation sets forth a very detailed definition of “trademark use”, applied for the purposes of determining trademark infringement. In accordance with Article 1484(1) CC, the trademark owner enjoys the right to use its trademark in line with Article 1229 CC¹⁵¹⁴ at its discretion by any way not contradicting the law (exclusive right to a trademark). In accordance with Article 1484(2) CC, exclusive rights to a trademark may be exercised for the individualization of goods, works and services, in connection with which the trademark is registered, in particular, by way of placing the trademark on various objects indicated in the non-exhaustive list of sub-paragraphs 1 – 5 of Article 1484(2) CC. The above list is not exhaustive and implies that other ways of trademark use might exist. In the opinion of the drafters of Part IV of the Civil Code, the above list allows to quite fully define the scope of acts falling under the notion of trademark use. If acts of this type are carried out by unauthorized

¹⁵¹² Rules on Composing, Filing and Examination of Applications for Registration of Trademarks and Service Marks, adopted by the Order of Rospatent No.32 of 05.03. 2003.

¹⁵¹³ The draft Administrative Rules is available online at <http://www1.fips.ru/wps/wcm/connect/96c153004bfda529a5f9bdd0c7e0eb6d/4.pdf?MOD=AJPERES>.

¹⁵¹⁴ Art. 1229 of the Civil Code contains a general provision applicable to all results of intellectual activities and means of individualization; it defines the term “exclusive right”.

third parties, this would constitute a violation of the trademark owner's exclusive rights and entail liability set under law.¹⁵¹⁵

Trademark use is defined as:

- placing the trademark on the goods, including the packages and labels thereto, which are being manufactured, offered for sale, sold, demonstrated in exhibitions and fairs, or otherwise introduced into civil circulation on the territory of Russia, as well as stored or transported for the above purposes, or imported into the territory of Russia from abroad (in accordance with sub-paragraph 1 of Article 1484(2) CC);
- placing the trademark in the course of providing works or services (in accordance with sub-paragraph 2 of Article 1484(2) CC);
- placing the trademark on the documents connected with the introduction of the goods into civil circulation, to the offers of sale of goods, providing works or services, as well as on announcements, on signage and in advertising (in accordance with sub-paragraphs 3 and 4 of Article 1484(2) CC);
- placing the trademark on the Internet, including its use within a domain name and within other types of addressing (in accordance with sub-paragraph 5 of Article 1484(2) CC).

Under Article 1484(3) CC, without the trademark owner's authorization, no one has the right to use signs confusingly similar thereto in connection to the goods, with respect to which the trademark is registered, or to similar goods, if such use would result in a likelihood of confusion. From this provision, the conclusion may be derived that a violation of exclusive trademark rights only occurs where a sign identical or confusingly similar to a protected trademark, fulfils the trademark function of individualizing goods or services in the marketplace.

Unlike in Western Europe¹⁵¹⁶, the legal concept of "use as a trademark" is not well developed in Russia yet. Russian court practice generated several court decisions where the courts considered the issue whether signs used by defendants served the function of the trademark, namely whether they were individualizing goods or services. In this context, courts have consistently based their rulings on the definition of trademarks contained in Article 1477(1) CC, according to which a trademark is the designation serving the purpose of individualizing goods of the legal entities or individual entrepreneurs owning the trademark or using it on the basis of trademark license agreements.

For instance, in one of the decisions the court ruled that paper labels with the inscriptions "LADA", "SAMARA" and "NIVA", used by the defendant on boxes with spare car parts, served only the purposes of informing consumers about the destination of goods, namely their compatibility with vehicles of the particular brand, i.e. That those designations bear solely an informational character in relation to the technical application of the goods concerned, and do not serve the function of a trademark.¹⁵¹⁷

¹⁵¹⁵ See Commentary to Part IV of the Civil Code of the Russian Federation edited by A.L. Makowskyi, Scientific Centre of Private Law, Publishing House Statut, Moscow 2008, page 659.

¹⁵¹⁶ For example "markenmäßige Benutzung" in German law.

¹⁵¹⁷ Resolution of the Ninth Arbitration Appeal Court No. 09АП-3203/2010-AK of 11.03.2010, available online at http://kad.arbitr.ru/data/pdf/57cf9f36-5111-4ea6-927a-6b84ef93edff/A40-157492-2009_20100311_Postanovlenie+apelljacji.pdf.

In another ruling, the court noted¹⁵¹⁸ that the use by the defendant of the trademarked designation “BALAGAN LIMITED” on a compact disc could not be considered a violation of the plaintiff’s trademark rights, since the word elements “BALAGAN LIMITED” indicated the name of the music group whose songs were recorded on the compact disc in question. The court stressed that the designation, in this context, did not function as a trademark, namely did not aim at the distinction of goods of one entity from similar goods of another entity. The issue of whether a designation functions as a trademark (individualizes goods) was considered by the courts also in disputes concerning the registration of domain names containing protected trademarks of third parties. In one of the rulings the court concluded that the fact of registration of a domain name, confusingly similar to a trademark, by itself, could not be recognized as an automatic violation of trademark rights. The court established that the plaintiff had failed to prove use of the domain name for the individualization of goods and services, covered by the plaintiff’s trademark registration¹⁵¹⁹.

1.3 *Notion of use in trade or in connection with trade*

Exclusive rights of a trademark owner to use its trademark extend only to the trademark use in connection with the introduction of goods or services, covered by the trademark registration, into civil circulation. The civil circulation is usually understood as comprising any possible types of civil transactions.¹⁵²⁰ Under sub-paragraph 1 of Article 1484(2) CC, introduction into civil circulation is understood as manufacturing of goods, offering goods for sale, sales, demonstration of goods on fairs and exhibitions or introduction into civil circulation in other ways. From the aforementioned list of ways of introduction into civil circulation (including manufacturing, offer for sale, sales) it may be concluded that actions constituting introduction of goods into civil circulation must bear a commercial character. For example, the Federal Arbitration Court of the North-West Circuit¹⁵²¹ denied monetary compensation for an alleged unlawful use of the word trademark “NOCH POZHIRATELEY” (“NIGHT OF PREDATORS”). The Court established that the defendant, a state cultural institution, had conducted a public event under this designation, and that the nature of this event was purely non-commercial, that the event had not aimed for profit and that it served the sole purpose of cultural education of inhabitants of a local district.

In the event of disputes arising over an alleged violation of trademark rights, the trademark owner or a party claiming violation must provide evidence of the introduction of the trademarked goods into civil circulation or the intent of such introduction. For example, considering a dispute over alleged trademark infringement, namely storage in the warehouse of the trademarked goods without the trademark owner’s consent, the plaintiff (customs authority) failed to overcome the defendant’s assertions that the goods were acquired for personal purposes and not for re-sale.¹⁵²²

[Footnote continued from previous page]

¹⁵¹⁸ Resolution of the Federal Arbitration Court of the Moscow Circuit No. KA-A40/2563-00 of 29.06.2000, available online at <http://www.pravoteka.ru/pst/586/292527.html>.

¹⁵¹⁹ Resolution of the Federal Arbitration Court of the Moscow Circuit No. KF-A40/2509-05 of 06.04.2005, available online at http://www.lawconsulting.ru/adjudications/detail.php?ELEMENT_ID=3125.

¹⁵²⁰ See Grishaev S.P. Commentary to the Law of the Russian Federation “On Trademarks, Service Marks and Appellations of Origin of Goods”, prepared for the legal database “ConsultantPlus”, available in the legal database “ConsultantPlus”.

¹⁵²¹ Resolution of the Federal Arbitration Court of the North-West Circuit in the case No. A56-61473/2009 of 04.08.2010 available in the legal database “ConsultantPlus”.

¹⁵²² Resolution of the Federal Arbitration Court of the North-West Circuit in the case No. A21-5167/04-C1 of 08.12.2004, available online at http://www.lawmix.ru/szo_jude/13972.

Use of trademarks on documents is considered actionable trademark use under sub-paragraph 3 of Article 1484(2) CC if the documents are connected with the introduction of goods into civil circulation, i.e. Performing acts of manufacturing goods, offering goods for sale, sales, demonstration of goods on fairs and exhibitions etc., i.e. Acts bearing a commercial character. Placing the trademark on offers concerning the sale of goods, or the providing of works or services, as well as on announcements, on signage and in advertising is also considered as an actionable trademark use under sub-paragraph 4 of Article 1484(2) CC. Obviously, the aforementioned types of use also have a commercial character.

It is noteworthy that, under Russian law, certain types of non-commercial use of a trademark may amount to infringement. In particular, non-commercial use of a trademark within registered domain names of a third party was repeatedly recognized by courts as trademark infringement. However, Russian court practice does not demonstrate a uniform approach to the question whether a trademark owner is entitled to claim trademark infringement when a third party registers a confusingly similar domain name while not using this domain name for any website or using the respective website for non-commercial purposes.

Some of the court rulings considered the very fact of the registration of a domain name as trademark infringement.¹⁵²³ In particular, trademark rights may be violated if the domain name in fact starts to function as a trademark, namely, when it is used by the domain name owner in bad faith.¹⁵²⁴ In some rulings, courts recognized the very fact of ownership of the web site under the domain name, comprising the trademark belonging to a world-wide known company, as a violation of exclusive trademark rights, since the registration of a domain name creates for the defendant a possibility to attract to his web site potential consumers of services similar to those covered by the plaintiff's trademark.¹⁵²⁵ However, other courts repeatedly followed a contrary approach, which implies that, if the fact of use of a domain name in relation to goods close to the goods of the trademark owner, is not proven, the mere fact of registration of the domain name by itself cannot be qualified as a trademark infringement.¹⁵²⁶

It may be concluded that – according to a number of court rulings - a trademark owner may prevent third parties from registration of a domain name confusingly similar with a registered trademark for non commercial purposes or for commercial purposes but not in relation to goods or services that are not similar to the goods or services protected by the trademark.

1.4 *Scope of protection*

Under Article 1484(3) CC, without the trademark owner's authorization no one has the right to use designations confusingly similar to the trademark in connection to goods, with respect to which the trademark is registered, or to similar goods, if such use would result in a likelihood of confusion. Therefore, to establish trademark infringement, the following conditions must be met:

¹⁵²³ Judgment of the Moscow Arbitration Court in the case No. A40-27887/01-83-349 of 29.08.2002 г., available online at http://www.russianlaw.net/law/individualization/case_tm_domain_coca-cola_opredel1/.

¹⁵²⁴ Resolution of the Ninth Arbitration Appeal Court No. 09АП-17535/2007-ГК of 09.01.2008 available in the legal database "ConsultantPlus", see also Decision of the Moscow Arbitration Court in the case No. A40-42141/01-26190 of 10.01.2002, available online at http://russianlaw.net/law/individualization/case_tm_domain_miele_opredel1/.

¹⁵²⁵ Resolution of the Federal Arbitration Court of the Moscow Circuit No. КГ-А40/11286-07 of 06.11.2007, available online at <http://www.lawyercom.ru/doc.htm?did=14>.

¹⁵²⁶ Resolution of the Federal Arbitration Court of the Moscow Circuit in the case No. КГ-А40/2509-05 of 06.04.2005 г. Available online at <http://www.lawmix.ru/mskjude/9308>; Resolution of the Ninth Arbitration Appeal Court in the case No. 09АП-9421/2007-ГК of 19.07.2007, 26.07.2007 available online at http://www.lawconsulting.ru/adjudications/detail.php?ELEMENT_ID=3116.

- confusing similarity between the sign used by a third party and the protected trademark;
- use of the sign in connection with goods, with respect to which the trademark is registered, or with similar goods; and
- likelihood of confusion as a result of such use.

In assessing similarity of goods, the courts¹⁵²⁷ follow Rospatent's Rules and Methodological Recommendations on the Determination of Proximity of Goods and Services in the course of the Examination of Trademark Applications.¹⁵²⁸ It is important to stress that, for the purposes of taking a decision on the proximity of goods, the Nice Classification of Goods and Services¹⁵²⁹ does not have a decisive influence.¹⁵³⁰ Various other circumstances, such as traditional ways of applying the goods, for which the trademark is registered, conditions of their commercialization, common circles of consumers, must be taken into account as potential evidence for the similarity of the goods and services compared.¹⁵³¹ A traditional way of use may refer to common use of certain goods, which became established in society. For instance, the Presidium of the Supreme Arbitration Court of the Russian Federation indicated in a ruling¹⁵³² that peanuts were traditionally used as snacks consumed along with beer, and ruled that the traditional character of application of peanuts as such type of snacks, conditions of their sales (namely, sales of beer and beer snacks together), a common circle of consumers, served as evidence of proximity of the compared goods (here, beer and peanuts).

A sign is considered to be confusingly similar to another sign if it can be associated with it as a whole regardless of their separate distinctions.¹⁵³³ For assuming confusing similarity, it is sufficient that a risk of confusion, and not necessarily actual consumer confusion is present in the market.¹⁵³⁴ A finding of likely confusion depends, in particular, on the distinctive character of the trademark with an earlier priority. A higher degree of distinctive character of a mark implies a higher likelihood of confusion.¹⁵³⁵ Strong trademarks, i.e. Trademarks with high

¹⁵²⁷ See for instance, Resolution of the Federal Arbitration Court of the Volgo-Vyatsky Circuit of 25.04.2005 No. A82 – 4953/2004-36, available online at http://www.lawmix.ru/volgovyat_jude/2780.

¹⁵²⁸ Methodological Recommendations on Determination of Proximity of Goods and Services in course of Examination of Trademark Applications adopted by the Order of Rospatent No. 198 of 31.12.2009.

¹⁵²⁹ Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15.06.1957.

¹⁵³⁰ See V.V. Starzhenetskiy "Collision of the means of individualization: approaches in the court practice" in Intellectual property un Russia and EC: legal problems: Collected works, edited by M.M. Boguslavskiy and A.G. Svetlanov, Moscow, publishing house Wolters Kluwer, 2008, pages 239 - 262.

¹⁵³¹ Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation No. 2979/06 of 18.07.2006, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_116767.html.

¹⁵³² Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation No. 2979/06 of 18.07.2006, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_116767.html

¹⁵³³ See para. 14.4.2 of the Rules for composing, filing and examining trademark and service-mark registration applications, adopted by the Order of Rospatent No.32 of 05.03. 2003.

¹⁵³⁴ Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation No. 3691/06 of 18.07.2006, available online at <http://www.patentoved.com/content.php?id=232>.

¹⁵³⁵ Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation No. 3691/06 of 18.07.2006, available online at <http://www.patentoved.com/content.php?id=232>; Decision of the Supreme Arbitration Court of the Russian Federation of 02.11.2007 No. 14391/07, available in the legal database

distinctive character, are those based on original (fanciful, not existing as lexical items) signs and trademarks which, as a result of advertising and wide use, have acquired distinctiveness among consumers through use.¹⁵³⁶

Well-known marks enjoy broader protection under Russian law which is extended not only to identical or similar goods, but also to goods dissimilar to the goods in connection with which the mark was recognized as well-known (Article 1508(3) CC). For recognition by Rospatent of a trademark or a sign used as a trademark, as well-known, it is necessary that such a trademark or designation, as a result of its intensive use up to the date indicated in the application for obtaining protection as a well-known mark, has become widely known in the Russian Federation among the respective consumers of the applicant's goods (Article 1508(1) CC).

The fact of intensive use may be, in particular, confirmed by documents evidencing the date of commencement of trademark use, specifying locations where sales of trademarked goods took place, indicating the volume of sales of those goods, the way of using the trademark, the annual average quantity of consumers of the respective goods, and the position of the manufacturer within the specific segment of the market.¹⁵³⁷ Intensive use may be confirmed, in particular, by documents providing information on other countries where the trademark is already widely recognized, and expenses spent for advertising of a trademark.¹⁵³⁸ Wide notoriety is confirmed primarily by consumer surveys with respect to the well-known character of a mark, conducted by a specialized independent institution.¹⁵³⁹

In accordance with Article 1508(3) CC, well-known marks are protected against infringement made in connection to goods, dissimilar to those with respect to which the trademark was recognized as well-known, provided that the use would raise associations with the owner of the well-known mark in the minds of consumers, and is capable of affecting legal rights of the owner. Russian law has not developed and does not apply a concept of trademark dilution that, besides blurring, includes tarnishment and "unfair free riding". Under Russian law, dilution of the distinctive character of a well-known mark, provided that the conditions of Article 1508(3) CC are met, constitutes a violation of the exclusive right to the well-known mark, and, upon meeting conditions of the legislation on competition¹⁵⁴⁰, also constitutes an act of unfair competition. Acts of unfair competition or abuse of rights may also arise from damaging business reputation and unfair free riding, provided that the conditions of current legislation are met.¹⁵⁴¹

[Footnote continued from previous page]

"ConsultantPlus"; Resolution of the Ninth Arbitration Appeal Court of 22.09.2010 No. 09АП-14784/2010, available in the legal database "ConsultantPlus".

¹⁵³⁶ See V.V. Starzhenetskiy "Collision of the means of individualization: approaches in the court practice" in Intellectual property in Russia and EC: legal problems: Collected works, edited by M.M. Boguslavskiy and A.G. Svetlanov, Moscow, publishing house Wolters Kluwer, 2008, pages 239 – 262.

¹⁵³⁷ See para. 2 of the Rules of Recognition of a Trademark as Well-Known in the Russian Federation adopted by the Order of Rospatent of 17.03.2000 No. 38.

¹⁵³⁸ See para. 2 of the Rules of Recognition of a Trademark as Well-Known in the Russian Federation adopted by the Order of Rospatent of 17.03.2000 No. 38.

¹⁵³⁹ See para. 2 of the Rules of Recognition of a Trademark as Well-Known in the Russian Federation adopted by the Order of Rospatent of 17.03.2000 No. 38.

¹⁵⁴⁰ See Art. 10bis of the Paris Convention for the Protection of Industrial Property of 20.03.1883; Art. 14 of the Federal Law "On Protection of Competition" of 26.07.2006 No. 135-ФЗ.

¹⁵⁴¹ See Art. 10 (2) of the Civil Code.

2. Misappropriation of signs belonging to a common patrimony

For the purposes of this Report, "signs belonging to a common patrimony" can be understood to include:

- signs falling under the definition of Article 6ter of the Paris Convention for the Protection of Industrial Property (Article 1483(2) CC);
- signs identical or confusingly similar to the official names and depictions of particularly valuable objects of cultural heritage of the peoples of Russia, objects of world cultural or natural heritage, and depictions of cultural values stored in collections, corpus, funds (Article 1483(4) CC); and
- religious insignia.

2.1 *Exclusion of signs*

Signs falling under Article 6ter of the Paris Convention

Under Article 1483(3) CC the registration and legal protection of trademarks consisting solely of the elements representing the following signs is prohibited:

- (a) state emblems (armorial bearings), state flags and other state symbols and signs;
- (b) abbreviated or full names of international or intergovernmental organizations, their emblems (armorial bearings), flags, other symbols and signs;
- (c) official control, warranty marks or hallmarks, stamps, awards and other signs (insignia) of distinction; and
- (c) designations confusingly similar to the elements indicated in the above paragraphs (a) – (c).

This provision sets forth absolute grounds for refusal to be observed in the framework of the trademark registration procedure. The law does not specify the term "other state symbols and signs" in paragraph (a). It may be concluded that, besides the state symbols of Russia (state emblem, state flag and state anthem), the notion of state symbols should also include official symbols of other state subjects (regions) of Russia (emblems, flags, armorial bearings) and official symbols of municipal authorities (emblems, flags, armorial bearings). Official symbols and distinctive signs are recorded in the State Heraldic Registry of the Russian Federation.¹⁵⁴² It must be taken into account that the elements, enumerated in the Article 1483(3) CC, may be included in a trademark as non-protectable elements, if the respective competent authority consented to such inclusion, and provided that such elements do not occupy a dominant position in the trademark for which registration is sought. Russian court practice is almost silent on Article 1483(3) CC. Most of the disputes arising from the provision are likely to be dealt with by the Chamber for Patent Disputes¹⁵⁴³ without giving rise to further appeals to the courts.

Signs falling under Article 1483(4) of the Civil Code

¹⁵⁴² See Regulation on the State Heraldic Registry of the Russian Federation, adopted by the Presidential Decree of 21.03.1996 No. 403.

¹⁵⁴³ The Chamber for Patent Disputes is a state body acting within the system of Rospatent. The Chamber for Patent Disputes considers a large number of disputes related, *inter alia*, to appeals against the decisions of examination on trademark applications. An applicant is free to further appeal the decision of the Chamber for Patent Disputes in courts.

Russian law also provides for an absolute ground for refusal relating to signs identical or confusingly similar to official names and depictions of particularly valuable objects of cultural heritage of the people of Russia, objects of world cultural or natural heritage, and depictions of cultural values stored in collections, corpus, funds (Article 1483(4) CC). The aforementioned signs are not eligible for registration, if registration for a third party is sought without the consent of the owners or parties authorized by the owners to obtain registration of such designations as trademarks.

Particularly valuable objects of cultural heritage of the people of Russia include historical, cultural and natural complexes, architectural ensembles and buildings, cultural enterprises, entities and institutions, and other objects representing material, intellectual or art values bearing a unique character from the standpoint of history, archeology, culture, architecture, science and art, and being located on the territory of Russia.¹⁵⁴⁴ Objects falling under the notion of “particularly valuable objects” in the sense of Article 1483(4) CC are included in the State Registry of the Particularly Valuable Objects of Cultural Heritage of Peoples of the Russian Federation.¹⁵⁴⁵

Article 1483(4) CC is not necessarily applied consistently by the courts. For example, the Federal Arbitration Court of the Moscow Circuit¹⁵⁴⁶ upheld the position of Rospatent’s examination and the ruling of the Chamber for Patent Disputes stating that the application of the word mark “ПАЛКИНЪ” / “PALKIN”, which represents the surname of the restaurateur who owned the restaurant with the same name in Saint-Petersburg in the 19th century, was *inter alia* in contradiction with the requirements of Article 1483(4) CC. The Court indicated that the name “K.P. Palkin” was mentioned in a Russian Presidential Decree concerning the transfer of Saint-Petersburg’s buildings (where the restaurant was formerly located) from the list of objects of Russian historical and cultural heritage to the list of objects of local historical and cultural heritage. Obviously, in this case, the Court erroneously applied Article 1483(4) CC, since, for the application of this provision, it is necessary that the designation in question would be identical or confusingly similar to the official names or depictions of particularly valuable objects of cultural heritage of the people of Russia. The building of the restaurant “K.P. Palkin”, though being officially recognized as a valuable object of local significance, was never included in the State Registry of the Particularly Valuable Objects of Cultural Heritage of Peoples of the Russian Federation.

It is necessary to take into account that signs falling under Article 1483(4) CC can be registered as trademarks by their owners or third parties having obtained the consent of owners (or parties authorized by the owners). Notably, Article 1483(4) CC does not prohibit the registration of the surnames of famous artists as trademarks, since such surnames do not fall under the definition of particularly valuable objects of cultural heritage.¹⁵⁴⁷ According to current legislation, however, the registration of signs identical to the name, pseudonym, or derivative designation, portrait or facsimile of a person who is famous in Russia as of the date of filing the respective trademark application, is not allowed without the consent of the person or his/her heirs (sub-paragraph 1 of Article 1483(9) CC, containing relative grounds for

¹⁵⁴⁴ See para. 1 of the Regulation on particularly valuable objects of cultural heritage of the peoples of the Russian Federation, adopted by the Presidential Decree of 30.11.1992 No. 1487.

¹⁵⁴⁵ In particular, such objects as the Moscow Kremlin, the State Hermitage Museum, the State Academic Bolshoi Theatre of Russia are listed in the State Registry.

¹⁵⁴⁶ See Regulation of the Federal Arbitration Court of the Moscow Circuit No. KA-A40/9574-09 of 21.09.2009 available in the legal database “ConsultantPlus”.

¹⁵⁴⁷ See para. 1 of the Regulation on Particularly Valuable Objects of Cultural Heritage of the Peoples of the Russian Federation, adopted by the Presidential Decree of 30.11.1992 No. 1487.

refusal).¹⁵⁴⁸ In some cases, the required consent has been received. For example, the grandson of the famous Russian singer and artist Vertinsky provided to Rospatent his consent to the registration of the word mark “ВЕРТИНСКИЙ” / “VERTINSKY” in Russian, English and Chinese.¹⁵⁴⁹

It remains unclear whether signs identical to the name of a famous person who contributed to the culture and history of Russia, can be registered if that person’s heirs deceased or cannot be found. Some authors argue that, in this case, the use of such names may be allowed by the competent authorities of the Russian Federation.¹⁵⁵⁰ However, it is unclear which competent authority is meant exactly. However, it is to be considered that certain signs identical to the name of a famous artist, may be refused registration due to a conflict with public order (sub-paragraph 2 of Article 1483(3) CC).¹⁵⁵¹ The Deputy Head of Rospatent, for instance, took the position in the press that a brand could not resemble a cultural object, and that it was hardly possible to obtain ownership to, for example, “LEO TOLSTOY” as a trademark.¹⁵⁵² Nonetheless, in practice, signs identical to the names of famous artists or historical characters may still be registered by Rospatent.¹⁵⁵³

Similarly, signs identical or confusingly similar to official names or depictions of objects of world cultural or natural heritage cannot be registered without the consent of their owners or parties authorized by such owners. The Russian Federation is a Member State of the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage.¹⁵⁵⁴ Therefore, signs identical or confusingly similar to the objects, included in the list of objects of world cultural and natural heritage of UNESCO, are not eligible for protection (Article 1483(4) CC).

The application of Article 1483(4) CC in relation to objects of world cultural or natural heritage has not yet been tested sufficiently before Russian courts. A reference to this provision was contained in a ruling of the Federal Arbitration Court of the Moscow Circuit,¹⁵⁵⁵ which indicated that it was impossible to obtain a trademark registration for the name of the Italian city Venice because the city was recognized as world cultural heritage. Article 1483(4) CC was also

¹⁵⁴⁸ In the first edition of the Law of the Russian Federation “On Trademarks, Service Marks and Appellations of the Origin of Goods” the consent had to be obtained for the use of the designations belonging to historical and cultural heritage of the Russian Federation. In the Recommendations on Separate Issues of Examination of Applied Designations, adopted by the Order of Rospatent No. 39 of 23.03.2001, the designation “Tchaikovsky” identical with the name of a famous Russian composer is given as an example for a designation belonging to historical and cultural heritage of the Russian Federation.

¹⁵⁴⁹ See <http://www.businesspatent.ru/article/article.58.2.html>

¹⁵⁵⁰ Sergeev A.P. Intellectual Property Law in the Russian Federation, Course book, 2nd edition, Moscow, publishing house Prospect, 2004, page 622.

¹⁵⁵¹ See Trademark: Commentary to the Articles 1477-1515 of the Civil Code of the Russian Federation, edited by P.V. Krashennnikov, Moscow, publishing house Statut, 2010, page 43.

¹⁵⁵² See <http://www.interfax.by/article/75633> .

¹⁵⁵³ See for example Russian trademark registrations No. 137552 – trademark “КУТУЗОВ/KUTUZOV”; No. 282249 “САХАР ЧАЙКОВСКИЙ” (“SUGAR TCHAIKOVSKY”).

¹⁵⁵⁴ UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, adopted in Paris on 16.11.1972, ratified by USSR on 09.03.1998. As a legal successor of USSR, the Russian Federation is member state of the Convention.

¹⁵⁵⁵ Resolution of the Federal Arbitration Court of the Moscow Circuit of 20.03.2006 No. КГ-А40/1895-05 available online at <http://www.pravoteka.ru/pst/255/127145.html>.

considered in a ruling of the Federal Arbitration Court of the East-Siberian Circuit¹⁵⁵⁶ in a dispute concerning the violation of anti-monopoly legislation as a result of use of the word designation “BAIKAL” in the name of the vodka “SEDOY BAIKAL” (“Grey BAIKAL”) which is confusingly similar to the registered trademark “БАЙКАЛ” / “BAIKAL”. In particular, the Court of first instance considered that the designation “BAIKAL” should not enjoy trademark protection since the lake of Baikal was the object of world natural heritage. In a case concerning a different trademark registration of the designation “BAIKAL”, the Chamber for Patent Disputes also decided to cancel the registration on the grounds that it was in conflict with the exclusion of signs on the list of world natural heritage.¹⁵⁵⁷

Trademark specialists¹⁵⁵⁸ argue that it is necessary to consider in the context of Article 1483(4) CC the principle of good faith acquisition of trademark rights before the provision was enacted. This is related to the fact that legal stability of trademark rights may be deemed endangered in the case of trademarks registered before the enactment of the above provision which contain the names or depictions of objects of world cultural or natural heritage.¹⁵⁵⁹ However, the Federal Arbitration Court for the Moscow Circuit, when applying Article 1483(4) CC, denied to apply the criterion of good faith acquisition of trademark rights.¹⁵⁶⁰ In this case, the applicant had asserted that, at the date of obtaining the trademark registration, Article 1483(4) CC had not been enacted yet. The Court, however, rejected these allegations and referred to the absolute character of the ground for refusal concerning world cultural and natural heritage, i.e. Noted that public interests were affected.

Finally, Article 1483(4) CC also sets forth an absolute ground for refusal with regard to signs identical or confusingly similar to depictions of cultural values stored in collections, corpus and funds. The registration of such signs is possible, however, with the consent of the owners or parties authorized by the owners. For example, the State Hermitage Museum and Closed Joint Stock Company “Kameya” entered into an agreement on November 4, 2004, under which the State Hermitage Museum declared not to object to the registration, as a trademark, of the ancient masterpiece Cameo Gonzaga, including the trademark’s renewal for a further 10-year term.

Sacred signs

Current Russian legislation does not contain a direct prohibition of trademark registrations relating to religious symbols and signs. The introduction of such prohibition was discussed in the course of amendments to the old Law On Trademarks, Service Marks and Appellations of the Origin of Goods.¹⁵⁶¹ However, this proposal was reflected neither in this Law nor in the

¹⁵⁵⁶ Resolution of the Federal Arbitration Court of the East-Siberian Circuit of 09.01.2008 No. A10-3333/07-22-Φ02-9541/07 available in the legal database “ConsultantPlus”.

¹⁵⁵⁷ This decision was based on Article 6(4) of the Law of the Russian Federation “On Trademarks, Service Marks and Appellations of the Origin of Goods” No. 3520-1 of 23.09.1992, which was in force till 31.12.2007. The provision of Article 6(4) of this former Law on Trademarks was reproduced by Article 1483(4) of the Civil Code.

¹⁵⁵⁸ Dzhermakyan V.Y., Biryulin V.I. “Trademarks and World Cultural Heritage Objects”, “Patents and Licenses” No. 3 2008, pages 5-10.

¹⁵⁵⁹ *Ibid.*

¹⁵⁶⁰ Resolution of the Federal Arbitration Court of the Moscow Circuit of 20.03.2006 No. КФ-А40/1895-05 available online at <http://www.pravoteka.ru/pst/255/127145.html/>

¹⁵⁶¹ Resolution of the State Duma Federal Assembly of the Russian Federation of 21.12.2001 No. 2281-III ГД “On the Draft Federal Law No. 105454-3 “On Amendments to the Law of the Russian Federation “On Trademarks, Service Marks and Appellations of the Origin of Goods”, draft law in the first reading is available online at <http://infopravo.by.ru/fed2001/ch01/akt10688.shtm>.

later provisions on trademarks included in the Civil Code, which replaced the former Law on Trademarks, Service Marks and Appellations of the Origin of Goods as of January 1, 2008.

Nonetheless, trademark registrations of religious symbols and signs may be denied on the basis of sub-paragraph 2 of Article 1483(2) CC. This provision prohibits the trademark registration of designations representing or containing elements contrary to public interests or principles of humanity and morals. An official explanation of this provision is contained in Rospatent's Rules as well as the Recommendations on Specific Issues of Examination of Applied Designations.¹⁵⁶² Under paragraph 2.5.2 of the Rules, the above designations include *inter alia* words and expressions capable of insulting religious feelings. Paragraph 4 of the Recommendations gives several examples of designations capable of insulting religious feelings of Orthodox Christians, such as "VELIKIY POST" (the "Lent") for contraceptives or "ISPOVEDALNAYA" ("Confessionary") for vodka.

An example of an appeal decision refusing the registration of a designation containing religious symbols because of a conflict with principles of humanity and morals is the ruling of the Chamber for Patent Disputes with regard to the designation "Buddhist Punk".¹⁵⁶³ The decision of the Chamber was focused on one of the meanings of the word "punk", namely "prostitute". Despite the applicant's allegations that this meaning was out of contemporary use the Chamber referred to English-Russian dictionaries published in the Russian Federation and considered this sign as immoral. However, other examples show that, in the absence of a conflict with public interests or principles of morals and humanity, designations containing religious symbols may be registered as a trademark provided that they comply with all other general requirements.¹⁵⁶⁴

2.2 *Exceptions to trademark protection*

As mentioned above, there is a number of limitations on exclusive trademark rights. In particular, the use of a protected sign is not actionable if the sign does not function as a trademark, i.e. Does not individualize goods or services. Exclusive rights of the trademark owner only cover use of the trademark in the course of trade. Therefore, trademark owners cannot prohibit use for cultural, religious or other non-commercial purposes not connected with the introduction of goods into civil circulation. In the area of the Internet, however, the issue remains unsettled whether non-commercial use of a trademark as (part of) a domain name constitutes trademark infringement.¹⁵⁶⁵

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

Russian law does not refer directly to "signs that should remain available for the public". However, Article 1483(1) CC excludes the registration of signs devoid of distinctive character, or consisting solely of elements:

¹⁵⁶² Recommendations on Specific Issues of Examination of Applied Designations, adopted by the Order of Rospatent No. 39 of 23.03.2001.

¹⁵⁶³ Decision of the Chamber for Patent Disputes of 01.12.2001 regarding application No. 2004716334/50, available online at <http://www.fips.ru/cdfi/pps.dil?File=old/2004716334/2004716334-2006.12.19.htm>.

¹⁵⁶⁴ For example, Russian trademark registration No. 125990 «Монастырская изба» ("MONASTERIAL HUT") for alcoholic beverages; registration No. 158564 «Божья роса» ("HOLY DEW") for goods belonging to Classes 3 and 5 of the International Classification of Goods and Services.

¹⁵⁶⁵ See Section 1.3 of the present Report.

- having entered into common use as indicating goods of a certain type;
- representing common symbols or terms;
- characterizing the goods, including their type, quality, quantity, properties, destination, value or the time, place and method of their manufacturing or commercialization; and
- representing the shape of goods which is solely or predominantly determined by the properties or destination of the goods.

The aforementioned types of signs fall under absolute grounds for refusal in the trademark registration procedure.

Commentators note that the absolute grounds enumerated in paragraphs 1 to 6 of Article 1483 CC seek to protect public interests.¹⁵⁶⁶ Courts indicated that the registration of signs devoid of distinctive capacity would entail unfavourable consequences for third parties. Businesses also using such signs in their commercial activities would be placed in an economically disadvantaged position in comparison with the trademark owner.¹⁵⁶⁷

Article 1483(1) CC is broadly applied in Russian court practice. A considerable number of court rulings addressed the issue whether the sign at issue was a commonly used symbol or term¹⁵⁶⁸, or a sign that had entered into common use as an indication of goods of a certain type.¹⁵⁶⁹ In this context, it is noteworthy that common use of a sign only within the circle of manufacturers or specialists of the goods concerned is considered insufficient to justify the refusal of trademark protection.¹⁵⁷⁰ It is necessary for the disputed sign to have lost its distinctive capacity not only for manufacturers or specialists but also for consumers of the goods concerned.¹⁵⁷¹

Court cases on the registration of geographical indications as trademarks are also of interest in this context. For example, the Presidium of the Supreme Arbitration Court of the Russian Federation ruled in its decision on the cancellation of the trademark "GZHELKA" for alcohol beverages *inter alia* that for the cancellation of a trademark confusingly similar to a

¹⁵⁶⁶ Korchagina N.P., Morgunova E.A., Pogulyaev V.V. Commentary to part four of the Civil Code of the Russian Federation, Moscow, publishing house ZAO Yustizinform, 2008, page 504.

¹⁵⁶⁷ Resolution of the Federal Arbitration Court of the Moscow Circuit of 19.11.2008 No. КГ-А40/9776-08, available in the legal database "ConsultantPlus"; Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation of 08.11.2006 No. 8215/06, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_119807.html.

¹⁵⁶⁸ See, for instance, Resolution of the Federal Arbitration Court of the Moscow Circuit of 11.09.2009 No. KA-A41/8754-09 (designation "CEO" as a commonly accepted sign to designate goods) available in the legal database "ConsultantPlus"; Resolution of the Federal Arbitration Court of the Moscow Circuit of 19.11.2008 No. КГ-А40/9776-08 (designation "IKM-7TM" as a commonly accepted term in the communication field) available in the legal database "ConsultantPlus"; Resolution of the Federal Arbitration Court of the Moscow Circuit of 11.12.2007 No. KA-A40/12717-07 (designation «VOG-17» as a commonly accepted abbreviation in the military branch) available in the legal database ConsultantPlus.

¹⁵⁶⁹ See Resolution of the Federal Arbitration Court of the Moscow Circuit of 04.10.2005, 27.09.2005 in the case No. KA-A40/7861-05-П, available in the legal database "ConsultantPlus".

¹⁵⁷⁰ See Resolution of the Federal Arbitration Court of the Moscow Circuit of 04.10.2005, 27.09.2005 in the case No. KA-A40/7861-05-П, available in the legal database "ConsultantPlus".

¹⁵⁷¹ See Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation of 14.12.2004 No. 11580/04, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_97007.html.

geographical name, it was necessary to establish not only the confusing similarity between the two signs concerned but also the recognition of the geographical name among a wide circle of consumers with regard to specific properties that are important in manufacturing the goods marketed under the respective trademarks.¹⁵⁷² The court pointed out that although the name “GZHELKA” coincided with the name of the river, neither the river itself nor the region were it flowed were known to the consumers with regard to specific properties important for production of goods manufactured by the trademark owner and marked with the sign in question.

With regard to excluded signs, it is finally to be noted that the law permits to include signs falling under Article 1483(1) CC as non-protectable elements in registered trademarks, if such elements do not occupy a dominant position within the respective trademarks.

3.2 *Acquisition of distinctive character*

Distinctive character may be present in the case of signs consisting of several elements, each of which – taken separately – does not have distinctive character, if the meaning of the sign as a whole has a new sense which makes it vivid and memorable.¹⁵⁷³ In particular, the Federal Arbitration Court of the Moscow Circuit stated in its decision considering the cancellation of the trademark “KNIGA KOTORAYA LECHIT” (“A BOOK THAT HEALS”) that this sign could not be perceived as directly representing or indicating the properties of goods and services of Classes 16 and 35 of the Nice Classification of Goods and Services¹⁵⁷⁴ and did not confuse consumers with regard to the nature of such goods and services mainly because “healing” was not the property of a book in direct sense.

Moreover, signs falling under Article 1483(1) CC, such as signs devoid of distinctive character, and the aforementioned generic and descriptive signs, may be registered as trademarks, if they acquired distinctive character as a result of their use. This rule set forth in sub-paragraph 4 of Article 1483(1) CC is based on Article 6quinquies(C)(1) of the Paris Convention, according to which, “[i]n determining whether a mark is eligible for protection, all the factual circumstances must be taken into consideration, particularly the length of time the mark has been in use.” In practice, the evidence of acquired distinctive capacity includes, in particular, evidence of the length and intensity of the use of the signs concerned.¹⁵⁷⁵ At the same time, it is necessary that the sign was used for a long period of time by only one party¹⁵⁷⁶; use by different parties may, to the contrary, rather give evidence of the absence of distinctive character. According to paragraph 2.1 of the Recommendations on Specific Issues of Examination of Applied Designations¹⁵⁷⁷, evidence capable to confirm the acquisition of distinctive capacity includes, in particular, information on the volume of manufacturing and

¹⁵⁷² See Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation of 09.10.2007 No. 15006/06 available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_132342.html.

¹⁵⁷³ See, for instance, Decision of the Federal Arbitration Court of the Moscow Circuit of 05.12.2008 No. KA-A40/11302-08, available online at <http://bazakonov.ru/doc/?ID=1313070>.

¹⁵⁷⁴ Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15.06.1957.

¹⁵⁷⁵ See para. n. 2.3.2.4 of the Rules on Composing, Filing and Examination of Applications for Registration of Trademarks and Service Marks, adopted by the Order of Rospatent No.32 of 05.03. 2003..

¹⁵⁷⁶ See Resolution of the Presidium of the Supreme Arbitration Court of the Russian of 08.11.2006 No. 8215/06, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_119807.html: designation “KOMPANIYA GODA” (“COMPANY OF THE YEAR”) was used by several entities; Resolution of the Federal Arbitration Court of the Moscow Circuit of 24.12.2008 No. KA-A40/12187-08, available in the legal database “ConsultantPlus”: designation “EDINAYA SLUZHBA TAXI” (“JOINT TAXI SERVICE”) was used by several entities.

¹⁵⁷⁷ See fn. 55.

sales of goods marketed under the sign for which registration is sought, the volume of advertising expenses pertaining to those goods, and information on the degree of consumers' awareness of the sign and the manufacturer of the trademarked goods, including the results of sociological surveys etc.

On this basis, distinctive character may be acquired through use, for instance, with regard to geographical indications. In its decision on the cancellation of the trademark "GZHELKA" for alcoholic beverages, the Presidium of the Higher Arbitration Court of the Russian Federation established that the word "GZHELKA" had, in the perception of consumers, acquired secondary meaning as a trademark used for the labeling of alcohol products.¹⁵⁷⁸ The cancellation action had been brought on the grounds that the trademark "GZHELKA" coincides with the name of the river Gzhelka.

In accordance with sub-paragraph 4 of Article 1483(1) CC, not only descriptive but also other signs falling under the absolute grounds for refusal set forth in Article 1483(1) CC, may acquire distinctive character. For example, the Federal Arbitration Court of the Moscow Circuit recognized acquired distinctive character in the case of a round-shaped candy in coconut coating (Raffaello candy).¹⁵⁷⁹ The Court established that the shape of this candy was not unique and often used for confectionery goods. However, according to the Court, the shape of the Raffaello candy had acquired distinctive character as a result of use. Even though only 48% of the respondents to a consumer survey unambiguously associated the disputed shape trademark with Raffaello candies, the Court was satisfied that distinctive character had been proven. This ruling may be explained by the fact that, as additional evidence of acquired distinctiveness, information on the volume of sales of Raffaello candy in Russia and the volume of advertising had been provided.

4. Conclusion

In the Russian Federation, a wide variety of signs is eligible for trademark protection. Besides word and figurative trademarks, "non-traditional" signs, such as sound, holograms, light, smell and motion marks, as well as signs consisting solely of one or several colours, may be registered. Therefore, a wide spectrum of signs of various types may potentially be unavailable for public use due to the registration of signs of this type as trademarks.

Russian legislation provides a quite detailed definition of the concept of trademark use for the purpose of determining the scope of trademark protection. In line with that, a trademark is protected against use of an identical or confusingly similar sign, if the latter performs the trademark function of individualizing goods or services in the marketplace, and is used for introducing goods or services covered by the trademark registration into civil circulation. Moreover, use of the competing sign must cause a likelihood of confusion. Well-known trademarks enjoy broader protection that is extended to dissimilar goods.

To preserve signs pertaining to the public domain (signs that should remain available for the public), Russian law provides for the following tools:

¹⁵⁷⁸ See Resolution of the Presidium of the Supreme Arbitration Court of the Russian Federation of 09.10.2007 No. 15006/06, available online at http://www.businesspravo.ru/Docum/DocumShow_DocumID_132342.html : according to Russian Public Opinion Research Center 76,8% of the respondents associate the name "Gzhelka" with vodka, and only 1,7% of the respondents associate it with a name of a river. According to the analytical report of the Moscow State Lomonosow University 80,5% of the respondents understand the designation "Gzhelka" as a trademark, and 76,1% of the respondents associate this trademark with vodka.

¹⁵⁷⁹ See Resolution of the Federal Arbitration Court of the Moscow Circuit of 14.12.2009 No. KA-A40/13233-09, available online at <http://bazakonov.ru/doc/?ID=685184>.

It is prohibited to obtain a registration for designations consisting solely of elements enumerated in Article 6ter of the Paris Convention and Article 1483(2) CC (absolute grounds for refusal in the context of the trademark registration procedure). Interests of a party who wishes to use such a designation within its trademark, may be satisfied by including such designations within the trademark as non-protectable elements provided that the competent authority consented to this;

It is prohibited to obtain a registration for designations identical or confusingly similar to names and depictions of particularly valuable objects of cultural heritage of the Russian Federation, objects of world cultural and natural heritage, depictions of cultural values stored in collections, corpus, funds, under Article 1483(4) CC (also providing for absolute grounds for refusal). Interests of a party who wishes to use such designations within its trademark may be satisfied provided that the owners or authorized parties consented to this;

It is prohibited to obtain a registration for designations identical to the names of known people of Russian history, culture or art, unless the consent of those people or their heirs has been obtained (relative ground for refusal under sub-paragraph 2 of Article 1483(9) CC). It is unclear whether a trademark registration of such a designation is possible in case of death or absence of heirs. It is conceivable that the designation might still be refused registration on the grounds that it contradicts public order (absolute ground for refusal under sub-paragraph 2 of Article 1483(3) CC), if the name of a widely known person, substantially contributing to Russian history, culture or art, is in question;

It is prohibited to obtain a registration for designations devoid of distinctive character or consisting solely of elements entered into common use for indicating goods of a certain type, being commonly accepted terms and symbols, being descriptive, indicating the time, place, method of manufacturing or commercialization, or representing the shape of the goods which is determined solely or primarily by the properties or the destination of the goods (absolute grounds for refusal under Article 1483(1) CC). To observe the legitimate interests of parties who wish to obtain registrations for the above designations as trademarks, Russian law provides for the possibility of registering trademarks of this type if proof of acquired distinctive character is provided.

Therefore, it may be concluded that Russian law provides for various safeguards against the registration of signs pertaining to the public domain. In particular, Article 1483(4) CC, relating to cultural and natural heritage, and depictions of cultural values, is intended to considerably restrict the risk of so-called “cultural heritage grabbing”. However, this provision does not include objects of cultural heritage which do not have the status of particularly valuable objects. Moreover, it does not sufficiently protect the names of famous people (as shown above) and famous musical works. Possibly, trademark registrations relating to signs identical or confusingly similar with these cultural symbols may be denied due to a conflict with public order (sub-paragraph 2 of Article 1483(3) CC).

P. EUROPEAN UNION (EU)*

In the EU, trademark law is harmonized to a large extent. On the one hand, the trademark legislation and office practices in EU Member States have to keep within the harmonized legal framework set forth in the EU Trademark Directive¹⁵⁸⁰ (TMD). On the other hand, the EC

* *Martin Senftleben, Professor of Intellectual Property, VU University Amsterdam, Amsterdam, The Netherlands.*

¹⁵⁸⁰ Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008, to approximate the laws of the Member States relating to trade marks (codified version) (OJ 2008 L 299, p. 25), which entered into force on November 28, 2008, and repealed the earlier Directive 89/104/EEC of the Council of December 21, 1988.

[Footnote continued on next page]

Community Trade Mark Regulation¹⁵⁸¹ (CTMR) provides for a unitary Community Trade Mark (CTM) that has equal effect throughout the EU. As the Trade Mark Regulation is in line with the earlier Directive, the two legislative instruments constitute a robust body of harmonized EU trademark law. The harmonizing effect is enhanced by the fact that national courts have to refer questions relating to the application and interpretation of EU trademark law to the Court of Justice of the European Union (CJEU). The Court's decisions are binding for courts at the national level. The introduction of the CTM, moreover, led to the establishment of an EU institution complementing the trademark offices of EU Member States. CTMs are registered by the Office for Harmonization in the Internal Market (OHIM).

Given these common standards governing trademark law and practice in the EU, the present report is predominantly based on the rules following from the Trademark Directive and the Trademark Regulation, and the jurisprudence of the CJEU.¹⁵⁸² Examples of national or regional office practices and court decisions are added where this is appropriate to illustrate the effect of EU trademark law in different national or regional contexts.

The following overview of the general configuration of EU trademark law (section 1) shows that the protection regime is quite flexible in terms of subject matter eligible for protection and the scope of exclusive rights. To counterbalance the flexible approach to protection, EU trademark law provides for several mechanisms to safeguard the public domain. These balancing tools – ranging from the exclusion of signs from protection to certain exceptions to exclusive rights – are used to prevent the misappropriation of signs belonging to a common patrimony (section 2) and the abusive appropriation of signs that should remain available for the public (section 3). In sum, the EU system offers not only a high standard of protection but also several counterbalances to safeguard the public domain (section 4).

1. Scope of trademark protection in general

1.1 *Signs eligible for trademark protection*

In the EU, a trademark may consist of

“any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.”¹⁵⁸³

This definition leaves room for the extension of trademark protection to non-traditional types of marks. Shape marks are explicitly mentioned in the provision. Moreover, it is to be considered that the enumeration of different types of signs predominantly serves illustrative purposes. As the word “particularly” indicates, the list does not constitute a closed catalogue.

[Footnote continued from previous page]

¹⁵⁸¹ Council Regulation (EC) No. 207/2009 of February 26, 2009 (codified version) (OJ 2009 L 78, p. 1) on the Community Trade Mark, which entered into force on April 13, 2009, and repealed the earlier Council Regulation (EC) No. 40/94 of December 20, 1993.

¹⁵⁸² The CJEU decisions referred to in this report are online available at <http://www.curia.eu>. For an in-depth analysis of EU trademark law, see Max Planck Institute for Intellectual Property and Competition Law, *Study on the Overall Functioning of the European Trade Mark System*, Munich: Max Planck Institute 2011, online available at http://ec.europa.eu/internal_market/indprop/tm/index_en.htm.

¹⁵⁸³ See Art. 2 TMD and Art. 4 CTMR.

In principle, “any signs” that are distinctive and can be represented graphically are eligible for trademark protection in the EU.

Against this background, the CJEU recognized several non-traditional types of marks. In the *Libertel* case, it held that color *per se* may constitute a trademark. The requirement of graphical representation could be satisfied by indicating an international color identification code.¹⁵⁸⁴ In *Shield Mark/Kist*, the Court added that a trade mark may also consist of a sign which is not in itself capable of being perceived visually. Sound signs meeting the general protection requirements could constitute trademarks. In the case of a melody, musical notation was sufficient to represent the sign graphically.¹⁵⁸⁵ These decisions show that the CJEU, in line with the flexible definition in EU trademark law, takes a rather liberal approach to the subject matter of trademark protection. However, smell remains outside the scope of EU trademark law. In the decision *Sieckmann*, the CJEU held that, in the case of olfactory signs, neither a chemical formula nor a description or smell specimen were sufficient to provide a valid graphical representation of the sign for the purposes of trademark registration.¹⁵⁸⁶

1.2 Notion of use in trade

Use of a trademark constitutes “use in the course of trade” in the EU where it occurs “in the context of commercial activity with a view to economic advantage and not as a private matter.”¹⁵⁸⁷ Although this test is regarded as a rather low threshold, it confines trademark rights to use that takes place in a commercial context. The use of a trademark for the purposes of political debate, religious ceremonies, teaching or academic research is unlikely to constitute “use in the course of trade” as long as it is not of a commercial nature. However, use of a trademark in a political or cultural context may be qualified as use in trade, if it is combined with a commercial activity. The marketing of T-shirts or postcards with a critical statement on trademarked products or showing a trademark parody may serve as examples.¹⁵⁸⁸

Moreover, it is to be noted that EU Member States enjoy the freedom of extending trademark protection to forms of use “other than for the purposes of distinguishing goods or services”.¹⁵⁸⁹ In Member States availing themselves of this possibility, such as Belgium, Luxemburg and the Netherlands, the requirement of “use in the course of trade” does not apply in this area of extended protection.¹⁵⁹⁰ As a result, trademark owners can assert their rights also against use that takes place in a non-commercial context. A person using a trademark in this area, however, can defend the use by showing that it occurred with “due cause”. In the case of a

¹⁵⁸⁴ See CJEU, judgment of May 6, 2003, case C-104/01, *Libertel Groep/Benelux-Merkenbureau*.

¹⁵⁸⁵ See CJEU, judgment of November 27, 2003, case C-283/01, *Shield Mark BV/Joost Kist h.o.d.n. Memex*.

¹⁵⁸⁶ See CJEU, judgment of December 12, 2002, case C-273/00, *R. Sieckmann*.

¹⁵⁸⁷ See CJEU, judgment of March 23, 2010, cases C-236/08-238/08, *Google/Louis Vuitton et al.*, para. 50; CJEU, judgment of November 12, 2002, case C-206/01, *Arsenal/Reed*, para. 40.

¹⁵⁸⁸ For instance, see German Federal Court of Justice, judgment of February 3, 2005, case I ZR 159/02, *Lila Postkarte*, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2005, p. 583; Paris Court of Appeals, 14th chamber, Sec. A, judgments of February 26, 2003, in the cases *Greenpeace France/Esso* and *SPCEA/Greenpeace et al.*, published in *35 International Review of Intellectual Property and Competition Law* (2004), p. 342.

¹⁵⁸⁹ See Art. 5(5) TMD.

¹⁵⁹⁰ See Art. 2.20(1)(d) of the Benelux Treaty Concerning Intellectual Property.

trademark parody, for instance, this defense may apply, if the use can be justified in the light of freedom of expression.¹⁵⁹¹

1.3 *Notion of trademark use*

For use of a sign to be relevant under EU trademark law, it must also constitute use “in relation to goods or services”.¹⁵⁹² This more specific requirement of trademark use is applied flexibly by the CJEU. It does not confine the scope of trademark rights to use in the traditional sense of employing another’s trademark as an identifier of commercial source with regard to one’s own goods or services.¹⁵⁹³ In line with the flexible concept developed by the CJEU, the trademark owner can assert her rights also against references to the trademark that the public does not perceive as an indication of commercial source. For instance, use for the purpose of informing the public about repair and maintenance services offered with regard to trademarked products was found to constitute trademark use.¹⁵⁹⁴ The CJEU also qualified use in comparative advertising as trademark use on the grounds that the advertiser made use of a competitor’s trademark to distinguish her own products from those of the competitor.¹⁵⁹⁵ In the case of a mark with a reputation,¹⁵⁹⁶ use of the mark as an embellishment was held to constitute trademark use in the light of the standard developed by the CJEU.¹⁵⁹⁷ Decorative use that calls to mind a well-known mark may thus be sufficient to fulfill the requirement of trademark use. The requirement of “use in relation to goods or services”, therefore, does not necessarily serve as a filter to reduce, from the outset, the impact of trademark protection on the availability of signs.¹⁵⁹⁸

1.4 *Scope of protection*

EU trademark law provides for three layers of protection. In the case of identity between the mark and the sign and the goods or services, the protection of the trademark is absolute in the sense that a likelihood of confusion does not constitute a specific condition for asserting

¹⁵⁹¹ For instance, see Court of Amsterdam, judgment of December 22, 2006, case no. KG ZA 06-2120, Staat der Nederlanden/Greenpeace.

¹⁵⁹² See Art. 5(1) and (2) TMD and Art. 9(1) CTMR.

¹⁵⁹³ This stricter test, however, was mentioned with regard to the traditional identification function of trademarks in CJEU, judgment of January 25, 2007, case C-48/05, Opel/Autec, para. 24.

¹⁵⁹⁴ See CJEU, judgment of February 23, 1999, case C-63/97, BMW/Deenik, para. 42.

¹⁵⁹⁵ See CJEU, judgment of June 12, 2008, case C-533/06, O2/Hutchison, para. 35-36. As to advertising on the basis of services offered by an Internet search engine, use of a competitor’s trademark as a keyword for a sponsored link with one’s own advertising has been found to constitute trademark use on similar grounds. See CJEU, judgment of March 23, 2010, cases C-236/08-238/08, Google/Louis Vuitton et al., para. 71.

¹⁵⁹⁶ The EU standard of “marks having a reputation” comes close to the international notion of well-known marks reflected in the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, WIPO publication No. 833, Geneva: WIPO 2000.

¹⁵⁹⁷ See the reference to CJEU, judgment of October 23, 2003, case C-408/01, Adidas/Fitnessworld, para. 39, in the decision “Lila Postkarte” of the German Federal Court of Justice, judgment of February 3, 2005, case I ZR 159/02, Gewerblicher Rechtsschutz und Urheberrecht 2005, p. 583 (584).

¹⁵⁹⁸ The requirement of trademark use is even less relevant in EU Member States that, in line with Art. 5(5) TMD extend trademark protection to forms of use “other than for the purposes of distinguishing goods or services” (see preceding section). In these Member States, not only the requirement of “use in the course of trade” but also the requirement of “use in relation to goods or services” does not apply in this area of extended protection. See Art. 2.20(1)(d) of the Benelux Treaty Concerning Intellectual Property.

trademark rights.¹⁵⁹⁹ The CJEU requires instead that the use adversely affect one of the protected functions of the trademark. The function theory applied by the Court is not confined to the essential function of guaranteeing the commercial origin of goods or services. The CJEU also recognized the function of guaranteeing the quality of goods or services, and the functions of communication, investment and advertising.¹⁶⁰⁰ EU trademark rights in the area of double identity, therefore, are not limited to protection against the causing of confusion. They also offer protection against encroachments upon the goodwill of a trademark that is the result of investment in product quality and advertising.

Protection in the area of similarity – use of an identical or similar sign for identical or similar goods or services – requires that there be a likelihood of confusion.¹⁶⁰¹ According to the CJEU, this condition may be satisfied where the public confuses the sign and the mark in question (direct confusion), or where the public makes a connection between the proprietors of the sign and those of the mark and confuses them (indirect confusion).¹⁶⁰² In the case of a mark with a reputation, the mark's particularly distinctive character may give rise to a greater likelihood of confusion.¹⁶⁰³ A weak trademark with a low degree of distinctiveness, by contrast, will enjoy less protection.¹⁶⁰⁴ Minor deviations from the mark, or minor differences between the products involved, may already eliminate the risk of confusion.

A likelihood of confusion cannot be established where a sign is used that merely calls to mind the memory of a mark.¹⁶⁰⁵ A mere association, however, is sufficient to invoke trademark rights in the third area of protection offered by EU trademark law. In this area, marks with a reputation are protected against the use of identical or similar signs that call to mind the protected mark.¹⁶⁰⁶ Protection can be invoked with regard to use for identical, similar and dissimilar goods or services alike.¹⁶⁰⁷ For a trademark to constitute a mark with a reputation, it must be known by the target group of the goods or services marketed under the trademark. In the case of specific products, this target group may be a specialized public, such as traders in a specific sector. The required degree of knowledge is reached when the mark is known by a significant part of the relevant public.¹⁶⁰⁸ Marks with a reputation are protected against blurring, tarnishment and unfair free-riding. The specific condition of protection consists of use which takes or would take unfair advantage of, or is or would be detrimental to, the distinctive

¹⁵⁹⁹ See Recital 11 TMD; Art. 5(1)(a) TMD and Art. 9(1)(a) CTMR. See also CJEU, judgment of June 18, 2009, case C-487/07, L'Oréal/Bellure, para. 59.

¹⁶⁰⁰ CJEU, *ibid.*, para. 58.

¹⁶⁰¹ See Recital 11 TMD; Art. 5(1)(b) TMD and Art. 9(1)(b) CTMR. See also CJEU, *ibid.*, para. 59.

¹⁶⁰² See CJEU, judgment of November 11, 1997, case C-251/95, Puma/Sabel, para. 16-26.

¹⁶⁰³ CJEU, *ibid.*, para. 24.

¹⁶⁰⁴ The degree of distinctiveness is one of the factors to be considered in the framework of the infringement analysis. See CJEU, judgment of September 29, 1998, case C-39/97, Canon/Cannon; judgment of June 22, 1999, case C-342/97, Lloyd/Loint's.

¹⁶⁰⁵ CJEU, judgment of November 11, 1997, case C-251/95, Puma/Sabel, para. 26.

¹⁶⁰⁶ See Art. 5(2) TMD and Art. 9(1)(c) CTMR. See CJEU, judgment of October 23, 2003, case C-408/01, Adidas/Fitnessworld, para. 29; judgment of June 18, 2009, case C-487/07, L'Oréal/Bellure, para. 36.

¹⁶⁰⁷ See CJEU, judgment of January 9, 2003, case C-292/00, Davidoff/Gofkid.

¹⁶⁰⁸ See CJEU, judgment of 14 September 1999, case C-375/97, General Motors/Yplon, para. 24 and 26. In respect of the territorial expansion required, see CJEU, *ibid.*, para. 28; and judgment of October 6, 2009, case C-301/07, Pago/Lattella, para. 29.

character or the repute of the mark with a reputation.¹⁶⁰⁹ The evidence to be produced in this context need not necessarily include proof of a change in the economic behaviour of consumers. In respect of the taking of unfair advantage, it suffices to show that “a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark.”¹⁶¹⁰

As to the impact of these exclusive rights on the availability of signs, it is to be noted that the CJEU does not consider the need to keep protected signs available when determining the scope of protection. In the decision *Adidas/Marca*, the Court explained that, while a likelihood of confusion had to be appreciated globally, taking into account all factors relevant to the circumstances of the case, the fact that there was a need for the sign to be available for other traders could not be one of those relevant factors.¹⁶¹¹ With regard to the enhanced scope of protection conferred on trademarks with a reputation, the Court added that it was clear that the requirement of availability was “extraneous both to the assessment of the degree of similarity between the mark with a reputation and the sign used by the third party and to the link which may be made by the relevant public between that mark and the sign.”¹⁶¹² Therefore, the need to keep signs available could not constitute a relevant factor for determining whether the use of the sign took unfair advantage of, or was detrimental to, the distinctive character or the repute of the trade mark.

1.5 *Need for counterbalances*

Considering the scope of exclusive rights, the potential impact of EU trademark law on the availability of signs enjoying protection must not be underestimated. In particular, the owners of marks with a reputation obtain far-reaching control over the use of the protected sign in trade. However, EU trademark law contains several safeguards against encroachments upon the public domain. Signs belonging to a common patrimony, and signs that should remain available for the public, may be excluded from trademark registration on the basis of absolute grounds for refusal. Signs of this type may remain weak trademarks with a rather limited scope of protection. Moreover, exceptions and limitations may ensure the availability of signs that must be kept free, if protection is acquired.

2. Misappropriation of signs belonging to a common patrimony

2.1 *Exclusion of signs*

EU trademark law provides for an absolute ground for refusal with regard to emblems falling under Art. 6ter PC.¹⁶¹³ This ground for refusal applies without distinction to trademarks for goods and service marks. It prohibits the registration and use of emblems not only as a trademark but also as an element of a trademark.¹⁶¹⁴ Common patrimony signs covered by

¹⁶⁰⁹ See CJEU, judgment of June 18, 2009, case C-487/07, *L'Oréal/Bellure*, para. 34. For a description of the different forms of infringement, see para. 39-41.

¹⁶¹⁰ CJEU, *ibid.*, para. 49. However, see judgment of November 27, 2008, case C-252/07, *Intel/CPM*, para. 77, with regard to blurring and tarnishment where evidence of a change in consumer behavior may be required.

¹⁶¹¹ See CJEU, judgment of April 10, 2008, case C-102/07, *Adidas/Marca*, para. 30.

¹⁶¹² CJEU, *ibid.*, para. 43.

¹⁶¹³ See Art. 3(1)(h) TMD and Art. 7(1)(h) CTMR.

¹⁶¹⁴ See CJEU, judgment of July 16, 2009, cases C-202/08 P and 208/08 P, *American Clothing Associates/OHIM*, para. 47 and 80.

Art. 6^{ter} PC can be excluded from registration on this basis. In addition, EU Member States are free to adopt an absolute ground for refusal referring to badges, emblems and escutcheons which are of public interest but not covered by Art. 6^{ter} PC.¹⁶¹⁵ This additional ground for refusal is also applied at the level of the Community Trade Mark.¹⁶¹⁶ It may be invoked with regard to the official emblems of lower public entities, such as provinces and municipalities, and other public institutions, such as the police and the fire brigade.¹⁶¹⁷ In EU Member States that do not provide for this optional ground for refusal, official emblems falling outside the scope of Art. 6^{ter} PC may be excluded from registration because they are deceptive.¹⁶¹⁸ The public may be misled to believe that the applicant has a connection with the public institution concerned. This line of reasoning may also be relevant to flags, emblems and insignia of religious institutions. Official emblems not covered by Art. 6^{ter} PC may also be excluded from registration on the grounds that they are contrary to public policy or accepted principles of morality.¹⁶¹⁹

In addition to the optional exclusion of emblems not covered by Art. 6^{ter} PC, EU Member States enjoy the freedom of excluding from registration signs of high symbolic value, in particular religious symbols.¹⁶²⁰ This further ground for refusal may be understood to cover not only signs with a religious meaning, such as holy names, pictures and icons, but also signs which, in the light of a country's history and cultural traditions, are perceived as national symbols even though they do not constitute official state emblems. This may include historical and cultural monuments.¹⁶²¹ EU Member States that adopted this optional ground for refusal include Bulgaria, Czech Republic, Greece, Hungary, Italy, Latvia, Poland, Portugal and Slovakia.¹⁶²² In other EU Member States, signs of high symbolic value may be denied registration on the grounds that they are contrary to public policy or accepted principles of morality. While cases are reported where this basis for refusing registration has been applied to religious signs,¹⁶²³ the denial of registration because of a conflict with morality or public order seems less likely in the case of historical personages.¹⁶²⁴

¹⁶¹⁵ See Art. 3(2)(c) TMD.

¹⁶¹⁶ See Art. 7(1)(i) CTMR.

¹⁶¹⁷ For instance, see Sec. 8(2) No. 6 of the Trademark Law of Germany; Art. 5 of the Trademark Law of Malta, Art. 131(2)(ii) of the Trademark Law of Poland, Art. 238(4)(a) of the Industrial Property Code of Portugal, Art. 5(1)(i) and (k) of the Trademark Law of Spain. These laws are online available at www.wipo.int/clea.

¹⁶¹⁸ See Art. 3(1)(g) TMD and Art. 7(1)(g) CTMR.

¹⁶¹⁹ See Art. 3(1)(f) TMD and Art. 7(1)(f) CTMR.

¹⁶²⁰ See Art. 3(2)(b) TMD

¹⁶²¹ For instance, see Art. 11(1), sub 11, of the Trademark Law of Bulgaria referring to "marks which consist of or include the name or a representation of historical and cultural monuments of the Republic of Bulgaria, as specified by the Ministry of Culture."

¹⁶²² See Art. 11(1), sub 11, of the Trademark Act of Bulgaria, Sec. 2(1)(i) Act on Trademarks of the Czech Republic, Art. 3(2)(a) of the Trademark Act of Greece, Art. 3(2)(c) of the Trademark Law of Hungary, Art. 10 of the Trademark Law of Italy, Art. 6(1), sub 9, of the Trademark Law of Latvia, Art. 131(2)(v) of the Trademark Law of Poland, Art. 238(4)(b) of the Industrial Property Code of Portugal, Sec. 5(1)(j) of the Trademarks Act of Slovakia. These laws are available online at www.wipo.int/clea.

¹⁶²³ For instance, see German Federal Patent Court, decision of November 2, 1993, published in *Gewerblicher Rechtsschutz und Urheberrecht* 1994, p. 377. In this decision, the German Federal Patent Court denied registration of the word mark "Messias" as a trademark for clothing, shoes and hats because of a conflict with morality and public order.

¹⁶²⁴ For instance, see Dutch Supreme Court, judgment of October 28, 1948, published in *Bijblad bij de industriële eigendom* 1949, p. 24. In this decision, the Dutch Supreme rejected the argument that registration of the name "Winston Churchill" as a trademark for cigars was contrary to morality or public order.

With regard to signs having no high symbolic value but cultural significance, the question of registrability arose before the CJEU in the case *Shield Mark/Kist*. The case concerned an attempt to register, as a trademark, the first nine notes of the piano piece “Für Elise” by Ludwig van Beethoven. Discussing registration requirements, Advocate General Colomer expressed the view that it was difficult to accept

“that a creation of the mind, which forms part of the universal cultural heritage, should be appropriated indefinitely by a person to be used on the market in order to distinguish the goods he produces or the services he provides with an exclusivity which not even its author’s estate enjoys.”¹⁶²⁵

The Court, however, did not rely on this argument to exclude the first notes of “Für Elise” from trademark registration. Instead, the Court clarified that, in the case of a melody, the requirement of graphical representation could be satisfied by providing standard musical notation.¹⁶²⁶ Cultural significance as such, therefore, does not necessarily constitute an obstacle to registration. The particular recognition and popularity which a sign in the public domain enjoys does not necessarily hinder its appropriation as a trademark.¹⁶²⁷

Examples of national court decisions confirm that cultural significance is not necessarily relevant to the decision on registrability. In particular, cultural significance may not justify an exclusion based on morality or public order. Dealing with an attempt to register the Mona Lisa by Leonardo da Vinci as a trademark, the German Federal Patent Court, for instance, rejected the argument that the sign was contrary to public policy or accepted principles of morality. An appropriation of the Mona Lisa on the basis of trademark law would not violate the principle that cultural expressions should remain freely available for the public after the expiry of copyright protection.¹⁶²⁸ However, the Court held that the Mona Lisa was not distinctive because the painting was frequently used in advertising. Instead of perceiving the sign as an indication of commercial origin, the public would regard the Mona Lisa as a mere advertising instrument.¹⁶²⁹ The Court also expressed the view that, because of the frequent use in advertising, the painting had become customary in established trade practices.¹⁶³⁰ Registration was thus denied because the Mona Lisa was non-distinctive and generic.

In cases of “cultural heritage grabbing”, the registration of a sign of cultural significance may be denied or invalidated because the application was made in bad faith. Such a case may arise where the applicant registers a sign of cultural significance without intending to make genuine use of the sign in trade. Instead, the registration serves the purpose of imposing an obligation on other traders to obtain licenses for the use of the sign. It aims at exploiting the popularity of the cultural sign concerned. The introduction of an absolute ground for refusal with regard to bad faith applications is optional for EU Member States.¹⁶³¹ At the level of the Community Trade Mark, an application in bad faith constitutes an absolute ground for

¹⁶²⁵ See Opinion of Advocate General Colomer of April 3, 2003, in case C-283/01, *Shield Mark/Kist*, para. 52.

¹⁶²⁶ See CJEU, judgment of November 27, 2003, case C-283/01, *Shield Mark/Kist*.

¹⁶²⁷ For instance, see Dutch Supreme Court, judgment of March 5, 1999, case no. 16812, C97/291, published in *Nederlandse Jurisprudentie* 2000, no. 306, para. 3.6. Instead of a cultural heritage sign, this decision concerned the sign “Route 66”.

¹⁶²⁸ See German Federal Patent Court, decision of November 25, 1997, case 24 W (pat) 188/96, *Mona Lisa*, published in *Gewerblicher Rechtsschutz und Urheberrecht* 1998, p. 1021 (1023).

¹⁶²⁹ German Federal Patent Court, *ibid.*, p. 1022.

¹⁶³⁰ German Federal Patent Court, *ibid.*, p. 1023.

¹⁶³¹ See Art. 3(2)(d) TMD.

invalidity.¹⁶³² The CJEU developed several factors for the identification of bad faith applications. In particular, it may be relevant that the applicant knows or must know that a third party is using a sign identical or similar to the sign for which registration is sought, and that the applicant intends to prevent that third party from continuing to use the sign.¹⁶³³ These factors may weigh against the registration of a sign of cultural significance when the applicant primarily seeks to prevent other traders from use and derive profit from the granting of licenses.

2.2 *Distinctive character and scope of protection*

In spite of these absolute grounds for refusal or invalidation that may become relevant with regard to common patrimony signs, trademark rights are granted in the EU in respect of signs of cultural significance. Protection may be acquired, for instance, with regard to the name and portrait of famous artists.¹⁶³⁴ However, these trademark rights do not necessarily cover goods or services that are directly related to the life and work of the artist concerned. In that regard, registration may be denied because the sign is descriptive. Instead of seeing the sign as a source identifier, the public perceives it as a mere indication of the contents of goods or services concerning the artist.¹⁶³⁵ As a result, the sign remains available in the area where it has cultural significance. It may be registered, however, in respect of other goods or services. A registration may be obtained, for instance, with regard to merchandising articles.¹⁶³⁶

Due to their predominant cultural meaning, however, signs of cultural significance may constitute relatively weak trademarks. In the case *Picasso/Picaro*, for instance, the CJEU had to decide on an opposition lodged against the registration of the word sign “PICARO” on the basis of the earlier Community Trade Mark “PICASSO”. The case concerned use for vehicles. The Court assumed in this context that, “confronted with the word sign PICASSO, the relevant public inevitably sees in it a reference to the painter.”¹⁶³⁷ Against this background, the Court concluded that

“given the painter’s renown with that public, that particularly rich conceptual reference is such as greatly to reduce the resonance with which, in this case, the sign is endowed as a mark, among others, of motor vehicles.”¹⁶³⁸

Therefore, the scope of trademark protection enjoyed by signs of cultural significance may be rather limited. Minor deviations from the registered trademark may already be sufficient to avoid a likelihood of confusion. A different presentation of the sign on goods or services may

¹⁶³² See Art. 51(1)(b) CTMR.

¹⁶³³ See CJEU, judgment of June 11, 2009, case C-529/07, *Lindt/Hauswirth*, para. 53.

¹⁶³⁴ For instance, see CTM 001081314, “Beethoven”; CTM 000945774, “Descartes”; CTM 001593128, “Albert Einstein”; CTM 003805942, “Goethe”; IR 0858800, “Henrik Ibsen”; CTM 001358621, “Vincent van Gogh”; CTM 005468996, “Mona Lisa”; CTM 000021071 “Mozart”; CTM 001334036, “Picasso”; CTM 000119354, “Rembrandt”; CTM 004278214, “Shakespeare”; CTM 003877354, “Giuseppe Verdi”; CTM 000047365, “Vermeer”; CTM 000996199, “Leonardo da Vinci”; CTM 003437811, “Andy Warhol”.

¹⁶³⁵ For instance, see German Federal Court of Justice, decision of April 24, 2008, case I ZB 21/06, “Marlene-Dietrich-Bildnis”, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2008, p. 1093, online available at www.bundesgerichtshof.de, para. 12-15.

¹⁶³⁶ German Federal Court of Justice, *ibid.*, para 19-22. See also decision of March 31, 2010, case I ZB 62/09, “Marlene-Dietrich-Bildnis II”, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2010, p. 825, online available at www.bundesgerichtshof.de, para. 20-28.

¹⁶³⁷ See CJEU, judgment of January 12, 2006, case C-361/04 P, *Picasso/Picaro*, para. 27.

¹⁶³⁸ CJEU, *ibid.*, para. 27.

be sufficient to minimize a potential risk of confusion.¹⁶³⁹ Given the strong cultural connotation of the sign, it may also be difficult to establish that the sign has become a mark with a reputation.¹⁶⁴⁰

The situation may be different where a trademark consists of a sign that has cultural significance but is not widely known among the general consuming public. A melody taken from a culturally important but relatively unknown piece of classical music, for instance, is unlikely to have a cultural connotation capable of weakening the recognition of the sign as an indication of commercial origin.

2.3 *Acquisition of secondary meaning*

If a common patrimony sign cannot be registered because it is descriptive or has become generic, trademark rights may still be acquired under EU trademark law in consequence of use of the sign in the course of trade.¹⁶⁴¹ In the case of a sign having cultural significance, for instance, the acquisition of trademark rights becomes possible the moment the public, as a result of marketing efforts, perceives the sign as an indication of commercial origin.

2.4 *Exceptions to trademark protection*

As pointed out above, certain limitations are inherent in trademark rights granted in the EU. The trademark owner cannot assert rights when use of a trademark does not take place in the course of trade and in relation to goods or services.¹⁶⁴² Even though these inherent limits are applied rather elastically by the CJEU, they prevent the trademark owner from prohibiting use outside a commercial context, such as private use, use during religious ceremonies and use in a purely cultural context. Irrespective of the acquisition of trademark rights, a religious sign, therefore, still remains available for religious purposes. A sign of cultural significance still remains available for strictly cultural purposes.¹⁶⁴³

The situation is different when the use made of a trademarked common patrimony sign is of a commercial nature. In this case, however, it may become relevant that the proprietor of a trademark is not entitled under EU trademark law to prohibit a third party from using descriptive indications in the course of trade, provided that the use takes place in accordance

¹⁶³⁹ The weakness of trademarks based on cultural signs may particularly mitigate the corrosive effect of “cultural heritage grabbing”. See Higher Court of Appeals Dresden, judgment of April 4, 2000, case 14 U 3611/99, published in *Neue Juristische Wochenschrift* 2001, p. 615 (617). The case concerned the registration of the name and portrait of Johann Sebastian Bach as a trademark for various goods and services and the systematic assertion of trademark rights against traders in the markets concerned even though the trademark owner had not started using the signs himself.

¹⁶⁴⁰ Cf. EU Court of First Instance, judgment of June 30, 2009, case T-435/05, *Danjaq/OHIM*, para. 26-31, rejecting the argument that the sign “Dr. No” had become a well-known mark in the sense of Art. 6bis PC.

¹⁶⁴¹ See Art. 3(3) TMD and Art. 7(3) CTMR.

¹⁶⁴² As pointed out above also, this may be different in EU Member States availing themselves of the possibility offered in Art. 5(5) TMD to extend trademark protection to use “other than for the purposes of distinguishing goods or services”. For the time being, this concerns Belgium, Luxemburg and the Netherlands.

¹⁶⁴³ For instance, see Higher Court of Appeals Dresden, judgment of April 4, 2000, case 14 U 3611/99, published in *Neue Juristische Wochenschrift* 2001, p. 615 (616), where the Court applies a broad concept of cultural use not constituting use in relation to goods or services in order to prevent trademark rights relating to the portrait of Johann Sebastian Bach from becoming an obstacle to the production of porcelain showing a Bach portrait.

with honest commercial practices.¹⁶⁴⁴ If the common patrimony sign is perceived by the public as an indication of product characteristics rather than an indication of commercial source, the use may be justified in the light of this exception. The indication “Mozarttorte” (Mozart cake) and “Mozartkugel” (Mozart ball), for instance, is likely to be perceived as an indication of a particular type of cake or chocolate product by the public in certain EU Member States. Against this background, it is unlikely to give rise to a conflict with the Community Trade Mark “MOZART”.¹⁶⁴⁵

If a common patrimony sign becomes a mark with a reputation, it enjoys, as explained above, not only protection against confusion but also against blurring, tarnishment and unfair free-riding. In this area of enhanced protection, trademark rights cannot be invoked, however, if use of the trademark is made with “due cause”.¹⁶⁴⁶ This defense of due cause may justify use of the trademark for purposes of criticism and review. A trademark parody, for instance, may be defended on this basis.¹⁶⁴⁷ As a result, common patrimony signs remain available for public debate, even if they become marks with a reputation.

3. Abusive appropriation of signs that should remain usable by the public

3.1 *Exclusion of signs*

EU trademark law contains several absolute grounds for refusal that exclude signs from trademark registration because they must remain available for the public or for other traders. In the decision *Windsurfing Chiemsee*, the CJEU explicitly recognized that the absolute ground for refusal concerning descriptive signs served the public interest.¹⁶⁴⁸ The provision ensured that

“descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks.”¹⁶⁴⁹

With regard to geographical indications, the Court further specified that it was in the public interest that they remained available,

“not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”¹⁶⁵⁰

¹⁶⁴⁴ See Art. 6(1)(b) TMD and Art. 12(b) CTMR.

¹⁶⁴⁵ See Higher Court of Appeals München, judgment of July 26, 2001, case 29 U 6000/00, published in *Gewerblicher Rechtsschutz und Urheberrecht-Rechtsprechungsreport* 2002, p. 12 (13). In the meantime, the Community Trade Mark has been invalidated because of its descriptive character with regard to “pastry and confectionary, chocolate products and sugar confectionary”. See EU Court of First Instance, judgment of July 9, 2008, case T-304/06, Paul Reber/OHIM, para. 99.

¹⁶⁴⁶ See Art. 5(2) TMD and Art. 9(1)(c) CTMR.

¹⁶⁴⁷ See the references to case law in footnote 9 above.

¹⁶⁴⁸ See Art. 3(1)(c) TMD and Art. 7(1)(c) CTMR.

¹⁶⁴⁹ See CJEU, judgment of May 4, 1999, cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, para. 25.

¹⁶⁵⁰ See CJEU, *ibid.*, para. 26.

The CJEU acknowledged the public interest dimension also with regard to absolute grounds for refusal relating to shape marks. Under EU trademark law, registration shall be denied in the case of signs which consist exclusively of a shape which results from the nature of the goods concerned, is necessary to obtain a technical result, or gives substantial value to the goods.¹⁶⁵¹ In *Philips/Remington*, the CJEU explained that the rationale underlying these grounds for refusal was

“to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors.”¹⁶⁵²

With regard to technical shapes, the Court added that the refusal of registration pursued an aim which was in the public interest,

“namely that a shape whose essential characteristics perform a technical function and were chosen to fulfil that function may be freely used by all.”¹⁶⁵³

Given the recognized need to keep descriptive signs and functional shapes available, the CJEU delineates the scope of the respective absolute grounds for refusal rather broadly. In *Windsurfing Chiemsee*, the Court held that, for the registration of a geographical name to be prohibited, it was not necessary to give evidence of a real, current or serious need to leave the indication free. By contrast, it was sufficient that the geographical name was liable to be used as an indication of geographical origin with regard to a certain category of goods or services in the future.¹⁶⁵⁴

In respect of shapes necessary to obtain a technical result, the Court held that the ground for refusal could not be overcome by establishing that competitors could use alternative shapes to achieve the same technical result. The absolute ground for refusal applied irrespective of whether the shape at issue was the only one capable of obtaining the required technical result, or whether there were several shapes which were equivalent from a functional point of view.¹⁶⁵⁵ Similarly, the absolute ground for refusal, relating to shapes which give substantial value to the goods, applies not only when the value of a given shape is due to its inherent beauty and attractiveness.¹⁶⁵⁶ It also covers shapes that acquired attractiveness as a result of advertising campaigns presenting the shape as a distinctive sign with a particular brand image.¹⁶⁵⁷

¹⁶⁵¹ See Art. 3(1)(e) TMD and Art. 7(1)(e) CTMR.

¹⁶⁵² See CJEU, judgment of June 18, 2002, case C-299/99, *Philips/Remington*, para. 78.

¹⁶⁵³ See CJEU, *ibid.*, para. 80.

¹⁶⁵⁴ See CJEU, judgment of May 4, 1999, cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, para. 35-37.

¹⁶⁵⁵ See CJEU, judgment of June 18, 2002, case C-299/99, *Philips/Remington*, para. 81-83; judgment of September 14, 2010, case C-48/09 P, *Lego/Mega Brands*, para. 53-58.

¹⁶⁵⁶ With regard to the exclusion from trademark registration in such cases, see Judgment of the General Court of the European Union, 6 October 2011, case T-508/08, *Bang & Olufsen/OHIM*, para. 74-79.

¹⁶⁵⁷ See CJEU, judgment of September 20, 2007, case C-371/06, *Benetton/G-Star*, para. 28.

3.2 Acquisition of distinctive character

Assessing the contribution of these absolute grounds for refusal to the availability of signs, a fundamental difference between the provisions must be taken into account: Whereas the absolute grounds for refusal relating to shapes cannot be overcome by showing that a shape has acquired distinctiveness as a result of the use made of it in trade,¹⁶⁵⁸ the absolute ground for refusal relating to descriptive signs no longer applies when a descriptive indication has become distinctive because of use in trade.¹⁶⁵⁹ In the case of descriptive signs, EU trademark law, thus, relies on the acquisition of distinctive character as a criterion to regulate the balance between trademark protection and the public domain.

For assessing the distinctive character of a mark, the CJEU developed the following factors:

“the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.”¹⁶⁶⁰

To establish distinctive character on the basis of these factors, it is sufficient to show that the relevant public, “or at least a significant proportion thereof” perceives the descriptive sign as an indication of commercial origin.¹⁶⁶¹

If distinctive character can be demonstrated, the scope of protection still depends on the degree to which distinctiveness is attained. A trademark based on a descriptive indication may remain a weak trademark. In this case, minor deviations from the mark or an emphasis on its descriptive character may already eliminate a likelihood of confusion. Therefore, the impact on the availability of the sign may remain rather limited.¹⁶⁶² If, by contrast, a trademark based on a descriptive indication becomes a mark with a reputation, the impact on the availability of the sign may be considerable. Besides enhanced protection against confusion, marks with a reputation enjoy additional protection against blurring, tarnishment and unfair free-riding. As explained above, the trademark owner, in this case, obtains far-reaching control over the use of the sign in trade.

According to the CJEU, a sign consisting of combined descriptive indications may be found to be inherently distinctive. In the decision *Biomild*, the Court stated that a combination of descriptive elements may not be descriptive itself, if it created an impression which was

¹⁶⁵⁸ See CJEU, judgment of June 18, 2002, case C-299/99, *Philips/Remington*, para. 57; judgment of September 20, 2007, case C-371/06, *Benetton/G-Star*, para. 25-27; judgment of September 14, 2010, case C-48/09 P, *Lego/Mega Brands*, para. 47.

¹⁶⁵⁹ See Art. 3(3) TMD and Art. 7(3) CTMR. Hence, the exclusion from trademark registration in the EU is absolute only with regard to shapes resulting from the nature of the goods concerned, necessary to obtain a technical result, or giving substantial value to the goods. These shapes will not be registered in the EU, even if they have become distinctive as a result of use in trade. See CJEU, *ibid.*, para. 47: “[t] follows, therefore, from Article 7(3) of the regulation that, even if a shape of goods which is necessary to obtain a technical result has become distinctive in consequence of the use which has been made of it, it is prohibited from being registered as a trade mark.”

¹⁶⁶⁰ See CJEU, judgment of May 4, 1999, cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, para. 51.

¹⁶⁶¹ See CJEU, judgment of September 7, 2006, case C-108/05, *Europolis*, para. 28.

¹⁶⁶² For instance, see Austrian Supreme Court, decision of March 23, 2010, case 17 Ob 18/09k, *Gute Laune Tee*, published in *Gewerblicher Rechtsschutz und Urheberrecht Int.* 2011, p. 82; German Federal Court of Justice, judgment of November 19, 2009, case I ZR 142/07, “MIXI”, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2010, p. 729, online available at www.bundesgerichtshof.de, para. 27-29.

“sufficiently far removed from that produced by the simple combination of those elements.”¹⁶⁶³
The trader using an unusual combination of descriptive indications as a trademark may thus acquire protection in the EU without having to show that the sign has acquired distinctive character in consequence of use in trade. Similarly, indications of quality or incitements to purchase that are used in advertising slogans may be found to be inherently distinctive. In particular, this may be the case

“where those marks are not merely an ordinary advertising message, but possess a certain originality or resonance, requiring at least some interpretation by the relevant public, or setting off a cognitive process in the minds of that public.”¹⁶⁶⁴

Distinctiveness acquired through use is not only relevant in the context of descriptive signs. It is also necessary to overcome the absolute grounds for refusal relating to signs devoid of distinctive character and signs that have become customary in the current language or established trade practices.¹⁶⁶⁵ In this context, the CJEU uses the requirement of secondary meaning as an instrument to regulate trademark protection for certain non-traditional types of marks. In the decision *Henkel*, the Court pointed out that average consumers were not “in the habit of making assumptions about the origin of goods based on the shape of their packaging, in the absence of any graphic or word element.”¹⁶⁶⁶ Therefore, it could prove more difficult to establish distinctive character in the case of product packaging for which trademark protection was sought. Only a trademark which significantly departed from the norm or customs of the sector and thereby fulfilled the function of an indication of commercial origin was not devoid of distinctive character.¹⁶⁶⁷

By the same token, the Court held with regard to color *per se* that consumers were not “in the habit of making assumptions about the origin of goods based on their colour or the colour of their packaging, in the absence of any graphic or word element.”¹⁶⁶⁸ Against this background, distinctiveness without any prior use was inconceivable save in exceptional circumstances, and particularly where the number of goods or services for which the mark was claimed was very restricted and the relevant market very specific.¹⁶⁶⁹

On the basis of this jurisprudence, the shape of products or their packaging and abstract colors are not unlikely to be found devoid of any distinctive character in the EU. Trademark rights, then, can only be obtained by showing that distinctive character has been acquired through use in trade. This additional hurdle can be perceived as a safeguard against the

¹⁶⁶³ See CJEU, judgment of February 12, 2004, case C-265/00, *Biomild*, para. 40. However, this requirement was not satisfied, for instance, in the case of the sign “COLOR EDITION”. See CJEU, judgment of February 25, 2010, case C-408/08 P, *Lancôme/OHIM*.

¹⁶⁶⁴ See CJEU, judgment of January 1, 2010, case C-398/08 P, *Audi/OHIM*, para. 57, concerning the advertising “Vorsprung durch Technik” (advance through technology).

¹⁶⁶⁵ See Art. 3(3) TMD and Art. 7(3) CTMR. As descriptive indications, these signs fall under an absolute ground for refusal in the absence of acquired distinctive character. See Art. 3(1)(b) and (d) TMD and Art. 7(1)(b) and (d) CTMR.

¹⁶⁶⁶ See CJEU, judgment of February 12, 2004, case C-218/01, *Henkel/DPMA*, para. 52; judgment of April 8, 2003, cases C-53/01 to C-55/01, *Linde and others*, para. 48.

¹⁶⁶⁷ See CJEU, judgment of February 12, 2004, case C-218/01, *Henkel/DPMA*, para. 49.

¹⁶⁶⁸ See CJEU, judgment of May 6, 2003, case C-104/01, *Libertel Groep/Benelux-Merkenbureau*, para. 65.

¹⁶⁶⁹ CJEU, *ibid.*, para. 66.

abusive appropriation of standard product packaging or colors *per se*.¹⁶⁷⁰ In this vein, the CJEU explicitly acknowledged with regard to colors that there was

“a public interest in not unduly restricting the availability of colours for the other operators who offer for sale goods or services of the same type as those in respect of which registration is sought.”¹⁶⁷¹

3.3 Exceptions to trademark protection

As already pointed out above, the proprietor of a trademark in the EU is not entitled to prohibit a third party from using descriptive indications in the course of trade, provided that the use takes place in accordance with honest commercial practices.¹⁶⁷² If trademark protection is acquired with regard to a descriptive sign, this exception ensures that the public and other traders can still use the sign for the purpose of indicating the characteristics of goods or services. For instance, a geographical indication that has become a trademark remains available for use as an indication of the geographical origin of goods or services from the area concerned. As long as the user of a geographical indication cannot be regarded as unfairly competing with the proprietor of the trademark, the exception may even cover use of the indication as part of the labeling of products having the geographical origin.¹⁶⁷³ The exception may also justify the unauthorized use of product packaging. As the CJEU elaborated in the decision *Henkel*, “the possibility that the packaging might describe the characteristics of the product, including its quality, cannot be ruled out.”¹⁶⁷⁴ In such a case, the limitation would thus ensure the availability of the descriptive shape concerned.

Further exceptions to trademark rights in the EU concern use of one’s own name or address in the course of trade,¹⁶⁷⁵ and use necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.¹⁶⁷⁶ On the basis of EU legislation in the field of misleading and comparative advertising,¹⁶⁷⁷ the CJEU moreover established an additional exception covering the use of a trademark in permissible comparative advertising

¹⁶⁷⁰ The hurdle to be surmounted, however, need not necessarily be high. For instance, see German Federal Court of Justice, decision of July 9, 2009, case I ZB 88/07, ROCHER-Kugel, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2010, p. 138, online available at www.bundesgerichtshof.de, para. 43: “In the case of a shape mark having characteristics that depart from the basic shape of the type of goods concerned, there is, as a general rule, no reason to assume that the threshold for acquiring distinctive character is particularly high.” Accordingly, the fact that 62% of the relevant public recognized the shape mark was deemed sufficient. With regard to color *per se*, the German Federal Patent Court held that, in a small market segment, a recognition of the color mark by 50% of the relevant public is sufficient in light of a considerable market share of the applicant on that particular market. See decision of December 9, 2008, case 33 W (pat) 57/07, published in *Gewerblicher Rechtsschutz und Urheberrecht* 2010, p. 71.

¹⁶⁷¹ CJEU, *ibid.*, para. 55.

¹⁶⁷² See Art. 6(1)(b) TMD and Art. 12(b) CTMR.

¹⁶⁷³ See CJEU, judgment of January 7, 2004, case C-100/02, Gerolsteiner Brunnen/Putsch, para. 15 and 26.

¹⁶⁷⁴ See CJEU, judgment of February 12, 2004, case C-218/01, Henkel/DPMA, para. 42.

¹⁶⁷⁵ See Art. 6(1)(a) TMD and Art. 12(a) CTMR.

¹⁶⁷⁶ See Art. 6(1)(c) TMD and Art. 12(c) CTMR.

¹⁶⁷⁷ See the Misleading Advertisement Directive 84/450 of 10 September 1984, as amended by the Comparative Advertisement Directive 97/55 of 6 October 1997. These two Directives are now consolidated in the Misleading and Comparative Advertisement Directive 2006/114/EC of 12 December 2006.

satisfying all conditions following from EU legislation in that area.¹⁶⁷⁸ Accordingly, references to a trademark in comparative advertising, or advertising indicating the intended purpose of goods or services, does not necessarily amount to trademark infringement in the EU although it constitutes, as pointed out above, relevant use as a trademark under the elastic test applied by the CJEU.

EU trademark law also exempts use of a trademark in relation to goods which have been put on the market in the Community by the trademark owner or with her consent. This exhaustion rule is understood to offer the reseller of genuine goods the opportunity of using the trademark in advertising – keeping within the limits of what is customary in the reseller's sector of trade – to bring to the public's attention the further commercialization of the goods concerned.¹⁶⁷⁹

4. Conclusion

In the EU, trademark rights are not confined to word and figurative signs. They may also be obtained with regard to shapes, colors and melodies. Accordingly, a broader spectrum of signs becomes subject to potential appropriation on the basis of trademark law. Once protection is acquired, the trademark owner may obtain considerable control over the use of the sign concerned. The scope of protection reflects the aim to protect not only the traditional origin function of a trademark but also the investment made in the creation of a particular brand image. Against this background, the inherent limits of EU trademark rights, such as the condition of use in the course of trade and use for goods or services, are applied elastically to cover all protected trademark functions. In the field of infringement criteria, the CJEU recognizes confusion as to affiliation and sponsorship. Absolute protection in the case of double identity and protection of marks with a reputation may be obtained without establishing a likelihood of confusion. As a result, references to a protected trademark for the purposes of indicating properties of trademark-related products, comparative advertising, and criticism and comment may be affected by the exclusive rights of trademark owners.

Against this background, the potential impact of EU trademark law on signs belonging to a common patrimony, or signs that should remain available for the public or for other traders, must not be underestimated. However, several safeguards against encroachments upon the public domain must be taken into account in this context:

In the field of common patrimony signs, EU trademark law provides for a specific ground for refusal with regard to emblems of public interest that are not covered by Art. 6*ter* PC. Member States may also adopt an absolute ground for refusal excluding signs of high symbolic value, in particular religious symbols. Registration may also be denied because of a conflict with morality or public order, or the deceptive nature of signs that indicate a connection with a public or religious institution.

Signs of cultural significance, such as the name and portrait of a famous artist or a melody taken from a piece of classical music, can be registered as trademarks in the EU in many cases. In spite of registration, however, the impact of protection on the availability of the cultural sign concerned may remain limited. Use for purely cultural purposes is unlikely to constitute actionable trademark use. Due to their predominant cultural meaning, signs of cultural significance may constitute rather weak trademarks. Minor deviations from the mark may be sufficient to avoid an infringement. Moreover, signs of cultural significance can be regarded as being descriptive with regard to related information products (e.g. Paintings,

¹⁶⁷⁸ see CJEU, 12 June 2008, case C-533/06, O2/Hutchison, para. 45; CJEU, 18 June 2009, case C-487/07, L'Oréal/Bellure, para. 54.

¹⁶⁷⁹ CJEU, 4 November 1997, case C-337/95, Dior/Evora, para. 38 and 48.

books, CDs and DVDs). If registration in respect of these products is not refused from the outset, unauthorized use of the sign may still be justified on the basis of exceptions. In the field of protection against dilution, EU trademark law provides for a flexible defense of use with “due cause” that may be invoked with regard to use for criticism, comment and parody.

In the field of descriptive signs that must be kept free for the public and for other traders, EU trademark law relies on the acquisition of distinctive character through use as a criterion to regulate the balance between trademark protection and the public domain. Unusual combinations of descriptive signs and indications used in an original way in advertising may be found to be inherently distinctive. If protection is obtained, however, trademarks based on descriptive indications may remain weak marks with a limited scope of protection. Moreover, exceptions covering descriptive indications, and indications concerning the intended purpose of goods or services, may ensure the availability of the signs concerned.

Shapes which result from the nature of the goods concerned, are necessary to obtain a technical result, or give substantial value to the goods, are excluded from registration in the EU altogether. Other shapes and color *per se* will be found to be inherently distinctive only in exceptional circumstances. To ensure the availability of these signs, the CJEU assumes that consumers are not in the habit of perceiving shapes and color *per se* as a source identifier. Therefore, registration is unlikely in cases where the applicant cannot provide evidence of distinctiveness having been acquired through use in trade.

In sum, the EU trademark system offers not only a high standard of protection but also several counterbalances to safeguard the public domain. These counterbalances are based on the basic protection requirement of distinctive character, a limited scope of protection because of a limited degree of distinctiveness, and exceptions justifying the unauthorized use of descriptive indications, the indication of product characteristics and the use in permissible comparative advertising. In the area of enhanced protection against dilution, EU trademark law provides for a flexible defense of “due cause”.

While the application of these mechanisms may finally yield satisfactory results, it must not be overlooked that in certain cases, such as “cultural heritage grabbing”, the mere entering of a sign in the trademark register may be used strategically by the registrant as an instrument to threaten users with a potential infringement action.¹⁶⁸⁰ This deterrent effect of a registration can only be avoided in those cases where EU trademark law excludes signs from registration altogether.

V. SUMMARY OF FINDINGS

The analysis of trademark laws shows that the legal mechanisms available in trademark law for the preservation of the public domain – general exclusion from protection, regulation of protection on the basis of the requirement of distinctiveness, inherent limits of trademark rights and exceptions to trademark rights – are employed in the analyzed regions and countries in different ways with regard to signs belonging to a common patrimony and signs that should remain usable by the public. The following overview of exclusions from protection (following section A), rules applied to determine distinctive character (section B), inherent limits of

¹⁶⁸⁰ For instance, see Higher Court of Appeals Dresden, judgment of April 4, 2000, case 14 U 3611/99, published in *Neue Juristische Wochenschrift* 2001, p. 615. As explained above, the case concerned the registration of the name and portrait of Johann Sebastian Bach as a trademark for various goods and services and the systematic assertion of trademark rights against traders in the markets concerned even though the trademark owner had not started using the signs himself.

exclusive rights (section C) and exceptions to trademark rights (section D), summarizes the main findings of the region and country reports.

A. GENERAL EXCLUSIONS FROM PROTECTION

1. Common patrimony signs

In the field of common patrimony signs, the region and country reports confirm that the exclusion of signs falling under art. 6^{ter} PC is a worldwide standard. The registration of marks consisting of elements of national flags or other common patrimonial indicia may be permitted, however, when these elements appear in highly stylized or incomplete form, or where the use of the sign does not deceive or confuse the public as to the existence of a connection between the applicant's use of the sign and the institution with which the sign is normally associated.¹⁶⁸¹

Besides the exclusion of emblems of States and international intergovernmental organizations following from art. 6^{ter} PC, additional exclusions of official signs from trademark registration and use can be found in several countries and regions. These additional exclusions may concern official emblems of provinces and municipalities, national or foreign governments, political parties or public entities, designations relating to royal families and reigning houses, national monuments and historic sites, as well as coins, banknotes, decorations, medals and prizes.¹⁶⁸² The exclusion may also concern official names and depictions of cultural heritage objects, including objects of world cultural or natural heritage in the sense of the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage.¹⁶⁸³

Examples of official signs and emblems, in respect of which registration or use has been prohibited, are given in some country and region reports. The OAPI authorities, for instance, refused the registration of the flag of the European Union and 500 and 200 Euro banknotes as trademarks. They also refused a mark bearing the inscription "Bank of Central African States."¹⁶⁸⁴ In *San Francisco Arts & Athletics, Inc/U.S. Olympic Committee*, the Supreme Court of the United States of America ruled that a gay rights organization could not use the term "Gay Olympics" without the authorization of the United States Olympic Committee.¹⁶⁸⁵ In the Russian Federation, the registration of the trademark "Baikal" was cancelled on the grounds that the lake of Baikal was an object of world cultural heritage.¹⁶⁸⁶

Trademark laws may also exclude, more generally, signs likely to disparage, bring into contempt or falsely suggest a connection with living or dead persons, institutions, beliefs or national symbols, or signs that are disrespectful to a particular nation, religion, race or ethnic

¹⁶⁸¹ Report Canada and USA, 2.1; Report Australia and the South Pacific, 2.1.

¹⁶⁸² Report ARIPO, 2.1; Report Caribbean Region, 2.1; Report Central America, 2.1 and 2.4; Report MERCOSUR 2.1; Report ANDEAN Community, 2; Report Arab Region, 2.2; Report China, 2.1; Report Japan and Korea, 2.1 and 2.2; Report ASEAN, 2.1; Report Australia and the South Pacific, 2.1; Report Russian Federation, 2.1; Report European Union, 2.1.

¹⁶⁸³ Report Russian Federation, 2.1.

¹⁶⁸⁴ Report OAPI, 1.1 and 2.1.

¹⁶⁸⁵ Report Canada and USA, 2.1.

¹⁶⁸⁶ Report Russian Federation, 2.1.

group.¹⁶⁸⁷ In *Sullivan Entertainment International Inc/Government of Prince Edward Island, Canada*, the Intellectual Property High Court of Japan, for instance, invalidated the registered trademark “Anne of Green Gables” on the grounds that the title of this internationally famous copyrighted work written by Lucy Maud Montgomery constituted a national cultural heritage of Canada.¹⁶⁸⁸ In *McCorquodale/Masterson*, it was held in Australia that a composite mark featuring the words “Diana’s Legacy in Roses” could not be registered because of a real likelihood that consumers could conclude that the mark indicated endorsement by the Fund of the Estate of the late Diana, Princess of Wales.¹⁶⁸⁹ Designations that refer to deceased individuals of cultural or historical significance, however, may be permissible if their use is not deceptive and if there is no longer any person entitled to assert a property right in the identity concerned.¹⁶⁹⁰

The indication of a false connection may also serve as a basis for trademark offices to prevent the registration of signs and symbols relating to indigenous peoples.¹⁶⁹¹ The Patent and Trademark Office of the United States of America, for instance, denied registration of the designation “Apache” for cigarettes on the ground that it falsely suggested a connection with the Apache tribes.¹⁶⁹²

In some countries, signs are explicitly excluded that affect the right to the name, image or reputation of a legal entity or a local, regional or national community.¹⁶⁹³ This exclusion may avoid misappropriation of traditional cultural expressions when it is understood to include communities of indigenous peoples.¹⁶⁹⁴ Some countries also provide explicitly for the denial of registration in the case of signs consisting of the name of indigenous communities, or of denominations, words, letters, characters or signs used to distinguish their products, services or methods of processing, or that constitute an expression of their culture or practice.¹⁶⁹⁵ In New Zealand, a Māori Trade Marks Advisory Committee has been established so that the Commissioner of Trade Marks can refer applications derivative of Māori text and imagery for consideration by the Committee of whether the mark is likely to be offensive of Māori.¹⁶⁹⁶ In the case of long extinct indigenous communities, however, the registration of trademarks may be permitted in some countries on the grounds that it would not offend any members of the community.¹⁶⁹⁷

Registration as a trademark may also generally be excluded with regard to a famous person’s name, signature, title, nickname, pseudonym, image, portrait or caricature. However, exclusions of this type do not necessarily cover names that have a general cultural significance, such as “Mozart”, “Leonardo da Vinci” or “Newton”.¹⁶⁹⁸

¹⁶⁸⁷ Report Canada and USA, 2.1; Report Japan and Korea, 2.1; Report Australia and the South Pacific, 2.1.

¹⁶⁸⁸ Report Japan and Korea, 2.1.

¹⁶⁸⁹ Report Australia and the South Pacific, 2.1.

¹⁶⁹⁰ Report Canada and USA, 2.1.

¹⁶⁹¹ Report Australia and the South Pacific, 2.1.

¹⁶⁹² Report Canada and USA, 2.1.

¹⁶⁹³ Report Central America, 2.1.

¹⁶⁹⁴ Report Central America, 2.1.

¹⁶⁹⁵ Report ANDEAN Community, 2.

¹⁶⁹⁶ Report Australia and the South Pacific, 2.1.

¹⁶⁹⁷ Report ANDEAN Community, 2.

¹⁶⁹⁸ Report ANDEAN Community, 2.

The registration of religious signs may be excluded on the grounds that it is contrary to morality or public order.¹⁶⁹⁹ In some countries, signs of high symbolic value, in particular religious symbols, are explicitly excluded from trademark registration.¹⁷⁰⁰ However, specific provisions dealing with religious signs may also limit the exclusion to instances where a trademark registration is sought with the intention to offend or ridicule the religion concerned. As a result, the inclusion of religious names in trademarks registered without this intention may be permissible.¹⁷⁰¹ Some countries may also allow the registration of religious signs as trademarks, for instance, with regard to beverages and water.¹⁷⁰² However, it is also pointed out in the reports that for an exclusion from trademark protection to be efficient, it is advisable to include this exclusion in the *ex officio* examination of applications carried out by the trademark office. If the invocation of an exclusion is left to opposition proceedings, exclusions concerning common patrimony signs may not function efficiently because interested parties entitled to lodge an opposition may not be aware of the attempt to obtain a trademark registration, or simply be missing.¹⁷⁰³ If, however, an opposition can be lodged by interested parties on the basis of absolute grounds, such as a conflict with morality or public order, opposition proceedings can also contribute to the preservation of common patrimony signs.¹⁷⁰⁴

2. Signs that should remain usable by the public

Many trademark laws generally exclude from trademark registration product shapes necessary to obtain a technical result, derived from the nature of the goods concerned, or defining the value or quality of the goods.¹⁷⁰⁵ In *Kirkbi AG/Ritvik Holdings Inc.*, the Supreme Court of Canada explained in this regard that the exclusion of functional product design was a means to avoid overextending monopoly rights on the products themselves and impeding competition.¹⁷⁰⁶ The Court of Justice of the European Union clarified in *Koninklijke Philips Electronics NV/Remington Consumer Products Ltd* that the rationale underlying the exclusion of functional shapes was to prevent trademark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user was likely to seek in the products of competitors.¹⁷⁰⁷ The exclusion of functional shapes may also be placed in the broader context of exclusions concerning the shape, configuration, colour or pattern of goods which is likely to limit the development of any art or industry.¹⁷⁰⁸

[Footnote continued from previous page]

¹⁶⁹⁹ Report MERCOSUR, 2.2; Report Arab Region, 2.2; Report Japan and Korea, 2.1; Report Russian Federation, 2.1.

¹⁷⁰⁰ Report European Union, 2.1.

¹⁷⁰¹ Report Central America, 2.2; Report India, 2.1.

¹⁷⁰² Report ANDEAN Community, 2.

¹⁷⁰³ Report OAPI, 1.1 and 2.1.

¹⁷⁰⁴ Report Arab Region, 2.2.

¹⁷⁰⁵ Report ARIPO, 3.1 and 3.2; Report South Africa, 2.3; Report Canada and USA, 3.3; Report Central America, 3.1; Report European Union, 3.1.

¹⁷⁰⁶ Report Canada and USA, 3.3.

¹⁷⁰⁷ Report European Union, 3.1.

¹⁷⁰⁸ Report South Africa, 2.3; Report Canada and USA, 3.3.

Exclusions from trademark protection may also be applied to prevent the use of trademark rights as a vehicle to artificially extend prior patent rights. Names of chemical elements, or chemical compounds in respect of chemical substances and preparations, and international non-proprietary names used in association with veterinary substances, pesticides and pharmaceuticals are excluded from registration in some countries.¹⁷⁰⁹ Moreover, signs may not be registrable as trademarks in some countries, if they reproduce, imitate or include an indication of a protected plant variety.¹⁷¹⁰

A general exclusion from registration as a trademark of colour *per se* can be found in some countries.¹⁷¹¹ Sound and smell marks are excluded from trademark registration in countries requiring signs to be visually perceptible or not recognizing those signs as source identifiers eligible for trademark registration.¹⁷¹² Smell, taste and sound marks may also be excluded under the requirement of graphical representation.¹⁷¹³ In *R. Sieckmann*, the Court of Justice of the European Union held, for instance, that in the case of an olfactory sign neither a chemical formula nor a description or smell specimen were sufficient to provide a valid graphical representation of the sign for the purposes of trademark registration.¹⁷¹⁴

In other trademark laws, generic terms, understood in the sense of common names that the relevant purchasing public perceives primarily as a description of the genus of goods or services, are generally excluded from registration. This exclusion cannot be overcome by a showing of acquired distinctive character.¹⁷¹⁵ In the legislation of OAPI, generic and descriptive terms are excluded from registration on the grounds that these terms belong to the common patrimony and must be kept available for all traders. Against this background, trademarks, such as “Old Whiskey Label” and “Sir Hawkins”, have been cancelled because of their generic or descriptive nature.¹⁷¹⁶

B. REGULATION ON THE BASIS OF THE REQUIREMENT OF DISTINCTIVENESS

1. Common patrimony signs

Several region and country reports note that cultural or religious signs, including names or likenesses of historical or cultural personalities, are often held not to be inherently distinctive. The basic protection requirement of distinctive character may therefore function as an efficient safeguard against the registration and protection of these signs as trademarks, for instance in the case of national birds, flowers, trees, animals and fruits, simple religious signs that are not combined with some other sign, or marks consisting of the title of a famous book, story, film,

¹⁷⁰⁹ Report ARIPO, 3.1; Report India, 2.1.

¹⁷¹⁰ Report ANDEAN Community, 2.

¹⁷¹¹ Report ARIPO, 3.2.

¹⁷¹² Report MERCOSUR, 1.1; Report Japan and Korea, 1.1.

¹⁷¹³ Report ASEAN, 1.1.

¹⁷¹⁴ Report European Union, 1.1.

¹⁷¹⁵ Report Canada and USA, 3.2.

¹⁷¹⁶ Report OAPI, 3.1.

play or musical work that would be regarded as being descriptive in relation to the goods or services for which registration is sought.¹⁷¹⁷

Reliance on the protection requirement of distinctiveness, however, also means that cultural or religious signs become eligible for trademark registration and protection the moment the necessary capacity to distinguish goods or services is acquired as a result of use of the sign in the course of trade.¹⁷¹⁸ The threshold for acquiring distinctive character as a result of use in trade can be relatively high. In *Bhole Baba Milk Food Industries Ltd./Parul Food Specialities Ltd.*, for instance, the Delhi High Court found that the name “Krishna” was very common in the cultural context of India and could not have achieved a secondary distinctiveness of the kind that it was inalienably related to the products of the trademark owner.¹⁷¹⁹ A relatively liberal review of the requirement of distinctive character, however, may lead to the registration of signs of cultural or historical significance as trademarks.¹⁷²⁰ Common patrimony signs, such as signs of cultural significance, may also be found to be distinctive when the goods or services for which registration is sought are unconnected with the meaning of the sign concerned.¹⁷²¹ For example, “Hamlet” and “Mona Lisa” may be registered in relation to goods or services that do not concern a cultural context.¹⁷²² The registration of signs belonging to a common patrimony may also depend on the acceptance of a disclaimer of exclusive rights with regard to the part of the trademark that consists of the common patrimony sign.¹⁷²³

2. Signs that should remain usable by the public

The basic protection requirement of distinctive character can also ensure the availability of signs that should remain available for the public, for instance with regard to non-distinctive, generic and descriptive signs, including geographical designations, mottos, popular phrases and catch words.¹⁷²⁴ In *Mathew Ashers Ochieng/Kenya Oil Ltd & Kobil Petroleum Ltd*, the High Court of Nairobi pointed out, for instance, that the expression “proudly Kenyan” consisted of widely used common words in the public domain. Against this background, the Court found that the registered trademark “Proudly Kenyan” lacked distinctive character and could not serve as a basis for an injunction.¹⁷²⁵ The same mechanism can be applied to ensure the availability of personal names, shapes and colour *per se*.¹⁷²⁶

¹⁷¹⁷ Report South Africa, 2.2; Report Caribbean Region, 2.1; Report MERCOSUR, 2.2; Report China, 2.2; Report India, 2.1; Report Australia and the South Pacific, 2.2.

¹⁷¹⁸ Report OAPI, 2.3; Report South Africa, 2.2; Report China, 2.3; Report India, 2.3; Report Japan and Korea, 2.2 and 2.3.

¹⁷¹⁹ Report India, 1.4.

¹⁷²⁰ Report Canada and USA, 2.2; Report Central America, 2.2; Report ANDEAN Community, 2.

¹⁷²¹ Report MERCOSUR, 2.2; Report Australia and the South Pacific, 2.2; Report European Union, 2.2.

¹⁷²² Report Korea, 2.2.

¹⁷²³ Report Caribbean Region, 2.1, 2.2 and 2.3.

¹⁷²⁴ Report Canada and USA, 3.1; Report Caribbean Region, 3.2 and 3.3; Report ANDEAN Community, 3.2; Report Arab Region, 2.2; Report China, 3.1; Report India, 3.2; Report Japan and Korea, 3.1; Report ASEAN, 3.2; Report Australia and the South Pacific, 3.2; Report European Union, 3.1.

¹⁷²⁵ Report ARIPO, 2.1, 2.2 and 3.1.

¹⁷²⁶ Report Canada and USA, 3.1; Report ANDEAN Community, 3.2; Report India, 1.1; Report Australia and the South Pacific, 3.2; Report European Union, 3.2.

If a high threshold is set for acquiring distinctiveness through use, the basic requirement that trademarks must be distinctive can function as an important mechanism to keep signs free.¹⁷²⁷ In *Beecham Group plc & Another/Triomed (Pty) Ltd*, the Supreme Court of Appeal of South Africa considered that the shape of a tablet alone would hardly be regarded as a guarantee of a particular commercial origin by pharmacists. The Court recognized the need to prevent trademark protection from granting a monopoly on technical solutions or functional product characteristics to further competition.¹⁷²⁸

However, it cannot be ruled out that trademark rights to signs which other traders may wish to use as well, such as descriptive or generic terms, functional shapes and colours, are granted once the sign concerned is perceived as a source identifier by consumers.¹⁷²⁹ In the Russian Federation, for instance, it was found that the word mark “Gzhelka”, coinciding with the name of the river “Gzhelka”, had acquired secondary meaning in the perception of consumers as a trademark used for the labelling of alcoholic beverages.¹⁷³⁰

General availability of a sign for the public may result from a trademark becoming generic. In *Century City Apartments Property Services CC/Century City Property Owners’ Association*, the Supreme Court of Appeal of South Africa concluded that the trademark “Century City” which had been distinctive of a particular urban development at the time of its registration, had now become the customary name of the suburb in which the development had taken place. Hence, the expression “century city” had fallen back into the public domain. The Court affirmed in this context the public interest in free use of descriptive terms.¹⁷³¹

The availability of a sign may also be ensured through disclaimers. In *Nestle Trinidad and Tobago Limited/Dairy Distributors Limited*, for instance, the trademark “Dairy Dairy” was held to be distinctive. However, the word “dairy” in isolation was deemed a generic term. Accordingly, the Court required the trademark applicant to disclaim exclusive rights to the word “dairy” when used separate from the entire mark “Dairy Dairy”.¹⁷³²

C. BREATHING SPACE RESULTING FROM INHERENT LIMITS OF EXCLUSIVE RIGHTS

As to inherent limits of the exclusive rights of trademark owners, the region and country reports confirm that the basic requirement of use in the course of trade can play an important role in keeping signs free for the public at large. Use for news reporting, criticism and comment, parody, cultural displays, non-profit public exhibitions, political debate, religious ceremonies, teaching, academic research and, more generally, non-commercial purposes, does not necessarily amount to relevant use in the course of trade.¹⁷³³

¹⁷²⁷ Report Japan and Korea, 3.2; Report ASEAN, 3.3.

¹⁷²⁸ Report South Africa, 2.2.

¹⁷²⁹ Report Australia and the South Pacific, 3.3.

¹⁷³⁰ Report Russian Federation, 3.2.

¹⁷³¹ Report South Africa, 2.2 and 3.1.

¹⁷³² Report Caribbean Region, 3.1.

¹⁷³³ Report OAPI, 2.4; Report Canada and USA, 1.2 and 1.3; Report Caribbean Region, 3.4; Report Arab Region, 1.2; Report India, 1.2; Report Korea, 1.2 and 2.4; Report Australia and the South Pacific, 2.2; Report Russian Federation, 1.3; Report Russian Federation, 2.2; Report European Union, 1.2.

The application of a strict notion of trademark use may also create breathing space for references to the trademark that are not perceived as indications of commercial origin, such as references to the trademark made in order to express ideas and opinions.¹⁷³⁴ In *Nice House of Plastic/Moses Buule*, the High Court of Uganda pointed out that for a finding of infringement, the allegedly infringing use had to indicate that the goods originated from the trademark owner, or that there was a trade connection with the owner.¹⁷³⁵ Similarly, the Supreme Court of Appeal of South Africa held in *Verimark (Pty) Ltd/BMW AG* that use of a trademark in the context of trade only infringes, if it indicates a connection in the course of trade between the goods and the trademark owner.¹⁷³⁶ In some countries, utilitarian use of functional or ornamental product features may be deemed not to constitute relevant use as a trademark.¹⁷³⁷ The requirement of use as a trademark may also exempt use of a protected sign as a mere decoration, design or descriptive element or title of a copyrighted work.¹⁷³⁸

Use for comparative advertising and, more generally, use serving information purposes in the context of advertising may be found to fall outside the exclusive rights of the trademark owner on the grounds that the reference to the trademark made for the comparison or the information purpose will not be perceived as an indication of commercial origin by consumers.¹⁷³⁹ In *Toyota/Jili Automobile Manufacturing Co. Ltd*, for instance, it was held in China that use of the mark “Toyota” in Jili’s advertising did not constitute an infringement because Jili did not use the mark as an identifier of commercial source.¹⁷⁴⁰ However, the reports do not indicate a consistent worldwide trend with regard to comparative advertising. In certain jurisdictions, the opposite holding has been rendered that use of a trademark for the purpose of distinguishing a competitor’s goods in comparative advertising amounts to actionable trademark use.¹⁷⁴¹ Courts may arrive at the same conclusion with regard to use of a trademark to inform the public of repair and maintenance services.¹⁷⁴²

A strict application of infringement criteria can also be crucial to the creation of room for socially or culturally important use in the field of the protection of well-known marks against dilution. Without appropriate counterbalances, enhanced protection of well-known marks may affect use for the purposes of criticism, comment or comparative advertising.¹⁷⁴³ As protection in this area does not require a showing of likely confusion, the necessity to prove a relatively high degree of recognition among the public for attaining the status of a well-known mark, and a relatively high threshold for a showing of impairment of distinctiveness, tarnishment of reputation or depreciation of goodwill, can ensure that the sign concerned remains available for social and cultural discourse.¹⁷⁴⁴ In several countries and regions, recognition among the

¹⁷³⁴ Report MERCOSUR, 1.3.

¹⁷³⁵ Report ARIPO, 1.3.

¹⁷³⁶ Report South Africa, 3.3.

¹⁷³⁷ Report MERCOSUR, 1.3.

¹⁷³⁸ Report Japan and Korea, 1.3; Report Australia and the South Pacific, 1.3.

¹⁷³⁹ Report Canada and USA, 1.2; Report ANDEAN Community, 1.3; Report Australia and the South Pacific, 1.3; Report Russian Federation, 1.2.

¹⁷⁴⁰ Report China, 1.3.

¹⁷⁴¹ Report South Africa, 3.3; Report Arab Region, 1.3; Report European Union, 1.3.

¹⁷⁴² Report South Africa, 1.3; Report European Union, 1.3.

¹⁷⁴³ Report Caribbean Region, 3.4; Report Arab Region, 1.4.

¹⁷⁴⁴ Report Canada and USA, 2.3; Report Central America, 1.4.

specific purchasing public of the goods or services concerned may be sufficient for obtaining the status of a well-known mark.¹⁷⁴⁵ In some countries, specific criteria to determine the eligibility of a trademark for enhanced protection against dilution have not clearly evolved from jurisprudence yet.¹⁷⁴⁶ If a trademark is not fanciful but consists of rather common, trivial terms that are found to be part of the common language, it may be more difficult to obtain the status of a well-known mark in some countries.¹⁷⁴⁷

D. EXCEPTIONS KEEPING CERTAIN FORMS OF USE FREE

Specific exceptions to trademark rights are not necessarily widespread in all regions and countries.¹⁷⁴⁸ Exceptions that could be identified in the reports include *bona fide* use of

- a personal name, address, geographic name or place of business;¹⁷⁴⁹
- indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production and other characteristics of goods or services;¹⁷⁵⁰
- functional features of a container, shape, configuration, colour or pattern;¹⁷⁵¹
- indications concerning the intended purpose of a product or service, particularly in the case of accessories or spare parts;¹⁷⁵²
- prior rights that have been acquired in good faith;¹⁷⁵³ and
- in comparative advertising.¹⁷⁵⁴

In *Cadila Healthcare Ltd./Gujarat Co-Operative Milk Marketing Federation Ltd. and Ors.*, the Delhi High Court, for instance, made it clear that use of a descriptive expression as a trademark, irrespective of the trademark having acquired distinctive character in relation to the

¹⁷⁴⁵ Report South Africa, 3.2; Report ANDEAN Community, 1.4; Report Russian Federation, 1.4; Report European Union, 1.4.

¹⁷⁴⁶ Report MERCOSUR, 1.4.

¹⁷⁴⁷ Report MERCOSUR, 3.1.

¹⁷⁴⁸ Report Central America, 3.4; Report MERCOSUR, 3.3; Report Arab Region, 2.3 and 3.

¹⁷⁴⁹ Report ARIPO, 3.3; Report OAPI, 2.4; Report Canada and USA, 1.3; Report ANDEAN Community, 1.5 and 3.3; Report Japan and Korea, 2.4 and 3.3; Report ASEAN, 3.4; Report European Union, 3.3.

¹⁷⁵⁰ Report ARIPO, 3.1 and 3.3; Report OAPI, 2.4; Report South Africa, 2.3 and 3.3; Report Canada and USA, 1.3; Report MERCOSUR, 2.3 and 3.3; ANDEAN Community, 1.5 and 3.3; Report China, 3.4; Report India, 1.4 and 2.4; Report Japan and Korea, 2.4 and 3.3; Report ASEAN, 3.4; Report Australia and the South Pacific, 2.3 and 3.4; Report European Union, 3.3.

¹⁷⁵¹ Report South Africa, 2.3; Report Japan and Korea, 2.4.

¹⁷⁵² Report ARIPO, 3.3; Report South Africa, 2.3; Report MERCOSUR, 2.3; Report ANDEAN Community, 1.3, 1.5 and 3.3; Report ASEAN, 3.4; Report European Union, 3.3.

¹⁷⁵³ Report ARIPO, 3.3; Report Japan and Korea, 2.4.

¹⁷⁵⁴ Report MERCOSUR, 2.3; Report ANDEAN Community, 1.3 and 1.5; Report China, 3.4; Report India, 3.4; Report ASEAN, 3.4; Report Australia and the South Pacific, 2.3; Report European Union, 3.3.

trader's products, did not entitle the trademark owner from precluding other traders from using the expression concerned for the purposes of describing the characteristic features of their products.¹⁷⁵⁵

Exceptions may also relate to use of a trademark for the resale of goods, in respect of which trademark protection has been exhausted after the first sale under the control of the trademark owner.¹⁷⁵⁶

Several trademark laws provide for exceptions for the purposes of news reporting, criticism and review, and parody, for instance to counterbalance enhanced protection of well-known marks against dilution.¹⁷⁵⁷ The effectiveness of exceptions for parody depends on the extent to which the trademark owner can prevent their application because of potential harm to the reputation or integrity of the trademark.¹⁷⁵⁸ In some countries, exceptions can be found that cover non-commercial private use and references to a trademark in speeches, scientific or literary works and other publications.¹⁷⁵⁹

VI. IMPACT ASSESSMENT AND CONCLUSION

A. DIFFERENCES IN THE APPLICATION OF THE LEGAL INSTRUMENTS

The fact-based analysis of trademark laws in chapter IV shows that the legal instruments offered by trademark law to keep signs and certain forms of use free – general exclusions from trademark protection, application of the basic protection requirement of distinctiveness, inherent limits of trademark rights and the adoption of limited exceptions¹⁷⁶⁰ – are employed in various ways in the examined regions and countries to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public.

However, the analysis also shows differences in the way the measures are applied with regard to certain types of signs or forms of use. While, for instance, generic signs may be excluded from trademark protection altogether in some countries, registration may be allowed in other countries when a generic sign has obtained a distinctive character as a result of its use in trade.

Similarly, functional product characteristics are generally excluded from trademark protection in many countries irrespective of their potential distinctive character. In other countries, however, the general protection requirement of distinctive character is deemed sufficient to ensure the availability of functional product features.

In some countries, religious signs may generally be excluded from trademark protection on the grounds that registration would be contrary to morality or public order. Other countries may

¹⁷⁵⁵ Report India, 1.3.

¹⁷⁵⁶ Report OAPI, 2.4; Report South Africa, 2.3; Report European Union, 3.3.

¹⁷⁵⁷ Report Canada and USA, 1.3; Report MERCOSUR, 2.3; Report India, 2.4; Report ASEAN, 3.4.

¹⁷⁵⁸ Report MERCOSUR, 2.3.

¹⁷⁵⁹ Report MERCOSUR, 1.3.

¹⁷⁶⁰ For a more detailed discussion of these different instruments, see chapter III.

accept religious signs for registration once it can be proven that the sign concerned has the required distinctive character.

Similarly, certain signs of cultural significance are generally excluded from trademark protection, while others can be registered as a trademark once evidence of distinctive character can be provided.

Comparable differences come to the fore with regard to the legal instruments keeping certain forms of use free. Many countries provide for exceptions that exempt the use of trademarked signs to indicate product characteristics, including the geographical place of origin. Use to indicate the intended purpose of goods or services is also exempted in many countries. In other countries, however, exceptions of this kind have not been adopted.

Differences can also be observed in the area of use for social and cultural purposes. While many countries rely on the inherent limits of trademark rights, in particular the confinement of protection to use in the course of trade and as a trademark, to offer breathing space for socially and culturally valuable use, other countries adopted specific exceptions to exempt use falling in this category, such as use in news reporting, for criticism and comment, and for parody.

B. IMPACT ASSESSMENT

The outlined differences give rise to the question which criteria can be applied to determine the preferable strategy to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public. Considering the impact on the stakeholders involved, the following considerations may become relevant.

1. General exclusions from protection

As indicated above, a general exclusion from registration and protection as a trademark has an absolute effect in the sense that the sign, regardless of its potential distinctive character, is not eligible for trademark protection.

On the one hand, the application of this absolute bar to trademark registration and protection ensures that the sign concerned, in any case, does not become subject to trademark rights. Use of the sign by other traders or the public at large always remains unencumbered by trademark rights. This guarantees that trademark protection will not restrict the sign's availability.

When the legal instrument of a general exclusion is applied to keep functional elements of a product free, competitors in the relevant market can thus use the functional element concerned without any risk of trademark rights being asserted against them. Against this background, the absolute bar to trademark registration and protection may enhance competition in the marketplace.

If a general exclusion is applied with regard to signs of cultural significance, this guarantees their unencumbered use for social and cultural purposes. The free use of cultural material belonging to a country's cultural heritage may be ensured in this way. The appropriation of trademark rights in relation to formerly copyrighted material may also be prevented.¹⁷⁶¹ As a

¹⁷⁶¹ With regard to the discussion on cumulative copyright and trademark protection, see WIPO document SCT/16/5, dated 1 September 2006, "Trademarks and Their Relation With Literary and Artistic Works", online available at www.wipo.int/sct; S. Carre, "Marques et droit d'auteur: Métaphore d'une belle rencontre", in: C.

result, the guarantee that signs of cultural significance can be used without a risk of infringing trademark rights may support follow-on innovation in the cultural sector.

On the other hand, a general exclusion regardless of whether the sign concerned is distinctive implies that, in cases where that sign indeed has a distinctive character,¹⁷⁶² unencumbered use of the sign by competitors may cause confusion among consumers who perceive the sign as a reference to one particular commercial source.

Advantages accruing from general availability for other traders and the public at large must thus be weighed against the potential risk of consumer confusion. In this context, alternative legal mechanisms, such as general protection against unfair competition, may be factored into the equation to determine whether the potential risk of confusion can be minimized through protection standards outside trademark law.¹⁷⁶³

Regulation on the basis of the requirement of distinctiveness

In comparison with an absolute exclusion of certain signs from protection, the regulation of the acquisition of trademark rights on the basis of the requirement of distinctiveness has the advantage of avoiding the potential risk of consumer confusion in cases where a sign is perceived by consumers as an indication of commercial source. Signs that are not distinctive remain ineligible for registration and protection as trademarks. This obstacle can be overcome, however, once a sign falling in this category has acquired distinctiveness as a result of use in the course of trade. The moment consumers perceive a non-distinctive, descriptive or generic sign as a source identifier, trademark laws relying on the requirement of distinctiveness thus acknowledge this changed status by awarding protection. In this way, use by competitors that is likely to mislead consumers can be prevented.

However, the regulation of the acquisition of protection on the basis of the requirement of distinctiveness does not fully guarantee the availability of the signs concerned. As there is a possibility of signs acquiring distinctiveness through use in trade, the bar to trademark

[Footnote continued from previous page]

Geiger/J. Schmidt-Szalewski (eds.), *Les défis du droit des marques au XXI^e siècle*, Strasbourg: Litec 2010, p. 25; V. Vanovermeire, "Inschrijving als merk van een in het openbaar domein gevallen werk", in: A. Cruquenaire/S. Dusollier (eds.), *Le cumul des droits intellectuels*, Brussels: Larcier 2009, p. 177; A. Ohly, "Areas of Overlap Between Trade Mark Rights, Copyright and Design Rights in German Law", *Gewerblicher Rechtsschutz und Urheberrecht International* 2007, p. 704; M.R.F. Senfleben, "De samenloop van auteurs- en merkenrecht – een internationaal perspectief", *Tijdschrift voor auteurs-, media- en informatierecht* 2007, p. 67; P.B. Hugenholtz, "Over cumulatie gesproken", *Bijblad bij de industriële eigendom* 2000, p. 240; D.W.F. Verkade, "The Cumulative Effect of Copyright Law and Trademark Law: Which Takes Precedence?", in: J.J.C. Kabel/G.J.H.M. Mom (eds.), *Intellectual Property and Information Law – Essays in Honour of Herman Cohen Jehoram*, Den Haag/London/Boston: Kluwer 1998, p. 69; J.H. Spoor, *De gestage groei van merk, werk en uitvinding*, Zwolle: Tjeenk Willink 1990.

¹⁷⁶² This is not a mere theoretical option. In *Lego/OHIM(Mega Brands)*, for instance, the Court of Justice of the European Union, 14 September 2010, case C-48/09 P, online available at www.curia.eu, para. 40, explicitly pointed out that "[i]n the present case, it has not been disputed that the shape of the Lego brick has become distinctive in consequence of the use which has been made of it and is therefore a sign capable of distinguishing the appellant's goods from others which have another origin." Irrespective of the existence of distinctive character, however, the Court denied the acquisition of trademark rights in line with EU legislation to allow competition in the marketplace and prevent undertakings from using trademark law "in order to perpetuate, indefinitely, exclusive rights relating to technical solutions" (para. 45).

¹⁷⁶³ With regard to developments in the area of protection against unfair competition, see M. Höpperger/M.R.F. Senfleben, "Protection Against Unfair Competition at the International Level – The Paris Convention, the 1996 Model Provisions and the Current Work of the World Intellectual Property Organization", in: R. Hilty/F. Henning-Bodewig (eds.), *Law Against Unfair Competition – Towards a New Paradigm in Europe?*, MPI Studies on Intellectual Property, Competition and Tax Law, Vol. 1, Berlin/Heidelberg: Springer 2007, p. 61.

registration and protection remains relative and unpredictable. On its merits, the acquisition of trademark rights is left to the marketing efforts of traders and the impact of these efforts on the perception of consumers. Enterprises may see the possibility of acquiring trademark rights to a sign that is not inherently distinctive as an incentive to invest in the acquisition of distinctiveness.

For instance, a national system refusing the registration of shape marks or colour *per se* on the grounds that these signs are not inherently distinctive,¹⁷⁶⁴ but allowing registration the moment a shape or individual colour is perceived as a badge of origin by consumers, may *de facto* provide an incentive for enterprises to invest in advertising campaigns educating consumers to perceive a shape or individual colour as an indication of commercial source. Once this marketing effort has the desired success, the sign can be registered.

By the same token, a national system permitting the acquisition of trademark rights to a sign of cultural significance once that sign has become distinctive in consequence of use in trade may encourage enterprises to invest in advertising presenting a culturally important sign as an indication of commercial source to the consuming public.

While avoiding the risk of consumer confusion, reliance on the basic requirement of distinctiveness – as an obstacle to the registration of signs that should be kept free for other traders or the public at large – may therefore have unexpected side effects. It may provide an incentive for investment in the acquisition of distinctiveness as a means to obtain trademark rights to the very signs that were intended to be kept free on the basis of the requirement of distinctive character. This potential risk of encouraging the creation of trademark rights in areas where signs were intended to be kept free is to be weighed against the advantage of protecting consumers against confusion.

3. Inherent limits of and exceptions to trademark rights

As reflected in the region and country reports, the inherent limits of trademark rights can contribute substantially to the availability of trademarked signs for various non-commercial purposes. For instance, use for private, religious, cultural, educational or political purposes may be found not to amount to trademark infringement because it does not constitute use in the course of trade or use as a trademark.

With the gradual expansion of trademark rights that can be observed in some countries and regions in the field of protection against dilution and unfair free-riding, these inherent limits of trademark rights, however, may become less reliable safe harbours for socially and culturally valuable use. The notion of use as a trademark, for instance, may be extended to cover not only the traditional use of trademarks as source identifiers but also the use of trademarks as

¹⁷⁶⁴ With regard to the regulation of trademark protection on the basis of the protection requirement of distinctiveness in the case of non-traditional trademarks, Cf. I. Lewalter/P.T. Schrader, "Die Fühlmarke", *Gewerblicher Rechtsschutz und Urheberrecht* 2005, p. 476; F. Hauck, "Aktuelle Entwicklungen bei der Eintragung von Farbmarken", *Gewerblicher Rechtsschutz und Urheberrecht* 2005, p. 363; A. Kur, "Alles oder Nichts im Formmarkenschutz?", *Gewerblicher Rechtsschutz und Urheberrecht International* 2004, p. 755; A. Bouvel, "Qu'importe le flacon... Le droit des marques malmené par les emballages", *Propriétés Intellectuelles* 2004, p. 863; R. Arnet, "Markenschutz für Formen", *sic!* 2004, p. 829; J. Pagenberg, "Trade Dress and the Three-Dimensional Marks – The Neglected Children of Trademark Law?", *International Review of Intellectual Property and Competition Law* 35 (2004), p. 831; M. Bölling, "Der EuGH und die abstrakte Farbmarke – Von der bewussten Entwertung einer Markenform", *Markenrecht* 2004, p. 384; S. Bingener, "Das Wesen der Positionsmarke oder Wo die Positionsmarke hingehört", *Markenrecht* 2004, p. 377; A. Firth/E. Gredley/S.M. Maniatis, "Shapes as Trade Marks: Public Policy, Functional Considerations and Consumer Perception", *European Intellectual Property Review* 2001, p. 86.

communication instruments that represent a particular brand image and goodwill.¹⁷⁶⁵ Accordingly, it may become more difficult to trace the limits of actionable trademark use. Besides forms of use that would interfere with the basic trademark function of signaling the commercial origin of goods and services, trademark owners may also have success in invoking trademark rights against forms of use, such as use for criticism, comment and parody, that do not impair the basic origin function, but may adversely affect brand image and goodwill.¹⁷⁶⁶

When, as a result of such a development, the inherent limits of trademark rights become less clear and foreseeable for potential users in a given country, trademark protection may have an increasingly deterrent effect on socially and culturally valuable use. The mere risk of being sued for trademark infringement because of a biting comment or parody may prevent users from getting engaged in these forms of free speech.¹⁷⁶⁷ Against this background, it can be advisable to reassure users of trademarked signs that certain forms of use are exempted from the control of the trademark owner by adopting specific exceptions to trademark rights for this purpose. In this way, the legal certainty that is no longer resulting from a clear understanding of the inherent limits of trademark rights can be re-established, and socially and culturally valuable use can be encouraged.¹⁷⁶⁸

¹⁷⁶⁵ Cf. S.L. Dogan/M.A. Lemley, "The Trademark Use Requirement in Dilution Cases", *Santa Clara Computer & High Technology Law Journal* 24 (2008), p. 541; G.B. Dinwoodie/M.D. Janis, "Confusion Over Use: Contextualism in Trademark Law", *Iowa Law Review* 92 (2007), p. 1597; A. Kur, "Confusion Over Use? Die Benutzung "als Marke" im Lichte der EuGH-Rechtsprechung", *Gewerblicher Rechtsschutz und Urheberrecht International* 2008, p. 1. For case law reflecting this trend, see, for instance, Federal Court of Justice of Germany, 3 February 2005, case I ZR 159/02, *Gewerblicher Rechtsschutz und Urheberrecht* 2005, p. 583 (584), "Lila Postkarte", online available at www.bundesgerichtshof.de. Cf. C. Born, "Zur Zulässigkeit einer humorvollen Markenparodie – Anmerkungen zum Urteil des BGH 'Lila Postkarte'", *Gewerblicher Rechtsschutz und Urheberrecht* 2006, p. 192.

¹⁷⁶⁶ In academic literature, this risk was identified already at an early stage of this development, for instance, by R. Cooper Dreyfuss, "Expressive Genericity: Trademarks as Language in the Pepsi Generation", *Notre Dame Law Review* 65 (1990), p. 397; R.S. Brown, "Advertising and the Public Interest: Legal Protection of Trade Symbols", *Yale Law Journal* 108 (1999), p. 1619. For a discussion of the problem in the light of international trademark law. See L.P. Ramsey, "Free Speech and International Obligations to Protect Trademarks", *Yale Journal of International Law* 35 (2010), p. 405; K. Weckström, "The Lawfulness of Criticizing Big Business: Comparing Approaches to the Balancing of Societal Interests Behind Trademark Protection", *Lewis & Clark Law Review* 11 (2007), p. 671.

¹⁷⁶⁷ As to the relation between trademark protection and the fundamental guarantee of freedom of expression, see W. Sakulin, *Trademark Protection and Freedom of Expression – An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European Law*, The Hague/London/New York: Kluwer Law International 2010; C. Geiger, "Marques et droits fondamentaux", in: C. Geiger/J. Schmidt-Szalewski (eds.), *Les défis du droit des marques au XXIe siècle*, Strasbourg: Litec 2010, p. 163; R. Burrell/D. Gangjee, "Trade Marks and Freedom of Expression: A Call for Caution", University of Queensland, TC Beirne School of Law, Research Paper No. 10-05 (2010), online available at <http://ssrn.com/abstract=1593258>; W. McGeveran, "Four Free Speech Goals for Trademark Law", *Fordham Intellectual Property, Media and Entertainment Law Journal* 18 (2008), p. 1205; P. Gulasekaram, "Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works", *Washington Law Review* 80 (2005), p. 887; P.N. Leval, "Trademark: Champion of Free Speech", *Columbia Journal of Law and the Arts* 27 (2004), p. 187; L. Timbers/J. Huston, "The 'Artistic Relevance Test' Just Became Relevant: the Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution", *Trademark Reporter* 93 (2003), p. 1278; R. Cooper Dreyfuss, "Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity", in: G.B. Dinwoodie/M.D. Janis (eds.), *Trademark Law and Theory: a Handbook of Contemporary Research*, Cheltenham: Edward Elgar Publishing 2008, p. 261; K. Aoki, "How the World Dreams Itself to be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms", *Loyola of Los Angeles Entertainment Law Journal* 17 (1997), p. 523.

¹⁷⁶⁸ Cf. G.B. Dinwoodie, "Lewis & Clark Law School Ninth Distinguished IP Lecture: Developing Defenses in Trademark Law", *Lewis and Clark Law Review* 13/1 (2009), p. 99 (152): "However, as the scope of trademark protection expands and the metes and bounds of protection become more uncertain, we cannot rely exclusively on creative interpretation of the prima facie cause of action to establish limits. Trademark law must more consciously develop defenses that reflect the competing values at stake in trademark disputes."

The same rationale may justify the introduction of exceptions in other areas where it is not clear that infringement criteria, such as use in trade, use as a trademark and likelihood of confusion, would be applied in favour of use that should remain free. Exceptions may be adopted to confirm, for instance, the exemption of use of trademarked signs to describe the characteristics of goods or services, including their geographical place of origin, or the exemption of use to indicate the intended purpose of goods or services, such as use as spare parts.

Hence, an assessment of the legal certainty resulting from the general understanding of the inherent limits of trademark rights in trade circles and among the public at large should inform the decision on whether infringement criteria, such as use in trade, use as a trademark and likelihood of confusion, are sufficient to support forms of use that should remain free, or whether the adoption of specific exceptions is required to offer sufficient legal certainty.

C. CONCLUSION

In relation to trademark law, the public domain can be understood to consist of all signs that are ineligible for, or excluded from, trademark protection. Moreover, the public domain can be understood to comprise forms of using trademarked signs that remain unaffected by the exclusive rights of the trademark owner.

A survey of the legal instruments offered by trademark law to achieve the availability of signs or forms of use in line with this understanding of the public domain shows that, firstly, signs may be kept free by generally excluding them from registration and protection as trademarks, for instance, on the grounds that the sign is contrary to morality or public order, that it is not visually perceptible or incapable of graphical representation, or that the grant of trademark protection would amount to awarding exclusive rights to the product itself rather than protecting a source identifier attached to the product. Exclusions of this kind have an absolute effect in the sense that the acquisition of trademark rights is generally impossible, even if the sign concerned is inherently distinctive or has acquired distinctive character as a result of use in trade.

Secondly, signs incapable of satisfying the basic protection requirement of distinctiveness remain free of trademark rights. This second legal instrument has a less absolute effect, because the required distinctiveness may be obtained through use of the sign in the course of trade.¹⁷⁶⁹ The obstacle to trademark registration and protection resulting from the requirement of distinctiveness can thus be overcome by marketing efforts presenting the sign concerned as a reference to one particular commercial origin to the consuming public.

Thirdly, it is to be considered that the grant of trademark protection does not give the trademark owner general control over the use of the protected sign. Exclusive trademark rights are limited in several respects, particularly to use in the course of trade, use as a trademark and use that is likely to confuse consumers, dilute the distinctiveness or reputation of the trademark, or take unfair advantage of the trademark. Even in the case of protection as a trademark, forms of use falling outside these protected areas remain free. These inherent limits of trademark rights may become particularly relevant with regard to use for private, religious, cultural, educational or political purposes.

Fourthly, specific exceptions to trademark rights may be adopted at the national level to exempt certain forms of use that are deemed particularly important to satisfy domestic social,

¹⁷⁶⁹ Article 15(1) TRIPS.

cultural or economic needs. These exceptions must remain limited, and must take account of the legitimate interests of the trademark owner and third parties, such as consumers.¹⁷⁷⁰

A fact-based analysis of trademark laws in different regions and countries shows that these legal instruments offered by trademark law to keep signs and certain forms of use free are employed in various ways in the examined regions and countries to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public.

However, the analysis also shows differences in the way the measures are applied with regard to certain types of signs or forms of use. To decide on the most appropriate strategy to prevent the misappropriation of common patrimony signs and the abusive appropriation of signs that should remain available for the public, it is advisable to take into account the impact of the different legal instruments on the stakeholders involved, in particular trademark owners, competitors and consumers, and select the legal mechanism that corresponds the best to the social, cultural and economic conditions in a given country or region.

[End of Annex and of document]

¹⁷⁷⁰ Article 17 TRIPS.