

Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications

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DRAFT REFERENCE DOCUMENT ON THE PROTECTION OF COUNTRY NAMES AGAINST REGISTRATION AND USE AS TRADEMARKS

Document prepared by the Secretariat

I. INTRODUCTION

1. At the twenty-first session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) held in Geneva from June 22 to 26, 2009, members initiated discussions on the protection of official names of States against their registration and use as trademarks (paragraph 15 of document SCT/21/7).
2. At that session, the SCT agreed to request the Secretariat to prepare a draft questionnaire on the protection of official names of States against registration and use as trademarks, for consideration by the SCT at its twenty-second session in November 2009, and containing a concise list of questions, to be addressed to SCT members in the second half of 2010 (paragraph 14 of document SCT/22/8).
3. At its twenty-third session (June 30 to July 2, 2010), the SCT adopted the text of a questionnaire which was circulated to Member States. The Secretariat compiled the returns to the questionnaire as a working document (document SCT/24/6 Prov.) entitled "Summary of the Replies to the Questionnaire Concerning the Protection of Names of States Against Registration and Use as Trademarks" (hereinafter "the questionnaire"), which was presented to the SCT at its twenty-fourth session (November 1 to 4, 2010). The document was subsequently revised following

comments received by the International Bureau during and after that session. A final version of the Summary is contained in document SCT/24/6.

4. It is important to note that, when adopting the questionnaire, the SCT understood that the expression "names of States" intended to cover the short name of the State or the name that is in common use, which may or may not be the official name, the formal name used in an official diplomatic context, translation and transliteration of the name as well as use of the name in abbreviated form and as an adjective. The SCT also understood that the questionnaire would not address the issue of non-commercial use of names of States, as such uses appeared to be outside the ambit of Trademark Law (paragraph 4 of document SCT/23/4).
5. At its twenty-fourth session, the SCT also requested the Secretariat to prepare a draft reference document for consideration at its next session, based on the Committee's work in that area so far and offering a comprehensive overview of the law and practice of Member States with regard to the protection of country names against registration and use as trademarks.
6. The present draft reference document is based on the replies to the questionnaire provided by 71 Member States. Therefore, the document follows the structure of the questionnaire by dealing with the following groups of issues: Exclusion of Names of States from Registration as Trademarks (Part II), Procedural Issues Relating to Registration as Trademarks (Part III), Protection Against Use as Trademarks (Part IV), and Article 10 of the Paris Convention (Part V). In the present document, the word "trademark" is, unless otherwise indicated, intended to cover marks that apply both to goods and to services.

II. EXCLUSION OF REGISTRATION OF NAMES OF STATES AS TRADEMARKS

7. Generally speaking, the registration of a trademark is based on a formal application filed directly or indirectly with a national or regional trademark registration authority. Like any other sign applied for registration as a trademark, a sign consisting of, or containing the name of a State will be examined by the competent authority in light of formal and substantive requirements. The scope of examination by offices and, in particular, the nature of the possible grounds for refusing the application that are examined by the office or may be raised in opposition procedures can vary depending on the applicable law.
 - (a) Generally Excluded from Registration
8. Almost two thirds of the 72 returns received (61.1% in the case of goods, and 63.9% in the case of services) indicated that names of States are generally excluded from registration as trademark.
9. Out of 54 returns generally excluding names of States from registration as trademark, 28 (51.8%) indicated the existence of certain exceptions. The most common exception in the returns seems to be the one relating to the authorization granted by the competent authority of the State concerned. Some returns have referred to additional requirements, such as the distinctive character of the mark, or the conformity of the mark with public policy and morality, that must be satisfied to register the name of a State as trademark.

10. Furthermore, a high percentage of returns (80.5%) require that consideration be given to the potential deception of consumers as to the origin of the goods and/or services on, or in connection with which the trademark is proposed to be used, when determining whether the inclusion of a name of a State in a trademark would be a ground for refusing the registration of that trademark.
11. As reflected in the returns received, where no general exclusion from registration exists, the following grounds for refusal are most commonly raised in relation to trademark applications consisting of or containing names of States.
 - (b) Excluded from Registration if Considered Descriptive
12. Trademarks which consist exclusively of signs or indications which may serve in trade to describe the goods and services for which protection is sought are generally excluded from registration. The underlying reason for such exclusion is the public interest objective to keep descriptive indications available for use by everyone and, in particular by competitors.
13. Nearly all returns to the questionnaire (95.9% in the case of goods, and 95.5% in the case of services) exclude names of States from registration as trademark if the use of the name of a State could be considered descriptive of the origin of the goods or the services.
14. According to one return, such exclusion is subject to the reception by the competent authority of a confirmation from the trademark owner that the goods emanate from that geographical place, and to the acquired distinctiveness provisions under the applicable law. According to another return, such exclusion applies only when the mark is composed solely by the name of a State.
 - (c) Excluded from Registration if Considered Misleading
15. Trademarks that are likely to deceive or mislead the public as to the nature, quality or any other characteristics of the goods or their geographical origin do not, in the interest of the public, qualify for registration. The test here is for intrinsic deception, inherent in the trademark itself when applied to the goods for which it is proposed.
16. It should be noted that the misleading character of a sign consisting of or containing the name of a State sometimes overlaps with its descriptive character. In both cases, the consumers could be falsely led to believe that the goods or services covered by the trademark have a specific origin.
17. Nearly all returns to the questionnaire (98.5%) exclude from registration names of States as trademark for goods and/or services if the use of such names could be considered to be misleading as to the origin of the goods and/or services in respect of which registration is sought.
 - (d) Excluded from Registration if Considered Lacking Distinctive Character
18. The lack of distinctiveness of a trademark prevents it from performing its basic function, namely, to distinguish the products or services of one undertaking from the products or services of other undertakings. If a sign is not distinctive, it cannot function as a trademark and, therefore, its registration will be regularly refused.
19. An overwhelming majority of returns (94.1%) indicated that names of States are excluded from registration as trademark if they lack any distinctive character.

(e) Excluded from Registration if Considered Incorrect

20. Signs that are descriptive or indicative of geographical origin are false, or incorrect, for products that do not come from the region described or indicated. In such cases the consumer will be deceived if the reference to the geographical origin has the wrong connotations for him or her.
21. The returns to the questionnaire show that names of States are excluded from registration as trademark if they can be considered incorrect as to the origin of the products and/or services for which registration is sought in more than three quarters of the cases (77.3% in the case of products and 76.6% in the case of services).

(f) Excluded from Registration for Other Reasons

22. The returns to the questionnaire show that in certain jurisdictions (37.3% in the case of goods and 31.8% in the case of services) names of States are excluded from registration as trademark for reasons other than those mentioned above. The name of a State can be excluded from registration *inter alia* because: it is substantially identical or similar to an earlier trademark; there is a likelihood of confusion with existing signs; it is a common name used in the course of trade; there is an indication of bad faith; the name of the State is a generic term; the name of the State has become customary in the current language or in the honest and established practices of trade; it is considered contrary to the applicable law of a jurisdiction; a court decides that the mark is not otherwise entitled to protection; or an earlier trademark, consisting also of the name of a State, acquires distinctive character through use.

(g) Registrable when an Authorization is Provided

23. In almost half of the returns received (47.8% in the case of goods and 46.4% in the case of services), names of States are registrable as trademark for goods and/or services provided an authorization by the competent authority is granted. Some returns indicated that the said authorization is subject to additional requirements such as the distinctive character of the mark.

III. PROCEDURAL ISSUES RELATING TO REGISTRATION OF NAMES OF STATES AS TRADEMARKS

24. The questionnaire collected information as to how names of States are being dealt with under national trademark law during the trademark registration procedure, namely whether they were excluded from registration *ex officio* by the office or whether the exclusion could be raised by third parties.

(a) Names of States Excluded from Registration *Ex Officio*

25. The exclusion of the name of a State from trademark registration constitutes a ground that is raised *ex officio* during examination by offices of almost all the Members States which have replied to the questionnaire (more than 97%). Furthermore, an important number of those national Offices consider that ground independently from other grounds (around 90%). One return indicated that such exclusion did not apply in cases where the signs concerned were sufficiently distinctive.
26. A few returns indicated that this ground is exclusively raised together with other grounds. This is the case for three returns concerning goods and four returns with respect to services. The relevant answers relating to this item did not specify however which particular grounds were concerned.

- (b) Names of States Constitute a Ground That Can Be Raised by Third Parties in Opposition
27. In addition to the exclusion *ex officio* of names of States, this ground can be raised as well by third parties in opposition procedures.
28. The returns to the questionnaire indicated that more than two-thirds of the Member States allow that possibility (67%). When this is the case, this ground can be raised independently from other grounds. However, the different types of opposition systems applied in the Member States concerned (e.g. pre-grant or post-grant opposition) were not specified in the answers provided.
- (c) Names of States Constitute a Ground That Can Be Raised by Third Parties as an Observation
29. More than 50% of the returns indicated that observations can be raised against the registration of a trademark containing or consisting of the name of a State, either in parallel to other grounds (5%) or independently.
- (d) Names of States Constitute a Ground That Can Be Raised by Third Parties in Invalidation Procedures
30. Invalidation proceedings against a State name can frequently be initiated after its registration as trademark. An average of 92% of the returns to the questionnaire specified that exclusion of names of States from trademark registration can be raised by third parties in the course of invalidation procedures. Predominantly, this ground is raised independently from other grounds.

IV. PROTECTION OF NAMES OF STATES AGAINST USE AS TRADEMARKS

31. In addition to the protection granted to names of States against registration as trademarks, SCT members decided to inquire, through the questionnaire on the applicable law and the practice of Member States in relation to “use” of such signs in the market place as trademarks or parts thereof, i.e., to distinguish goods and services from one undertaking from those of other undertakings. Although this part of the questionnaire may not be universally applicable, it was considered relevant for the inquiry.
- (a) Generally Excluded from Use
32. The returns to the questionnaire show that names of States are excluded from use as trademarks in 42% of the cases, while 58% of the returns indicate that such signs are not excluded from use. There are no appreciable differences in the returns for use as trademark for goods and in the returns concerning use for services. In both cases, the number of responding countries was 69.
33. The above totals need to be considered in connection with the returns provided under question number 10, namely, if under the applicable legislation, names of States are generally excluded from use as trademarks, and whether there are any exceptions to such exclusion. Out of 41 returns, 31% indicated that there could be exceptions to the exclusion, and 68.3% indicated that the exclusion was absolute, i.e., that no exceptions were admissible.
34. However, at least two returns, which provided a negative reply, included comments to the effect that although they did not generally exclude names of States for registration as trademarks for goods and/or for services, the act of misleading the public as to the source, origin or quality of the products was prohibited under specific laws, or that remedies were available for third parties.

35. One such remedy could consist in bringing a civil law action, which would prevent the use of signs or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which was likely to cause confusion, or to cause mistake, or to deceive as to affiliation, connection, or association of such person with another person, as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities of another person.
- (b) Excluded from Use Under Trademark Law
36. Where the applicable legislation excludes names of States from use as trademarks, such exclusion is provided for under Trademark Law in 60.5% of the returns, while 39.5% of the returns do not indicate such statute as being the source of the exclusion. The number of returns (38) in this section is significantly lower than in the previous question.
- (c) Excluded from Use Under Law Against Unfair Competition
37. Out of 31 returns, 51.6% indicated that the exclusion of use of names of States as trademarks was based on the law against unfair competition, and 48.4% returns indicate that this was not a ground for exclusion in the jurisdictions concerned. This may indicate the inexistence, at the national level, of a specific law or provisions in a statute concerning the protection against unfair competition.
- (d) Excluded from Use Under General Tort Law (Passing-Off)
38. Out of 29 returns to the question whether the exclusion of names of States against use as trademarks is grounded on general tort law or the law of passing off, 43.8% gave a positive reply and 51.7% replied in the negative.
- (e) Excluded from Use Under Other Laws
39. Only 5 returns provided an answer to this sub-question and they were all affirmative.
- (f) Potential Deception in Conflict Between Use as Trademark and a Name of a State
40. Consideration of the potential deception of consumers regarding the origin of the goods and services seems to be an important issue, which is covered by 69 returns. The breakdown of those returns shows 82.6% positive answers and 17.4% negative answers.

V. ARTICLE 10 OF THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY

41. The vast majority of returns (82.6%) indicate that the use of names of States as trademark on goods and/or services is considered to constitute a potential case for the application of Article 10 of the Paris Convention for the Protection of Industrial Property.
42. Article 10 of the Paris Convention states as follows:

“*False Indications*: Seizure, on Importation, etc., of Goods Bearing False Indications as to their Source or the Identity of the Producer]”

- (1) The provisions of the preceding Article shall apply in cases of direct or indirect use of a false indication of the source of the goods or the identity of the producer, manufacturer, or merchant.

- (2) Any producer, manufacturer, or merchant, whether a natural person or a legal entity, engaged in the production or manufacture of or trade in such goods and established either in the locality falsely indicated as the source, or in the region where such locality is situated, or in the country falsely indicated, or in the country where the false indication of source is used, shall in any case be deemed an interested party.”

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