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<table>
<thead>
<tr>
<th>CONTENTS</th>
</tr>
</thead>
</table>

PREFACE.......................................................................................................................................................... v  
Jonathan Clegg

Chapter 1  ARGENTINA................................................................................................................................. 1
Santiago R O’Conor, Agustín Castro and Mariano A Toppino

Chapter 2  AUSTRALIA.......................................................................................................................................... 9
Frances Drummond and Isobel Taylor

Chapter 3  BRAZIL.............................................................................................................................................. 19
Mauricio Maleck Coutinho

Chapter 4  DENMARK............................................................................................................................................... 33
Jakob Krag Nielsen and Søren Danelund Reipurth

Chapter 5  EUROPEAN UNION OVERVIEW ................................................................................................................. 48
Christos Chrissanthis, Xenia Chardalia and Antonia Vasilogamvrou

Chapter 6  FRANCE.............................................................................................................................................. 62
Catherine Mateu

Chapter 7  GERMANY............................................................................................................................................... 74
Jens Matthes, Anna Kräling and Maximilian Kiemle

Chapter 8  GREECE.................................................................................................................................................. 82
Christos Chrissanthis, Xenia Chardalia and Antonia Vasilogamvrou

Chapter 9  INDIA.................................................................................................................................................... 98
Chander Mohan Lall

Chapter 10 ISRAEL.................................................................................................................................................. 107
Nahum Gabrieli
Chapter 11  MALTA ............................................................................................................................ 116

Luigi A Sansone

Chapter 12  NETHERLANDS ............................................................................................................. 124

Steffen Hagen and Ischa Gobius du Sart

Chapter 13  PORTUGAL .................................................................................................................... 133

António Andrade, Sara Nazaré and João Carlos Assunção

Chapter 14  RUSSIA .......................................................................................................................... 144

Alexander Nesterov, Sergey Medvedev and Ilya Goryachev

Chapter 15  TAIWAN .......................................................................................................................... 156

Yu-Li Tsai and Lu-Fa Tsai

Chapter 16  TURKEY .......................................................................................................................... 166

Hatice Ekici Tağa and Burak Özdağistanlı

Chapter 17  UNITED KINGDOM ....................................................................................................... 174

Peter Houlihan

Chapter 18  UNITED STATES ............................................................................................................. 191

Roberta Jacobs-Meadway and Leiley McCall Grossberg

Appendix 1  ABOUT THE AUTHORS ............................................................................................... 205

Appendix 2  CONTRIBUTORS’ CONTACT DETAILS ........................................................................... 217
This is the third edition of *The Trademarks Law Review*. As in previous editions, the key objectives for each of the many jurisdictions included in the publication remain the same: to provide, first, an annual snapshot of trademark law that includes a summary of the key legal provisions, second, a review of recent developments and trends from the courts, and third, an informed view of areas of expected legal activity and legislative change going forward.

To this end, our panel of leading trademark practitioners, including those from several countries new to the publication, have each been invited to provide a chapter of commentary on their own jurisdiction. The broad structure of each chapter is similar, allowing for clear points of comparison, while leaving enough space for issues of particular relevance in a given country to be explored. Our authors have therefore all struck a balance between conveying the key elements of the trademark landscape in their respective countries, while also giving a flavour of current and commercially active issues in the trademark arena. The former must necessarily be concise – this book does not in any sense aim to provide an exhaustive analysis – but our authors have been encouraged to explore the latter with appropriate emphasis depending on what has been happening recently in their respective jurisdictions.

At a global level, the tools available to business for securing international trademark protection continue to develop. The international trademark registration system under the Madrid Protocol now extends to 121 countries, with new members signing up each year, most recently Brazil in October 2019. This mechanism enables businesses to secure trademark protection in any or all of these countries via a single application administered by the World Intellectual Property Organization (WIPO) in Switzerland. The harmonisation of trademark law and practice around the world continues to be a challenge in some areas, despite the considerable progress that has been, and is being, made in this area, not least through WIPO.

Recent trademark decisions (or pending cases) across the geographical footprint of this edition cover a variety of commercially important issues for the business community, including anti-counterfeiting, bad faith and exhaustion of rights. Online and digital infringements remain a key aspect of the trademark landscape in a number of jurisdictions, whether in an online retail context, on social media platforms or elsewhere on the internet. Fundamentally, the only mechanism for tackling legal issues that arise online is on a jurisdiction-by-jurisdiction basis, but this is heavily at odds with the way the internet operates without reference to geographical borders. Consequently, this is one area where the lack of harmonisation can be felt most acutely, with determined infringers able to achieve their ends by exploiting the worldwide differences in the treatment of legal issues surrounding online infringement. These issues remain as relevant as ever in this third edition.

Our authors have also covered recent or imminent changes to trademark law and practice in their countries. These are many and varied, from new opposition and cancellation
procedures in several countries to new civil court procedures in Russia, and expected procedural changes relating to proof of use in the US at the Trademark Office and the Appeal Board. The effect of Brexit on trademarks and IP, and indeed on the commercial landscape, also raises important issues, though whether, when and how the UK will leave the EU remains shrouded in uncertainty. Naturally, the focus of each chapter differs at a granular level to reflect those areas where its authors consider legal scrutiny has been most clearly directed. Collectively, however, they cover a broad range of important and current issues.

We hope that readers will consult this new edition regularly, and that its concise nature and clear structure will provide easy access to understanding the essence of what is relevant and current in the world of trademark law.

Jonathan Clegg
Cleveland Scott York
London
October 2019
I OVERVIEW

The trademark registration procedure in Argentina begins with the filing of an application with the Trademark Office, a department within the National Institute of Industrial Property (INPI). Once the trademark application is filed, the Trademark Office conducts a formal examination to determine whether the filing requirements are complete and adequate. If they are, the trademark application is published once only in the Trademarks Bulletin. Once the application has been filed, third parties have 30 consecutive days to file an opposition.

Once any oppositions have been overcome (or if no opposition is filed by third parties), the Trademark Office carries out a substantive examination to determine whether the trademark application should mature into registration.

After this last examination, the Trademark Office issues a certificate of registration, which is valid for 10 years, and which can be renewed for an identical term. According to amendments to the Trademark Law (Law No. 22,362, established by Law No. 27,444 of 18 June 2018), renewals can be filed six months before or after expiry of the trademark registration.

On 27 May 2019, the INPI issued Resolution No. 123/2019, which implements the need for a submission of a mid-term declaration of use (MTDU) for a trademark registration to remain in force, for trademarks granted for the first time, and for trademarks registered as a result of a previous renewal. An MTDU must be filed for any trademarks granted for the first time after 12 January 2013. For all such trademarks, the MTDU must be filed within a one-year period from five years after the original registration. An MTDU must be filed for renewed trademarks that expire after 12 January 2023. The registration must take place within a one-year period between the fifth and sixth years prior to the trademark expiry.

The INPI provides that, by 12 January 2020, an MTDU must be filed for all trademarks that will expire during 2019.

After 12 January 2020, an additional official fee will have to be paid for each year of delay in respect of the filing of the MTDU.

If an MTDU is not filed on time, the application for renewal of the trademark will not be processed until the MTDU is filed, and the corresponding extraordinary fee has been paid.

In respect of opposition proceedings, according to Decree No. 27/2018, if, within three months of notification of an opposition, the trademark applicant does not obtain an amicable withdrawal agreement through negotiations with the opponent (generally consisting of agreements regarding restrictions or exclusions of the products or services for
which the trademark application has been filed, and the issuance of a letter of undertaking, if necessary), authority for the decision of whether the trademark can be registered passes to the Trademark Office. The Trademark Office’s decision may only be appealed by direct appeal to the National Chamber of Federal Civil and Commercial Appeals within 30 working days of notification of the decision.

II LEGAL FRAMEWORK

i Legislation
The following are the most relevant pieces of legislation related to trademarks in Argentina:

a Trademark Law No. 22,362 of 26 December 1980 (the Trademark Law);

b Trademark Law Regulatory Decree No. 558/1981;

c Paris Convention for the Protection of Industrial Property (Stockholm Act, Articles 13–30, approved by Law No. 22,195 of 17 March 1980, and the Lisbon Agreement, approved by Law No. 17,011 of 10 November 1966);

d World Trade Organization TRIPS Agreement, approved by Law No. 24,425 of 7 December 1994;

e Law No. 27,444 of 18 June 2018;

f Decree No. 27/2018 of 11 January 2018 and INPI Resolution P-183/18 of 19 July 2018; and


ii Authorities
The main body responsible for the trademark regime in Argentina is the INPI, which is in charge of the protection of industrial property rights, including trademarks, patents, industrial models and designs, and transfer-of-technology licensing agreements.

The General Inspectorate of Justice (IGJ) has the function of supervising the majority of companies limited by shares, limited liability companies, foreign companies that carry out in Argentina the normal exercise of acts included in their stated corporate purpose, companies that carry out capitalisation and savings operations, and civil associations and foundations, insofar as they establish their legal domicile in the city of Buenos Aires. The IGJ records in the public registry the details required by law of shareholding companies, non-shareholding companies, companies incorporated abroad, civil associations and foundations. It is also responsible for the protection of company names.

The National Copyright Office is the governmental body in charge of copyright protection.

The Network Information Center Argentina (NIC.ar) is in charge of domain name registry and ensures the functioning of the domain name system for the country code top-level domain, .ar.

iii Substantive law
The legal basis for the protection of trademarks is to identify products and services and provide consumers with information about these and their origin.

In Argentina it is not mandatory to register a trademark; however, the exclusive right on a trademark is acquired only through its registration with the Trademark Office.
The rights that the registration of a trademark confers in Argentina are as follows:

a. ownership of the trademark (in relation to the products or services covered by the registration);
b. the right to use the trademark exclusively;
c. the right to assign ownership of the trademark to third parties;
d. the right to license the use, exclusively or not, in favour of third parties;
e. the right to prevent unauthorised third parties from using the trademark;
f. the right to oppose registration at the Trademark Office of trademarks confusingly similar; and
g. the right to request to the competent Argentinian courts the nullity of later trademark applications that are confusable with the trademark that is already registered.

The Argentinian legal system also recognises as the holder of a domain name a user who obtains a registration for the domain at NIC.ar. This gives the user ownership of the domain name and grants the right to prevent any other user from registering an identical domain name.

III  REGISTRATION OF MARKS

i  Inherent registrability

Upon submission of the application, the Trademark Office issues a preliminary report, accepting (or refusing) the application for publication purposes. The application will be declared abandoned should there be a failure to file a timely response to formal objections. If the Trademark Office finds that the legal formalities have been complied with, it will publish the application for one day only in the Trademarks Bulletin.

Oppositions to the registration of a trademark must be filed at the Trademark Office within 30 working days of publication of the trademark.

ii  Prior rights

Priority must be claimed by submitting a separate application form at the same time as filing the trademark application. A non-legalised certified copy of the priority document, with its public translation, must be filed within 90 working days of the filing date.

iii  Inter partes proceedings

Oppositions to the registration of a trademark must be filed at the Trademark Office within 30 working days of publication of the trademark in the Trademarks Bulletin.

The trademark applicant is given formal notice of any oppositions filed by third parties and of any official objections that may have been raised.

According to Decree No. 27/2018 and INPI Resolution No. P-183/18, which came into force on 17 September 2018, the applicant and the opponent must reach an amicable settlement within three months of the applicant being notified of the opposition.

After this period, the Trademark Office notifies those opponents who have not withdrawn their opposition to maintain the effect of the opposition to the trademark registration by paying the corresponding fees within a non-extendable period of 15 working days, and, within that same period, to extend the grounds for their opposition with additional arguments for their purported right and offer the evidence they deem relevant. Within 15 working days of the conclusion of this period, and regardless of whether the opponents have expanded the grounds of their opposition, the Trademark Office notifies the applicant
of every opposition that is still effective and of any additional arguments, and the applicant is given a non-extendable period of 15 working days to individually reply to each opposition and provide the evidence the applicant deems appropriate.

The evidence filed by both parties is considered jointly and decided after this 15-day period by the Trademark Office. This time frame is not always complied with by the Trademark Office in view of the present backlog. Once the parties have been notified of this decision, they have 40 working days to submit their evidence regarding the oppositions.

Upon submission of the evidence or expiry of the submission period, and before the Trademark Office issues a decision on the appropriateness of the opposition, provided there are no previous procedural issues to be resolved, the parties are given a common period of 10 working days to submit a voluntary writ containing their final arguments.

Within this 10-day period, the parties may report that they have initiated a mediation or conciliation process, or an alternative method of conflict resolution, offering the necessary proof of this process. This report is submitted in the form of a joint writ and, in the event that the parties agree to mediation or a similar process, the 10-day period is suspended for both parties for a period of 30 working days as of the submission of the joint writ.

Within this 30-day period the parties must finalise the agreed mediation, conciliation or alternative method of conflict resolution. Subsequent to this 30-day period, a new 10-working-day period automatically starts running, with the same effect and scope as the suspended one. If the parties have resolved the conflict by way of the chosen process, this is reported to the Trademark Office before expiry of the specified term, along with evidence of this result. In the event that the parties resolve the dispute by way of the chosen process, the Trademark Office will not issue a decision on the dispute, given that the parties have already resolved the matter themselves. However the parties’ agreement will not bind the Trademark Office to a particular outcome in respect of the granting of the trademark application.

Upon expiry of the 10-day term, if the case has not been previously dismissed, the Trademark Office issues its decision regarding any oppositions to the trademark application that are still in effect, including stating whether these oppositions were well-founded.

To appeal the Trademark Office’s final decision, a direct appeal must be made to the Trademark Office within 30 working days of the notification of the decision. The appeal must be accompanied by payment of the relevant administrative fees.

The Trademark Office must then submit the filed appeal, together with a copy of the related proceedings, within 10 working days, to the opponent, and to the National Federal Chamber of Civil and Commercial Appeals of Buenos Aires, which decides the civil matter between the applicant and the opponent.

Once the matter of the opposition is agreed or otherwise finalised, the Trademark Office, where possible, decides, by way of a new administrative procedure, whether to grant or deny the trademark application.

If a decision granting registration is made, the corresponding certificate is issued to the applicant.

iv Appeals

Decisions refusing registration are subject to appeal to the Civil and Commercial Federal Chamber of Appeals. The appeal shall be handled in accordance with the rules for ordinary proceedings and must be logged before the INPI within 30 working days of notification of the adverse decision.
If this action is not brought within the established period, the trademark application shall be declared abandoned.

According to the amendments to the non-use cancellation procedures established by Law No. 27,444, although the INPI is currently competent to declare the full or partial expiry of a trademark (in relation to products or services for which it has not been used in the country within the five years prior to the expiry, unless there are causes of force majeure), a resolution of a non-use cancellation action can be appealed to the National Chamber of Civil and Commercial Appeals within 30 business days of the notification of the INPI resolution.

IV  CIVIL LITIGATION

i  Forums
Trademark infringement lawsuits in Argentina fall within the federal judicial jurisdiction. Both civil and commercial actions can be filed by the trademark owner.

ii  Pre-action conduct
Since 18 September 2018, with the entry into force of Decree No. 27/2018 and INPI Resolution No. P-183/18, pretrial mediation is optional for parties.

iii  Causes of action
Article 4 of the Trademark Law states that the ‘property of the trademark and its exclusivity of use shall be obtained through registration’. Thus, the owner of a trademark can defend it from the following actions in Argentina:

a  Counterfeiting: understood as the exact reproduction of the registered trademark.

b  Fraudulent imitation: understood as the action of copying a registered trademark causing confusion for consumers.

c  Use of goods or services that are counterfeit or fraudulently imitated or belonging to a third party, without authorisation.

d  The sale or commercialisation of a trademark that is counterfeit or fraudulently imitated or belonging to a third party, without authorisation.

e  The sale or commercialisation of products and services by including a trademark that is counterfeit or fraudulently imitated.

iv  Conduct of proceedings
It is difficult for the owner of a trademark to prove the real damage caused by the marketing and selling of a counterfeit product or service. To that end, the judge will have to establish the causal relationship of the sale of the counterfeit product or service to the damage, and assess the possible award of damages.

The award of damages cannot be requested if three years have elapsed since the counterfeiting took place, or one year after the counterfeiting became known.

Regarding the amount of the claim, it was stated in the case of Ferrum SA de Cerámica y Metalurgia v. Derpla SA² that the injured party can request the amount of the claim to be fixed at whatever is shown by the evidence. (Although the case refers to an industrial model, the ruling can also be applied to trademark disputes.)

² Chamber III, 6 June 2010.
Remedies
The Argentinian legal system states that anyone who causes damage must repair it. This also applies to trademark matters.

To obtain a damages award, the judge will have to evaluate the circumstances at the time the infringement took place, including the nature of the infringing products, the characteristics of the consumers, the extent of the owner’s income from sales, the reputation of the owner’s trademark, and the money invested in advertising, among other things.

Damages awards in trademark cases are made in the form of a monetary payment to the injured party.

V OTHER ENFORCEMENT PROCEEDINGS
As well as award of damages, the owner of a trademark may file an action for recovery of ownership with the aim of regaining control of the trademark.

In cases of piracy, a nullity action is more appropriate (i.e., the registration of a pirated trademark would be ineffective). Nevertheless, the owner of the genuine trademark may choose between an action for recovery of ownership or a nullity action.

The counterfeiting of trademarks is punishable by a maximum of two years in prison, although a prison sentence is unlikely unless other criminal offences can be proven. However, criminal offences are common, since trademark counterfeiting usually involves tax evasion, money laundering and illicit association.

When a trademark owner wishes to stop counterfeit goods, he or she must apply to the criminal courts. However, companies normally also seek an award of damages to cover expenses incurred, which must be obtained in the civil courts. A civil action must be filed, and if the damages are sufficiently high, this may serve as a deterrent to anyone considering committing similar crimes.

The Argentinian tax authorities have a customs alert system, consisting of a pre-emptive trademark information system that identifies at the time of registration destinations for which importers or exporters do not hold intellectual property rights for a particular merchandise, and warns the holders to identify whether the merchandise being imported or exported is counterfeit.

VI RECENT AND PENDING CASES

Necessary designations
On 15 February 2018, in Telecom Argentina SA v. Administradora de marcas RD S de RL de CV, Chamber III of the Court of Appeals in Civil and Commercial Matters settled a lawsuit in connection with the withdrawal of an opposition filed by the defendant against an application for the trademark ‘Carga Rápida’ (‘Quick Charge’) in international class 38.

The defendant argued that the phrase described the function of the service for which the trademark was intended to be registered in relation to mobile phone services, and that this word mark should be considered a generic term, and thus non-registrable as a trademark.

At first instance, the judge found in favour of the defendant and held that the trademark was descriptive of the service to be provided; consequently, the trademark could not be registered. Nevertheless, this judgment was appealed by the plaintiff.

The Court of Appeals in Civil and Commercial Matters held that none of the words associated with the trademark registration application were characteristic of a necessary
designation for the product or service to be distinguished. In this case, it held that ‘Quick Charge’ could refer to many things (e.g., charging batteries, or firearms with rapid discharge), and so could not be considered a necessary designation, particularly as telecommunications services are constantly changing according to technological developments, which results in new coinages and linguistic modifications to represent these changes.

In addition, the Court of Appeals noted that the Trademarks Office had already granted many trademarks using the term ‘carga’ in class 38.

Consequently, the Court resolved that ‘Quick Charge’ could be registered as a trademark.

In 2018, the Trademarks Office became the official entity in charge of deciding whether an opposition is well-founded. It has not yet issued any decisions on this matter; however, it is understood that its first resolutions will be issued at the end of 2019.

ii Non-registrable signs

On 9 June 2017, in Simonetti Lando v. Tidy SA and others, the Court of Appeals in Civil and Commercial Matters ruled on the registrability of a trademark application for ‘ARGENTINA CAPITAL MUNDIAL DEL POLO’ (‘ARGENTINA WORLD CAPITAL OF POLO’) in international class 18.

Mr Lando Simonetti filed a lawsuit against Tidy SA to have the opposition filed by the defendant against this trademark application declared ill-founded.

The grounds of the opposition filed by Tidy SA were that the trademark application lacked distinctiveness because it was a publicity phrase that had passed into common use, and as such, was in contravention of Articles 2(b) and 3(j) of the Trademark Law.

The defendant also asserted that the aforementioned trademark refers to the necessary designation of a sport (polo); to a designation of origin (Argentina); to a trademark designation that suggests an international characteristic; and, finally, to a capital, in the sense of the place where a sport takes place.

Additionally, the defendant also argued that the advertising phrase sought by Mr Lando Simonetti possessed all the characteristics of non-registrable signs, and as such, is expressly prohibited by the Trademark Law. He also added that Mr Simonetti wanted the consumer public to relate his trademark to Argentinian polo, unjustifiably benefiting from the worldwide prestige that Argentina has in this sport.

He also argued that the Trademark Law allows the registration of only original advertising phrases, and, according to the plaintiff, not only did the phrase lack this requirement, but also, the phrase had passed into common use.

Likewise, the defendant emphasised that the interests of the plaintiff were contrary to the interests of his competitors, and relating his products to Argentinian polo could affect the prestige of Argentina in relation to the practice of this sport, which would constitute an act of unfair competition.

The judge at first instance dismissed the claim filed by Mr Simonetti, declaring the oppositions adduced by Tidy SA to be well-founded. However, the plaintiff appealed this judgment.

The Court of Appeals in Civil and Commercial Matters, when deciding on this issue, offered interesting trademark concepts worth mentioning.

Regarding the main function of a trademark, the Court considered it necessary to remember that the main function of a trademark is to ‘identify the product or service with the specific purpose of implementing its commercialisation in the market. This role of identification–dissemination is the basis of the existence of any kind of trademark sign.’
The Court of Appeals also established that:

"an interesting issue is the possibility of using a trademark 'slogan' that consists in a phrase normally intended for advertising and that contains within it a term that is actually the one that has distinctive strength and refers to the product or service. The phrase draws the attention of the public, in particular for its originality, cadence, etc. . . . It aims at wider dissemination of the product or service through the indirect effect whereby hearing the words used in the slogan . . . evokes the product or service mentioned. The use of advertising phrases is very widespread and sometimes, when the slogan has acquired sufficient diffusion, the phrase is used omitting the term that has distinctive force.

The Court also mentioned that ‘the advertising purpose of the trademark slogan has a great influence on the trademarks of services’, adding that the latter is not the case for the phrase ‘ARGENTINA WORLD CAPITAL OF POLO’, since the Court of Appeals considered the phrase lacked originality in all the words that composed it.

The Court added that a phrase is creative when ‘without producing confusion with respect to others, it has aptitude for differentiation and association with certain goods or services’, and that the Trademark Law ‘affords it particular protection, unless it makes misleading projections about the nature or properties of the product or contains elements that are detrimental to the products of competitors’.

The Court’s decision also established that the trademark application for:

’ARGENTINA WORLD CAPITAL OF POLO’ contained words in common use in combination with a certain meaning that has a potentially misleading relationship to some of the products included in Class 18 . . . for example, a ‘whip’ . . . so if the registration were allowed it would create a disadvantage for competitors marketing and selling the products covered in the aforementioned class, in that the words constitute terms that have an evocative value of certain characteristics expected or indicative of the products, to distinguish umbrellas, canes or whips from the practice of polo, and others.

Thus, for the aforementioned reasons, the Court of Appeals in Civil and Commercial Matters dismissed the plaintiff’s complaint, confirming the non-registrability of the trademark application for ‘ARGENTINA WORLD CAPITAL OF POLO’ in class 18.

VII OUTLOOK

The main recent developments in Argentina relate to the new opposition procedure, which has been effective since 18 September 2018. According to this new procedure, the Trademarks Office is now in charge of resolving oppositions, in contrast with the previous regime. Previously, the parties had to resolve the conflict themselves, and trademark applicants could only file an action with the federal courts to have the opposition declared ill-founded after a year had elapsed, and after mandatory pretrial mediation.

Under the new regime, parties will have the opportunity to resolve the conflict themselves, but only within the relatively short period of three months. After that, the Trademark Office assumes charge of resolving the matter. The parties may subsequently appeal the decision issued by the Trademark Office and a judicial body will settle the civil dispute between the applicant and the opponent.
I  OVERVIEW

Australian trademark law is largely based on one key statute: the Trade Marks Act 1995 (Cth) (TMA). This legislative framework provides the foundations for general trademark protection in Australia, in addition to establishing certain specialised forms of trademark protection (such as certification marks).

Australian trademark law has also developed through judicial precedent, particularly in relation to passing off (a common law cause of action in Australia), and is further supplemented by consumer protection legislation (specifically, a cause of action for misleading and deceptive conduct). This chapter provides an overview of Australian trademark law and describes in detail the process for registering and enforcing a trademark in Australia in both a civil and a criminal context.

There have been a number of interesting trademark decisions in the Australian courts over the past 12 months, some of which are discussed in this chapter, including in relation to the control requirements for assessing trademark use in the context of intra-company arrangements, the role of reputation in assessing deceptive similarity, and the importance of intellectual property due diligence. In addition, a number of amendments to the TMA have now entered into force, relating to the grace periods for removal of trademarks for non-use and the parallel importation provisions. The immediate anticipated impacts on Australian trademark law are explored in the chapter.

In Australia, as in other jurisdictions, the emergence of new technologies and tools for analysing data are likely to have an increasing impact on IP-related policy and practice in the coming years.

II  LEGAL FRAMEWORK

i  Legislation

The statutory framework for trademarks in Australia is the TMA, which was enacted, among other things, to comply with Australia’s obligations under TRIPS\(^2\) and to address the findings of a government Working Party Report on trademark law reform.\(^3\)

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1 Frances Drummond is a partner and Isobel Taylor is an associate at Norton Rose Fulbright.
3 Working Party to Review the Trade Marks Legislation, Recommended Changes to the Australian Trade Marks Legislation, Department of Science and Technology (Canberra, 1992).
International trademark treaties do not have direct effect in Australian law. TRIPS and the Paris Convention\(^4\) form part of the trademark legislative framework only to the extent that they have been implemented by national legislation. Generally, implementation of international conventions has been effected through the TMA. For example, Section 29 of the TMA provides a right of priority in Australia for trademark applications that have been filed in another Paris Convention country within the past six months.

The other international convention of particular relevance to Australian trademark law is the Madrid Protocol.\(^5\) This created a centralised international trademark registration system, whereby an application for a trademark may be filed in one jurisdiction and then assessed by multiple national trademark offices (resulting, if successful, in a series of national trademarks).

\section*{ii Authorities}

The Trade Marks Office, which is a division of IP Australia, is responsible for trademarks in Australia. IP Australia itself is a government agency within the Department of Innovation, Industry, Science, Research and Tertiary Education.

The Trade Marks Office is organised under the Registrar of Trade Marks, a role established by the TMA.\(^6\) The Registrar of Trade Marks receives, examines and reports on trademark applications made under the TMA and is responsible for assessing whether a trademark application complies with the TMA.\(^7\) Other functions include determining disputes as to the classification of goods and services, and overseeing proceedings for the removal of a trademark from the register. Pursuant to the TMA, the Registrar of Trade Marks also has powers to summon witnesses, receive evidence, require the production of documents, award costs in proceedings before the Registrar and notify any person of any matter that the Registrar considers should be brought to the person’s notice.\(^8\)

\section*{iii Substantive law}

The primary statutory framework for trademarks in Australia is the TMA. In addition to the general trademark protection offered under the TMA, there are legal frameworks creating certain special categories of trademarks.

Sections 168 to 183 of the TMA provide a framework for certification marks, which are a form of trademark used to distinguish goods or services that have been certified by the owner of the certification mark as having a certain quality or other characteristic.

Plant varieties may be protected under the Plant Breeder’s Rights Act 1994 (Cth). The Australian Grape and Wine Authority Act 2013 (Cth) and the Australian Grape and Wine Regulations 1981 (Cth) set out criteria for determining whether wines are protectable as geographical indications.

The registered trademark rights described above enjoy legal protection within statutory frameworks. There is no equivalent statutory framework to protect unregistered trademarks,

\\(^4\) Paris Convention for the Protection of Industrial Property (as amended on 28 September 1979) 21 UST 1583, 828 UNTS 305.
\(^6\) TMA, Section 201.
\(^7\) ibid., Section 31.
\(^8\) ibid., Section 202.
and no specific law prohibiting unfair competition exists in Australia. However, the common law tort of passing off (which has its origins in English law) and the statutory cause of action of misleading and deceptive conduct found in Section 18 of the Australian Consumer Law\(^9\) (ACL) may provide relevant actions.

Business names may be registered on the Australian Business Names Register, which is administered by the Australian Securities and Investments Commission. The Business Names Registration Act 2011 (Cth) and the Business Names Registration Regulations 2011 (Cth) provide the legal framework for business name registrations in Australia. This does not afford any proprietary right over the registered business name but rather is a regulatory requirement.

Domain name policy in Australia is administered by .au Domain Administration Ltd (auDA) pursuant to a government appointment. Domain name registrations in Australia are subject to auDA’s policies rather than a legal framework. Licences in respect of domain names do not afford a proprietary right over the names unless those domain names are used as trademarks.

### III REGISTRATION OF MARKS

Trademark applications in Australia are usually completed online and the government cost is calculated per class, ranging from around A$250 to A$480 per class (depending on the method chosen and the type of mark). As of October 2016, no separate fees are payable upon registration of a mark. Trademark registrations must be renewed every 10 years, at a government cost of around A$400 per class.

Applications are typically examined within three to four months (although it is possible to apply for an expedited examination). The examiner will consider the application to confirm that it meets the TMA registrability requirements and all relevant formalities. If accepted by the examiner, the trademark will be advertised and open for opposition for two months. If no oppositions are received, the mark will proceed to registration with the priority date being the date of the application. If the application receives an adverse examination report, the applicant has 15 months from the date of the report for the application to be accepted (that is, to respond to the examiner’s objections and have the examiner consider this response and reconsider the application in light of the response), with extensions of three or six months available upon payment of additional fees.

As Australia is a signatory to the Madrid Protocol, applicants for, or owners of, registered trademarks in Australia can use their applications or registrations as a basis to apply for international protection in any of the Madrid Protocol contracting countries. Applications are assessed by the relevant national offices and, if successful, marks are granted effectively the same protection in the chosen countries as they have in Australia. As with national marks, international trademark applications may be filed through IP Australia. Conversely, trademark owners overseas can designate Australia in their Madrid Protocol international trademark applications. These applications are assessed by the Trade Marks Office in Australia in the same way as national applications and, if granted, registration gives the overseas owner the same protection as if they had applied for a national mark in Australia. Use of the Madrid Protocol for international filings can be significantly cheaper and easier than applying for national trademarks in each country.

\(^9\) Competition and Consumer Act 2010 (Cth), Schedule 2 (Australian Consumer Law).
Australia is also a signatory to the Paris Convention, so that applications first filed in Australia can be filed in another Paris Convention country within six months, claiming the filing date from Australia. Foreign applicants can file in Australia in the same way. This means that no Australian application can progress to registration in less than six months to allow for priority claims.

i Inherent registrability

To be registrable under the TMA, a trademark must be a ‘sign used or intended to be used to distinguish the goods or services dealt with or provided in the course of trade by a person’ from the goods or services provided by another person.10

The definition of a ‘sign’ in the TMA is extremely broad. A sign can be any of, or any combination of, the following: letter, word, name, signature, numeral, device, brand heading, label, ticket, aspect of packaging, shape, colour, sound or scent.11

To be registrable, a trademark must therefore satisfy the requirement of being capable of distinguishing – either because it is inherently distinctive, or because it has acquired distinctiveness through use so that in practice it serves to distinguish the goods or services of the owner.

A note to Section 41(1) of the TMA provides that a trademark is not likely to be inherently distinctive if it consists wholly of a sign that is used to indicate characteristics of the goods or services or the time of production of the goods or rendering the services. This guidance is considered in the context of the goods and services for which registration is sought – a trademark that lacks distinctiveness for one class of registration may still be inherently distinctive in relation to another.

The examiner will object to an application if the trademark is considered to be descriptive or lacking distinctiveness.12 Applicants may be able to overcome this objection by demonstrating inherent distinctiveness or by providing evidence of use to demonstrate that the mark has acquired distinctiveness and now serves as an indicator of their organisation.13

It is possible to register a trademark for a domain name but to do so, the trademark owner would need to overcome the distinctiveness hurdles described above. Domain names are unlikely to be inherently distinctive and instead must acquire distinctiveness so as to distinguish the goods or services offered under that domain as originating from an organisation. Even if the composite parts of a domain name would otherwise be descriptive (such as ‘realestate.com.au’), if the domain name has acquired a secondary meaning so as to identify goods or services as originating from an organisation it has in fact acquired distinctiveness and may be registrable as a trademark.14

ii Prior rights

The examiner will also raise an objection if the trademark is considered substantially identical or deceptively similar to an earlier registered or pending trademark, and covers similar or closely related goods or services.15 Applicants may be able to overcome such objections by

10 TMA, Section 17.
11 ibid., Section 6.
12 ibid., Section 41.
13 ibid.
14 REA Group Ltd v. Real Estate 1 Ltd [2013] FCA 559, Paragraphs 106 to 110.
15 TMA, Section 44.
demonstrating honest concurrent use, prior use dating from before the priority date of the cited mark, or some other circumstances that satisfy the examiner that the mark should be registered.\textsuperscript{16}

\textbf{iii \hspace{1em} Inter partes proceedings}

Once an application has been advertised, third parties can oppose the registration of a trademark on various grounds, including:

\begin{enumerate}
\item the grounds for rejection of an application discussed in subsections i and ii, being a lack of distinctiveness or the existence of prior rights;
\item that the applicant is not the rightful owner of the trademark, is not intending to use the mark or has made the application in bad faith; and
\item that the trademark is similar to another (unregistered) mark that has acquired a reputation in Australia, such that the registration would be likely to cause confusion among consumers.\textsuperscript{17}
\end{enumerate}

Third parties may also write to the Registrar seeking revocation of acceptance of a trademark application if they consider that IP Australia has made an error in accepting an application, usually because of a prior right missed in IP Australia’s search. It is at IP Australia’s discretion whether to revoke acceptance, and such requests are rarely granted. Third parties can also apply to remove a registered mark if:

\begin{enumerate}
\item the owner has not used the mark for a continuous period of three years prior to the date of the application;
\item the owner did not have any intention to use the mark when it was registered; or
\item the owner has not used the mark in good faith.\textsuperscript{18}
\end{enumerate}

If the owner of the mark wants to retain its registration, it must oppose the removal claim.

The \textit{inter partes} proceedings described above (except revocation) are heard by a Hearing Officer from the Trade Marks Office, to whom both parties provide written submissions and evidence in advance of the hearing and verbal submissions on the day of the hearing, although it is possible to have an opposition decided based on written submissions alone. The Officer will provide a written decision and reasons within three months.

\textbf{iv \hspace{1em} Appeals}

Either party may appeal to the Federal Court of Australia (FCA) or the Federal Circuit Court (FCC) within 21 days of the decision. Appeal hearings are \textit{de novo}, so that new evidence and arguments can be introduced.\textsuperscript{19}

\textsuperscript{16} ibid., Section 44.
\textsuperscript{17} ibid., Part 5, Division 2.
\textsuperscript{18} ibid., Section 92.
\textsuperscript{19} Registrar of Trade Marks v. Woolworths (1999) 45 IPR 411.
IV CIVIL LITIGATION

Common causes of action for civil litigation are trademark infringement under the TMA, the common law tort of passing off, and for misleading and deceptive conduct under the ACL.

i Forums

The FCA, FCC and supreme courts of the various states and territories can all hear claims regarding trademark infringement, passing off and misleading and deceptive conduct; however, in practice, these claims are typically brought in the FCA. Intellectual property is one of nine specialised national practice areas (NPAs) for the purposes of FCA hearings, and trademarks is a sub-area within the intellectual property NPA.

In July 2018, the FCC introduced a new practice direction to streamline the management of IP matters and increase the visibility of the FCC as a cheaper and more efficient alternative to the FCA. All IP proceedings in Australia are initially docketed to, and case managed by, a single IP specialist judge based in the Sydney Registry, who is supported by other specialist judges within the IP NPA of the FCC. The intention is that overall costs will be lower (especially due to the limited length of trials and the ability to make orders for capped costs) and that matters will proceed to hearing more quickly compared with the FCA; however, at this early stage, it remains to be seen whether this new option will be taken up enthusiastically by litigants.

ii Pre-action dispute resolution

Alternative dispute resolution (ADR), including mediation, arbitration and expert determination, is strongly encouraged as an alternative to litigation. It is a requirement prior to launching proceedings in the FCA or the FCC that proper attempts have been made to resolve the dispute between the parties.

As one means of encouraging ADR, IP Australia offers an IP Mediation Referral Service, which aims to provide small and medium-sized enterprises (SMEs) with access to qualified, accredited specialist mediators to resolve their disputes out of court. There are currently over 25 trademark specialist mediators listed on the service, although it remains to be seen how widely this will be adopted by SMEs as an alternative to formal legal action.

iii Causes of action

The owner of a registered trademark can bring an infringement claim against another party if that other party uses as a trademark a sign that is either identical or deceptively similar to the owner’s registered trademark. There are, however, numerous defences to alleged infringement, including the use of a name or business location in good faith, descriptive use in good faith, use in comparative advertising, and prior and continuous use.

Trademark infringement claims are often brought in conjunction with claims for passing off and misleading and deceptive conduct. These causes of action depend upon whether consumers have been, or are likely to be, misled or deceived as to the origin of the

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20 TMA, Section 190; Competition and Consumer Act 2010 (Cth), Sections 138, 138A, 138B.
21 Civil Dispute Resolution Act 2011 (Cth), Section 6.
22 TMA, Section 120.
23 ibid., Sections 122 and 124.
respondent’s goods or services, incorrectly believing that they come from or are affiliated with the applicant. Where the applicant has unregistered trademarks or suffers misuse of company, trade, business or domain name, the applicant will have to rely on these causes of action.

The leading authority on passing off requires a misrepresentation made in the course of trade (1) to prospective or actual customers of goods or services supplied by the injured party; (2) that is calculated to injure the business or goodwill of another trader; and (3) that causes actual damage to the business or goodwill of the claimant.24

The later English authority of Reckitt & Colman25 is also applied, in which the elements of passing off (often referred to as ‘the classic trinity’) were identified as (1) the existence of a reputation; (2) a misrepresentation leading or likely to lead the public to believe that the defendant’s goods are the plaintiff’s goods; and (3) damage suffered by the plaintiff as a result of that erroneous belief.

iv Conduct of proceedings

Court proceedings in Australia are similar to other common law systems with advocates (usually barristers) appearing in person before the courts.

For infringements requiring urgent restraint, the court has the power to order an interim injunction ordering that the alleged infringer ceases its action immediately, pending the outcome of the trial.

The court also has powers to require Anton Piller orders, which operate like a search warrant, allowing the applicant to search the alleged infringer’s property without notice and to seize evidence. Generally, these are only granted in serious cases where there is sufficient evidence that the subject of the order possesses important evidence and is likely to destroy it or otherwise cause it to be unavailable for use.

Substantive trademark infringement proceedings are commenced by a statement of claim. The alleged infringer then has the opportunity to reply to these claims. Following this, the parties provide each other with all relevant documents in their possession by way of discovery. Evidence in support of each aspect of the claim (including the quantum of damages) is then provided by the applicant, often by way of written statements, such as affidavits by relevant witnesses or experts, and evidence in answer is provided by the defendant. This evidence is likely to be tested by way of cross-examination of witnesses during a hearing, after which the judge will rule on the facts, apply relevant law to the case and issue a judgment. Court proceedings can be lengthy, and resolution of fully contested proceedings can take more than a year.

v Remedies

The court can grant an injunction to restrain further infringement, passing off or engagement in misleading or deceptive conduct, and at the option of the applicant, either damages or an account of profits.26 As a result of recent amendments, the court also has powers under the TMA to award additional punitive damages for trademark infringement if it considers it appropriate to do so, having regard to matters such as the flagrancy of the infringement, the need to deter others from similar conduct, the conduct of the infringer after the infringement

25 Reckitt & Colman Products Ltd v Borden Inc (1990) 17 IPR 1.
26 TMA, Section 126; ACL, Sections 232 and 236.
(and, particularly, after being informed of the infringement) and any benefit the infringer has gained as a result of the infringement.\(^{27}\) This power has been used in recent cases where it has been difficult to establish actual loss or where infringement has continued following notice of the relevant trademark owner’s rights.\(^ {28}\)

V OTHER ENFORCEMENT PROCEEDINGS

The TMA and the ACL contain various criminal offences in relation to counterfeiting, which are brought by the Australian Federal Police or the Department of Public Prosecutions. In the case of the ACL, the Australian Competition and Consumer Commission has the power to commence proceedings. In Australia, it is a criminal offence to:

- falsify a registered trademark;
- falsely apply a registered trademark;
- alter or remove a trademark knowing it is a registered trademark;
- make a die, block, machine or instrument that can help in falsifying or removing a trademark;
- sell, possess, distribute or import a good, knowing that the trademark has been falsified or removed;\(^ {29}\) and
- make certain false or misleading representations about goods or services, including in relation to the standard, history, value, place of origin, nature or characteristics of goods or services.\(^ {30}\)

The penalties for these criminal offences may include imprisonment or a fine. However, in practice, criminal proceedings are rarely brought and are typically confined to cases involving organised crime or public health and safety issues.

The TMA also contains a scheme allowing the Australian Customs Service (Customs) to seize imported shipments of goods suspected of infringing registered trademarks.\(^ {31}\) Rights holders can lodge a notice of objection with Customs, listing the marks they would like to protect, and Customs then seizes goods imported into Australia bearing these marks if they are suspected of being counterfeit. The importer has a short time to provide grounds for releasing the goods, otherwise they are automatically forfeited to Customs and ultimately destroyed.

VI RECENT AND PENDING CASES

i Control requirements for assessing trademark use

The issue of the level of control required to establish whether a person is an ‘authorised user’ of a trademark in the context of non-use proceedings was considered by the Full Court of the FCA in the matter of *Trident Seafoods Corporation v. Trident Foods Pty Ltd.*\(^ {32}\) Trident Seafoods

\(^{27}\) TMA, Section 126.


\(^{29}\) TMA, Part 14.

\(^{30}\) ACL, Chapter 4.

\(^{31}\) TMA, Part 13.

\(^{32}\) [2019] FCAFC 100.
brought non-use proceedings against Trident Foods in respect of TRIDENT-formative Australian trademark registrations, on the basis that the parent company was using the TRIDENT trademarks that were registered to its wholly owned Australian subsidiary.

The Full Court was required to consider whether the subsidiary had the requisite degree of control over the parent company’s trademark use. Relevantly, the companies had the same directors, registered address and principal place of business. The Full Court found that the two companies operated with a unity of purpose and that it was commercially unrealistic not to infer that the owner entity controlled the use of the marks by the parent entity, despite being its subsidiary. This was despite the fact that there was no evidence that the owner entity gave specific directions to the user entity about the use of the trademark, which is typically required in arm’s-length licence scenarios.

ii Relevance of reputation to ‘deceptive similarity’

A 2017 FCA decision regarding deceptively similar trademarks has been overturned on appeal by the Full Court of the FCA in the matter of Australian Meat Group Pty Ltd v. JBS Australia Pty Ltd. At first instance, the FCA found that the two marks, the AMH mark and the Australian Meat Group mark, while not being substantially identical, were deceptively similar, on the basis that both featured similar acronyms within a stylised map of Australia.

On appeal, the Full Court found that the primary judge had erred in considering the strong reputation of the AMH marks in his determination on deceptive similarity. Instead, the Full Court confirmed that the correct approach was to consider the combination of features making up each of the marks as a whole. These additional elements included the geometric ribbon element of the AMH mark and the lower case, cursive script, flowing map design and additional words ‘AUSTRALIAN MEAT GROUP’, as well as the differing last letters of each of the marks. As the trademarks were not deceptively similar, the Full Court held that there had been no trademark infringement.

This case emphasises that the reputation of a registered trademark is irrelevant to considerations of deceptive similarity, although, of course, it may be relevant to other causes of action, such as misleading and deceptive conduct or passing off (neither of which were ultimately advanced in this case).

iii Assignment of unregistered rights in get-up and trade dress

The decision in Kraft Foods Group Brands LLC v. Bega Cheese Limited (No. 8) provides an important reminder of the value in unregistered rights in get-up and trade dress, and how such rights can be assigned. In 2017, Kraft sold its Australian peanut butter business and various assets to Bega, which included a short-term licence to use various Kraft trademarks for a pre-defined period. Kraft intended that this licence was also to include its unregistered rights in its distinctive trade dress for its peanut butter products, which had been sold for decades with a recognisable bright yellow lid and a blue or red peanut device on the label.

33 [2017] FCA 1421.  
34 [2018] FCACF 207.  
35 Australian trademark registration No. 515268 in class 29 in the name of JBS Australia Pty Ltd.  
36 Australian trademark application No. 1616230 in classes 29, 35, 39 and 40 in the name of Australian Meat Group Pty Ltd.  
37 [2019] FCA 593.
When Bega continued to use the trade dress after the licence expired, Kraft sued Bega for breach of the licence agreement, contravention of the ACL and the tort of passing off. However, the judge confirmed the common law position that unregistered trademarks must stay and are intertwined with the goodwill of the business in respect of which they are used. Therefore, when it sold the Australian peanut butter business to Bega, Kraft had also in fact sold its rights in the peanut butter get-up and trade dress, and Bega was, therefore, entitled to continue using it.

VII OUTLOOK

i Amendments to the TMA

The Intellectual Property Laws Amendment (Productivity Commission Response Part 1 and Other Measures) Act 2018 (Cth) (Amending Act) was passed into law in August 2018. From a trademarks perspective, the Amending Act contains an amendment to the TMA that came into force in February 2019, which amends the grace period before new trademark registrations can be challenged for non-use, from five years from the date of filing to three years from the date the registered trademark is entered onto the Register. This date is not the date the application is filed but the date when all issues have been resolved and all final fees have been paid. This is intended to assist with decluttering of the Trade Marks Register and, in most cases, will reduce the effective period before a trademark is vulnerable to removal (as most trademarks are registered within a year or less of application). In some instances, however, it could still be five years (or more) from the date of application before a mark is vulnerable to removal, if there are obstacles to registration that cause delay, such as an opposition to the registration.

The Amending Act also contains an amendment to the TMA, which clarifies that the parallel importation of marked goods does not constitute trademark infringement. ‘International exhaustion’ has been recognised by the Australian courts in recent cases and the amendment seeks to align the TMA with these court decisions and provide certainty for importers and trademark owners.

ii IP Australia Intellectual Property Data Platform

IP Australia has recently announced a new initiative called the Intellectual Property Data Platform, which contains all Australian IP data, as well as international data on patents and trademarks. It is intended for use by researchers and policymakers to review and analyse IP data to make decisions and create economic and policy insights. In April 2019, IP Australia released the TM-Link dataset onto the platform, which contains trademark data from Australia, Canada, the EU, New Zealand, the UK and the US, which users can link at the individual application level and compare against external datasets. The beta version is currently available for free trials, and is slated for release for general use by the end of 2019.
I OVERVIEW

In 2017, the Brazilian government announced its intention to join the international trademark system (the Madrid Protocol). In August 2018, various representatives from government, industry, concerned associations and different sectors of society, and specialists, publicly debated the pros and cons of the issue, particularly concerning ways of harmonising international rules with the local system, which had a few particularities and incompatibilities. In July 2019, Brazil joined the Madrid System for the International Registration of Trademarks. This means that, since 2 October 2019, it has been possible to designate Brazil in an international trademark registration. This chapter aims to give an overview of the Brazilian trademark system and its flexibility in terms of protection and enforcement, and it gives a flavour of how the international system will work in Brazil.

II LEGAL FRAMEWORK

i Legislation

The primary domestic legislation is the Industrial Property Law 1996 (the IP Law), which deals with civil and criminal aspects of trademarks, patents, geographical indications (GIs), patent designs, industrial designs and unfair competition practices.

Brazil is a member of the Paris Convention, the TRIPS Agreement and the Nice Agreement, and, in 2019, became the 105th member of the Madrid System, which now covers 121 countries. The Brazilian National Institute of Industrial Property (INPI) has worked hard to reduce its trademark backlog and to join the international system.

1 Mauricio Maleck Coutinho is a partner at Veirano Advogados.
2 On 20 June 2017, the Presidency of the Republic forwarded Message No. 201 to the National Congress with the proposed accession. This proposal was drafted as Legislative Decree No. 860-B/2017 and was approved in the Senate on 22 May 2019 as Decree No. 49/2019.
3 The Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.
4 Reported in the second edition of The Trademarks Law Review.
5 Federal Law No. 9,279, of 14 May 1996, known as the Industrial Property Law.
7 The Paris Convention for the Protection of Industrial Property, 1883; the Agreement on Trade-Related Aspects of Intellectual Property Rights, 1995; and the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, 1957.
8 INPI, the official government body responsible for industrial property rights in Brazil, is an autonomous federal government agency of the Ministry of Industry, Foreign Trade and Services. Its services include...
The Brazilian Constitution includes a trademark clause in Paragraph XXIX of Article 5, which sets out the fundamental rights.  

ii  Authorities

INPI is responsible for registering trademarks and solving trademark disputes. It also maintains a register of licensing agreements on various intellectual property (IP) rights.

Article 124 of the IP Law lists 23 grounds for refusal (absolute and relative). Article 126, Section 2 gives INPI powers to refuse signs that infringe well-known marks. INPI is also able, *ex officio*, to refuse trademark applications on the basis of almost all these absolute and relative grounds (by conducting extensive searches within its trademark database irrespective of any opposition). INPI has powers to initiate a revocation if a mark is mistakenly approved.

INPI’s powers to review and interfere in the language of registered licensing agreements were subject to criticism and, consequently, Normative Instruction No. 70 (NI No. 70) was issued, limiting INPI assessments to formal requirements and ensuring that agreements are effective with respect to third parties. With effect from July 2017, therefore, NI No. 70 has required INPI to take a more liberal approach, thus incentivising investments in Brazil.

iii  Substantive law

The Brazilian trademark system protects signs capable of being visually perceptible, provided they distinguish the goods or services of one enterprise from the goods or services of other enterprises.

Despite having this visual requirement – which would, in principle, exclude non-conventional marks, such as sounds and scents, from trademark protection – the Brazilian legal system is flexible, permitting the registration of certain non-traditional marks, such as holograms, motions, gestural, position and three-dimensional marks.

To date, there are no sound mark registrations in Brazil because INPI has taken the view that they are not allowable according to the IP Law. However, trademarks consisting of sounds, scents and colours *per se* can be safeguarded by unfair competition rules.

‘Colours and their names, except when arranged or combined in an unusual and distinctive manner, are not registrable as trademarks.’ Consequently, distinctive combinations of colours used as marks can be registered; for example, Visa’s registered mark for the combination of blue, white and gold.

Some commentators argue that the ‘visually perceptible’ requisite should be understood as being similar to the European ‘graphical representation’ requirement. This would potentially make room for non-traditional marks, such as sounds or smells, to be eligible for trademark registration.
protection in Brazil. But the system is currently not subject to the graphical representation requirement. The IP Law would have to change and INPI would have to update its manual of trademark practice.¹⁴

Slogans are eligible for trademark protection only when used as marks.¹⁵ Shape marks with functionality are also not registrable, except as patent designs.

Article 123, Paragraphs II and III of the IP Law explain the scope of protection of certification and collective marks.¹⁶ Certification marks can be owned by entities with no direct commercial interest in the goods or services, but which can inspect and control the level of quality expected by the public. The applicant must indicate:

a the conditions to be carefully followed by the trademark users;
b the qualifying levels of quality; and
c how those quality levels are to be enforced for the users by the brand owner.

Article 7 bis of the Paris Convention triggered the protection of collective marks in Brazil. The applicant, usually an association, must clearly indicate the conditions to be fulfilled by the members of the association for using the sign.

There are two types of famous marks: well-known and highly renowned. Well-known marks are protected in their relevant market, irrespective of registration (Article 126) but recognised by the Brazilian public. Highly renowned marks do not require niche fame and are protected in all fields (Article 125). Highly renowned marks have to be registered in Brazil and be recognisable by the general public throughout the country.¹⁷

Some commentators argue that marks that are only ‘known’ should be protected even if the junior mark identifies dissimilar goods.¹⁸

Article 124, Paragraph XXIII of the IP Law prohibits ‘free-riding’ and taking unfair advantage,¹⁹ thereby protecting unregistered marks²⁰ known by third parties (not necessarily by the public) against use or registration.


¹⁵ Article 124, Paragraph VII of the IP Law: ‘signs or expressions used only as a means of advertising’.

¹⁶ For the effects of this Law, the following definitions from Article 123, Paragraphs II and III apply:

II – certification mark: that used to attest that a product or service conforms with determined technical norms or specifications, notably with reference to its quality, its nature, the material used and the methodology employed; and

III – collective mark: that used to identify products or services originated by members of a given entity.

¹⁷ Evidence of use and fame in the major Brazilian commercial regions is sufficient, which is similar to the European approach (see the EU Trade Mark (EUTM), which was formerly the Community Trade Mark).

¹⁸ ‘Trademark law will probably develop in the sense of always giving more power to trademark owners, when third parties demonstrate interest in taking advantage, in a parasitic way, of the reputation of the marks, or, more precisely, of the investments made to promote the marks.’ Nuno Pires de Carvalho, The Structure of the Patent and Trademark systems – Past, Present and Future, Editora Lúmen Júris, Rio de Janeiro, 2009.

¹⁹ In contrast with the position in Europe, unfair advantage is not only linked to dilution cases.

Article 130, Paragraph III of the IP Law grants to the registrant or applicant the ‘right to safeguard the integrity and the reputation of a mark’. A considerable number of specialists and courts say this is the Brazilian dilution proviso.  

Company names are protected by the Civil Code (Article 1,166). Exclusive rights are enforceable regionally but it is also possible to apply for national registration. 

These names identify the legal person and must be registered with the Trade Registry for the company to exist and operate. Company names differ from trade names, which are optional and consist of the term under which the company trades. Trade names differ from trademarks, which function as source identifiers of goods or services. 

Article 176 of the IP Law states that ‘a GI is constituted by an indication of source or an appellation of origin’. There are 20 recognised appellations of origin (11 of which are Brazilian) and 54 Brazilian indications of source (wines, coffee, cachaça and cheese). 

The Brazilian Network Information Centre (NIC.br) was set up by the Brazilian Internet Steering Committee (CGI.br). NIC.br created its own rules to apply to domain name cases. All ‘.br’ domain names are registered through Registro.br, which is a department of NIC.br. Brazil applies the World Intellectual Property Organization Uniform Domain Name Dispute Resolution Policy. Conflicts can also be resolved by the registry or through the courts. 

III REGISTRATION OF MARKS

As of 2 October 2019, when the international system came into force in Brazil, multi-class applications became acceptable. It can take up to one month for an application to be published. The filing fee is 355 reais. If there is no opposition, examination of the mark takes around six months. However, if the application is opposed, that time frame almost doubles.

21 Other specialists affirm that only highly renowned marks within the meaning of Article 125 of the IP Law can be protected under the dilution doctrine. 
22 Article 124, Paragraph V of the IP Law constitutes a relative ground for refusal of a mark that infringes an earlier company name. 
23 The regime described above regarding famous marks is applicable to the enforcement and protection of company names that also perform as marks, particularly in view of the language of Article 8 of the Paris Convention. 
24 In the federal state where the headquarters is located. 
25 When applying to register a company name, the applicant provides the trade name. 
26 Article 177 of the IP Law: 
An indication of source is considered to be the geographical name of a country, city, region or locality of its territory, which has become known as a centre of extraction, production or manufacture of a determined product or for providing a determined service. 
27 Article 178 of the IP Law: 
An appellation of origin is considered to be the geographical name of a country, city, region or locality of its territory, which designates a product or service, the qualities or characteristics of which are exclusively or essentially due to the geographical environment, including natural and human factors. 
29 For example, preferential rights when two companies are applying to register a domain name simultaneously. 
30 If the applicant is an individual or a small business, it can benefit from a considerable discount in the official fees. This measure aims to incentivise economic development, etc. 
31 In 2005–2006, the estimated time frame was five years, and in 2017, it was two and half years.
Evidence of use should be submitted after the registration, to avoid revocations based on non-use. Use is not a prerequisite to registering a mark but is to keep it on the register. With the international system, the registrant must declare that the mark is being used in commerce for renewing registration.

A mark can be removed from the register if the registrant does not renew it for a further 10 years, expressly withdraws it from the register, or has the registration revoked or invalidated.

i Inherent registrability

Marks can be fanciful, arbitrary, suggestive, descriptive and generic (Abercrombie’s levels of distinctiveness). ‘Suggestive’, ‘arbitrary’ and ‘fanciful’ are prima facie registrable terms as marks (inherently distinctive).

Generic terms are not registrable as marks. Descriptive signs have to acquire secondary meaning, so that it is possible for the public to recognise the sign as an origin identifier.

Shape marks can be registered only when they have a distinctive character. Examples are the get-up of packages that have acquired distinctiveness through use and advertising. These can function as source identifiers.

Merely descriptive or generic signs cannot be registered;\(^{32}\) similarly, an isolated letter, digit or date is not registrable, ‘except when endowed with sufficiently distinctive form’.

If a sign is formed by a descriptive component, it can be registered, but INPI will probably issue a disclaimer in respect of this descriptive element, stating that there would not be exclusive rights thereon.

ii Prior rights

Brazil has a first-to-file system, and applications are examined in order, based on the filing date. (INPI uses international filing dates.) Priority is given only to elderly or disabled persons, by order of the courts, when the senior mark cited as anticipation is dead or belongs to the same economic group.

A person who has been using a mark in good faith for at least six months is eligible to claim prior rights in respect of a confusingly similar mark (preferential rights to registration) but has to apply to register such a mark.

The owner of a well-known mark that has been infringed, but for which no application has been made in Brazil, will have 60 days after lodging an opposition to file a Brazilian trademark application.

\(^{32}\) Article 124, Paragraph VI of the IP Law:

\[\text{Signs of a generic, necessary, common, usual or simply descriptive character, when related to the product or service to be distinguished, or those commonly used to designate a characteristic of the product or service with respect to its nature, nationality, weight, value, quality and moment of production or of giving a service, except when presented in a sufficiently distinctive manner.}\]

\(^{33}\) Article 124, Paragraph II of the IP Law.
iii  Inter partes proceedings

Anyone can oppose an application on absolute grounds, but only the proprietor of an earlier mark or earlier right may oppose an application on relative grounds.

The most commonly used relative grounds for refusal are ‘confusingly similar signs’ (in respect of another mark or a previous company name) and ‘dilutive marks’.

Opposition proceedings are conducted in writing only; there is no hearing at INPI. The applicant and the opponent will have only one opportunity each to submit their arguments and evidence. There is no fast-track procedure for opposition or mediation services provided by INPI. Time extensions are not allowed.

Usually, the opponent does not contact the applicant before lodging an opposition. Sometimes, cease-and-desist letters are effective. Costs are not recovered or paid to the winner of the opposition.

INPI compares the marks as a whole and not their differences. It applies tests for likelihood of confusion resembling the Polaroid test. INPI and the courts try to assess as many factual aspects as possible. Some courts apply a test created as part of a legal study, known as ‘the 360° Test’.

Oppositions must be filed within 60 working days of the publication date. The applicant is then given the option of submitting counterarguments. After that, a decision is given, which can be appealed. Any oppositions lodged after the 60 days are disregarded.

INPI sometimes freezes a junior application – irrespective of opposition – to avoid conflicting decisions; that is to say, where there are two confusingly similar marks owned and registered by different persons.

If it is not used within five years of registration, the mark can be vulnerable to revocation. INPI or anyone with a legitimate interest can start this proceeding. The registrant will have to prove substantial use of the mark during the previous five years to retain registration of the mark or a legitimate reason for not using the mark.

iv  Appeals

The most common appeals relate to refusals, registrations, revocation in respect of non-use, and disclaimers (usually in view of lack of distinctiveness).

An act of grant can be appealed irrespective of any previous opposition.

Appeals proceedings are in writing only (no hearings). The Official Bulletin notifies the owner to file its counterarguments. There is no fast-track procedure and no mediation services offered by INPI. The appeals are addressed to INPI’s presidency. No costs are reimbursed or awarded to the winner of the appeal.

INPI can contact a party to clarify a specific point or to obtain better proof of a fact. This collaborative work optimises the system and allows better decisions to be reached.

34 The lack of distinctiveness is the most common absolute ground for refusal (generic or descriptive).
36 Filipe Fonteles Cabral and Marcelo Mazzola, ABPI Magazine No. 132 (Brazilian Intellectual Property Association), September 2014, p. 16.
37 Official opposition fee: 355 reais.
38 Official appeal fee: 475 reais. The granting decision can be appealed but the act of accepting a mark cannot. The mark is entered in the register, then, after the final fee is paid (745 reais), the registration is granted and the certificate issued.
39 The legal team and clerks or examiners, who issue an opinion to be confirmed and signed by the president.
The act of lodging an appeal does not suspend the effects of the INPI decision that is challenged. INPI’s decision on appeal is the final administrative step; therefore, that decision can only be reversed before the courts.

IV  CIVIL LITIGATION

The Civil Procedure Code, the content of which was influenced by European and US systems, came into force in March 2016. Among the key procedural changes were the attempt to settle the case before the start of the litigation proper, a cooperative way of litigating in respect of all parties, and the agreements the parties can enter into (before and during litigation) regarding many aspects and steps of the litigation, such as nominating the court expert, prefixing costs, time frames, limiting types of evidence and appeals.

After a complaint is filed, a judge will examine any preliminary injunctions and then summon the defendant with a subpoena to attend a conciliatory hearing. If no agreement is reached, the time frame within which the defendant must submit a response begins.

The judge will summon the plaintiff to rebut the response and explain which evidence should be presented to prove the allegations. The same is done in relation to the defendant. The disclosure here should focus only on controverted facts.

More complex matters, such as patent cases (revocation or infringement), generally demand a technical expert opinion to assist the judge, who must be a specialist. The role of the judge is to affirm whether the legal requisites for the invention have been met or if an infringement has taken place.

The parties then submit their comments about the expert opinion, and the judge issues a final first instance decision, which can be appealed to the relevant tribunal.

i  Forums

Brazil has a bifurcated system. The state courts hear disputes related to private concerns, such as infringements, and the federal courts hear cases in which a public body (e.g., INPI) is a party because its decision is being challenged in court. (The defendant would be, for instance, the trademark proprietor in an invalidity proceeding.)

If a junior user is misusing a senior registered mark, the infringement lawsuit should be brought before a state court, taking into account, again, that INPI does not need to join. The defendant in the infringement lawsuit usually claims the invalidity of the senior trademark before the federal court. INPI will be one defendant and the senior trademark owner the other.

41 Plaintiff, defendant and judge; proceedings can therefore take a considerable time to achieve a fair and effective outcome.
42 In the previous system, this hearing took place in the middle of the litigation process, after the parties had filed the response and rebuttals, and informed the court of the evidence they wished to submit.
43 If the fact is accepted as true by both parties, there is no need to invest time and money in bringing evidence on this fact to the court.
44 The appeals courts (state and federal) review all the facts, allegations and evidence produced by the parties (i.e., the dispute as a whole), with a view to reversing, invalidating or upholding the final first instance decision.
45 This ‘division of work’ was established by Article 109, Paragraph I of the Constitution.
An infringement case\textsuperscript{46} is usually suspended for up to one year, until the federal court decides on the validity of the mark. The aim of this is to avoid contradictory decisions (i.e., a juridical conflict).\textsuperscript{47}

The Brazilian judiciary is making its courts specialised with the aim of achieving better and faster judgments. In the state of Rio de Janeiro,\textsuperscript{48} both state and federal courts at the first level are specialised in IP.\textsuperscript{49} Two panels at the Federal Court of Appeals for the Second Circuit\textsuperscript{50} specialise in IP cases. In the states of São Paulo and Rio Grande do Sul, the state appeals courts each have two panels that specialise in IP matters, and São Paulo also has first-level courts specialised in IP.

The superior courts are the Superior Court of Justice (STJ) and the Supreme Court of Justice. The former hears non-constitutional matters, controlling the application of federal law, as well as harmonising the Brazilian jurisprudence. The latter enforces the Constitution. The STJ has two panels that specialise in IP.

Claims are usually grounded by statutory language, by the opinions of authorities or scholars, and by decisions issued by different courts and levels.

\section*{ii Pre-action conduct}

In Brazil there is no pre-action conduct code for IP disputes to ‘encourage the parties to exchange information with each other prior to issuing proceedings to ascertain whether proceedings can be avoided and, if not, to ensure that the parties understand the issues sufficiently to ensure that any litigation is dealt with proportionately and in keeping with the overriding objective’.\textsuperscript{51}

Usually, the plaintiff notifies the defendant before bringing the matter to court. Unjustified threats and accusations of crimes or infringements can give rise to liability for the notifying party. Sometimes, the notified party claims in court a non-infringement declaration, so as to claim back damages. Attempting to settle before issuing legal proceedings is not mandatory but is advisable.

Depending on the complexity of the dispute and amounts involved,\textsuperscript{52} the parties can opt to have the case heard by professional mediators or by a court of arbitration. The majority

\textsuperscript{46} Taking into account that an invalidated mark cannot be enforced or infringed, the infringement lawsuit is usually suspended, pending a judgment on the revocation case filed before the federal court.
\textsuperscript{47} For example, despite having the trademark registration cancelled, the state court held that there was a trademark infringement, resulting in the defendant having to pay damages and stop using the mark.
\textsuperscript{48} There are seven state courts in the city of Rio de Janeiro (Centre Court) and four federal courts in the Rio de Janeiro judiciary section.
\textsuperscript{49} The federal courts are specialised in IP matters, including copyright. Civil state courts in Rio de Janeiro hear copyright cases. However, specialised courts do not have jurisdiction in copyright matters alone, but only in mixed matters, such as trademarks and copyright.
\textsuperscript{50} The Second Circuit hears appeals from the states of Rio de Janeiro and Espírito Santo. Each circuit embraces two or more states. INPI’s principal office is located in the city of Rio de Janeiro, in the state of Rio de Janeiro.
\textsuperscript{52} Practitioners say that matters costing more than 1 million reais warrant being heard by a court of arbitration.
of IP cases in Brazil are dealt with by the judiciary system; however, arbitration has recently been promoted by commentators as providing a faster and more technically reliable outcome, even in disputes involving INPI, such as revocations of its decisions.

iii Causes of action

Brazil has a ‘double identicality’ proviso based on which the clash between identical marks for identical goods or services amounts to prima facie infringement, as the signs will evidently lead to confusion. Despite this, the courts are still reticent about applying this rule, usually relying on confusion-based tests to stop the use of or revoke the junior mark.

Although likelihood of confusion and dilution are the two main trademark-related causes of action, there exist a number of additional causes under unfair competition rules as foreseen in the IP Law, such as passing off, free-riding or unfair advantage.

The statutory authority for trademark infringements based on confusion is Paragraphs V, XIX and XXIII of Article 124 of the IP Law, which cover misuse of marks, company names, trade names and domain names.

The most common cause of action would be someone using a mark that is identical or similar to a senior registered mark for similar goods. The same is applicable to a confusingly identical or similar junior company name or trade name in respect of an earlier registered mark for similar activities.

If the junior sign (mark or company, trade or domain name) is capable of creating confusion, it would amount to an infringement of the senior registered mark. An earlier registered company name can also serve as grounds for having a confusingly similar trademark refused or invalidated. In NBA Properties Inc v. NBA Gestão Ltda, the Federal Court of Appeals of the Second Circuit invalidated the registration of the mark ‘NBA’ based on NBA’s company name, which is registered only in the United States.

There is no ‘official’ test used by the courts to assess trademark infringement. They usually try to take into account as many factual aspects as possible.

The IP Law requires investigation of the similarity of the signs and goods or services to learn whether they are likely to create confusion for the general public and whether an infringement has taken place. The STJ also uses this test, but the courts do not apply one single official test, despite the fact they are similar in many ways.

In the 1980s, commentators recommended the following multifactor test for likelihood of confusion:

53 Article 124, Paragraph XIX of the IP Law:

The following are not registrable as marks: reproductions or imitations, in whole or in part, even with additions, of a mark registered by a third party, to distinguish or certify a product or service that is identical, similar or akin, and which are likely to cause confusion or association with the third party’s mark.

54 It is hard to find an earlier registered domain name invalidating a trademark or a domain name as the company is founded first (the company name is registered) and then the domain name and mark are applied for.


56 Applying Article 124, Paragraph V in conjunction with Article 8 bis of the Paris Convention.

57 Article 124, Paragraph XIX.

58 Similar marks and goods are likely to cause confusion. Three factors must be verified simultaneously: similarity of the signs, similarity of the goods or services, and likelihood of confusion.
a analysing the whole marks and not their differences;  
b consumers’ level of attention;  
c the circumstances under which the goods are acquired;  
d the nature of the goods; and  
e the relevant market for the goods.  

But according to practitioners, this test does not cover post-sale confusion in other situations. More tests were developed, and the courts apply different ones depending on the circumstances of the case (e.g., the 360° Test – see Section III.iii).

Unlike Germany or the United States, Brazil does not have dedicated legislation on unfair competition practices. The IP Law also regulates this in Article 195, which has an indicative list of 14 behaviours considered to be unfair trade acts.

Paragraphs I, II and III are the most-used causes of action in unfair competition cases. They aim to prohibit fraudulent behaviour to divert another’s clientele or to gain an unfair advantage against another party.

As a member of the Paris Convention, any dishonest act may be considered to amount to an act of unfair competition. Free-riding and passing off are also forbidden under the umbrella of unfair practices. The same is applicable to consumer fraud and deceptive trade practices.

Courts have ordered defendants or the domain registry to take down infringing domain names on the basis of trademark infringement and free-riding. Technically, unfair competition is actionable between competitors, but any other non-competitor’s misconduct can be actionable on the basis of free-riding or unfair advantage.

iv Conduct of proceedings

Typically, the plaintiff will present allegations and claims in writing, supported by all the documents it may have to prove the allegations, and the time to start doing this is at the initial filing of the complaint.

If the parties do not settle at the conciliatory and mediation hearing, the defendant will have 15 working days to lodge a response, contesting the plaintiff’s allegations, claims and evidence, as well as to submit its own evidence to persuade the judge.

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60 German Unfair Competition Act.  
61 Article 195 of the IP Law:  
  I – publishes, by any means, a false affirmation, in detriment to a competitor, with a view to obtaining advantage;  
  II – provides or divulges, with respect to a competitor, false information, with a view to obtaining advantage;  
  III – uses fraudulent means to divert, for his own or a third party’s benefit, another’s clientele.  
62 In a specific, relevant market and in view of the standard behaviour.  
63 Free-riding is also a cause of action to prevent dilutive practices.  
64 Presided over by a professional mediator, not the judge. What is mentioned during this hearing is not taken into account by the judge, who will not learn what was said by the parties during the hearing. The aim of this hearing is to attempt to settle the case.  
65 All the deadlines, according to the system, are counted in working days, so that lawyers do not have to work at weekends.
The plaintiff will then have a period of 15 working days to comment on the defendant’s documents and arguments, which can lead to the dismissal of the case or raise any procedural irregularity. At this point, both parties will accept some facts as true, but some will be controverted. The disclosure here should focus only on controverted facts.

If any party wants to take a deposition or thinks that the opinion of a technical expert is needed, the judge will analyse the requests and, if sustained, schedule a hearing for the depositions and nominate a specialist to provide a technical opinion.

If the lawyers have powers to represent their clients, their clients do not have to attend the hearing, unless they are to be heard in the depositions. Ordinarily, the depositions are taken in a courtroom in front of the judge, who will also question those making the depositions. However, the parties can agree to take the depositions in their own offices, as in the United States.66

Cost awards are granted to the winner of the litigation. These include reimbursement of court fees and costs and attorney fees, which can be up to 20 per cent of the economic value of the matter. The costs are awarded solely to the winner, and the attorney fees are to remunerate the lawyer’s work during the litigation. As a general rule, the contractual fees paid by the client to its lawyer are non-refundable by the loser.

It is difficult to estimate how long the disclosure can take. It depends considerably on how efficient and specialised the court is and on the complexity of the matter and the evidence produced.

**v Remedies**

Plaintiffs are awarded injunctions against further infringement or unfair practices.67

Injunctions can be issued when two main prerequisites are met: the plaintiff’s claims are probably true and are indeed urgent.68

- Monetary relief may also be available to the plaintiff, including:
  - the defendant’s profits;
  - the cost of the damage sustained by the plaintiff;69 and
  - the amount by which the plaintiff should reasonably have profited if no infringement had been committed.

Moral damages can also be awarded as ‘punitive damages’, to discourage the defendant from committing further infringements.

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66 The Brazilian system makes use of technologies such as videoconferencing. A good number of court files are digital. INPI’s records are digital as well.

67 An injunction is a preliminary decision issued at the beginning of legal proceedings in which, at the end, in the case of a favourable outcome, the injunction would be confirmed and the plaintiff awarded damages. Usually, there is a single case to seek the injunction and any other compatible claim.

68 Urgency has two independent bases: to prevent the plaintiff suffering severe damage (which is difficult to ascertain) or to ensure that the plaintiff will get the benefits of a final favourable decision (preventing harm through the efficiency of the legal proceedings). True claims are eligible for injunctive relief irrespective of urgency.

69 See Section IV.ii.
V OTHER ENFORCEMENT PROCEEDINGS

The customs authorities can seize imported goods, on the grounds that they may infringe trademark rights as an anti-counterfeiting policy\textsuperscript{70} based on the IP Law\textsuperscript{71} and the TRIPS Agreement.

Having seized the goods, the authorities will contact the Brazilian attorney responsible for the relevant brand owner in Brazil,\textsuperscript{72} so that he or she can issue, on behalf of his or her client, civil or criminal proceedings against the potential infringer, demanding an injunction to be granted to retain the seized goods until a final judgment is made. The time limit for this is 10 days. If this is not done, the goods can be released and distributed to the Brazilian market.

It can be argued that this procedure is transferring to the brand owner the onus and costs for obtaining a court decision to block the goods and declare the importer a criminal who has infringed trademark rights. The role of the customs authorities should ordinarily be to find and seize potentially infringing goods, to avoid infringing goods entering the Brazilian market. Some of the main customs offices seize and destroy infringing goods without a court proceeding. This modus operandi should be harmonised throughout Brazil.

VI RECENT AND PENDING CASES

The Madrid Protocol is the hot topic in Brazil, as its accession to the Madrid System has just happened and the system entered into force on 2 October 2019, which is good news for businesses that also operate in South America. It will make Brazil more international in various ways and will incentivise international commerce and lead to the creation of more jobs.

In 2018, there was a consensus that Brazil should seek major adjustments, or make reservations, to the Protocol or to national legislation in respect of certain issues, to properly implement the international system in relation to existing local rules.

The following are the most significant aspects that Brazil will have to address during implementation of the international system.\textsuperscript{73}

i 18-month time limit for INPI to accept or refuse a trademark application

INPI is now comfortably meeting this deadline, as it is issuing a decision within six months without opposition and around 12 months when the application is opposed. If an office action is raised, this time limit is suspended. INPI conducts an \textit{ex officio} full examination of all grounds for refusal (relative and absolute) irrespective of oppositions, and, evidently, it is taking longer for an application to be accepted than is the case, for instance, for an EU trademark\textsuperscript{74} (following examination only if an opposition is lodged). If this time limit is not observed, according to the international system, national and foreigners’ applications would

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\textsuperscript{70} Federal Law No. 6,759 of 5 February 2009.

\textsuperscript{71} Article 198 of the IP Law:

\textit{The customs authorities, ex officio or at the request of an interested party, may seize, at the time of checking, any products carrying falsified, altered or imitated marks or a false indication of source.}

\textsuperscript{72} In Brazil, it is mandatory to have a local lawyer to represent a foreign trademark proprietor (Article 227 of the IP Law).

\textsuperscript{73} This chapter aims to explain briefly only the major aspects of the new system with regard to the current Brazilian system, and not to address the various details derived from these aspects.

\textsuperscript{74} Also known as an EUTM – see footnote 17.
be automatically allowed. The Brazilian approach is to fully incorporate the international main rules considering the principle of equality before the law (i.e., equal treatment to Brazilian and foreign applicants).

ii  **Obligation to have a local lawyer or agent in Brazil**

Article 217 of the IP Law states that it is mandatory for a foreign trademark owner to have a local lawyer or agent as a representative in Brazil, but this is not included in the international system. The requirement is important for Brazilians, as it is faster and cheaper for summoning and subpoena purposes should they have to sue a foreign trademark proprietor in the Brazilian courts. According to INPI’s new trademark practice manual, published on 10 September 2019, this requirement is still in force and foreigners must keep a local lawyer nominated with powers to be summoned and subpoenaed by the court and by INPI on their behalf.

iii  **Brazilian Portuguese to be the official language**

The use of Brazilian Portuguese as the official language for the specification of goods and services will be material in analysing relative grounds for refusal and, notably, whether signs are confusingly similar or not. This stipulation should also be seen by foreigners as a guarantee of the due process of law and legal security. Brazilian applications abroad can be lodged in English or Spanish. Foreigners’ applications designating Brazil will be published in the Official Bulletin in Portuguese, and the specification of goods and services must also be in Portuguese. Documents have to be freely translated into Portuguese.

iv  **Activity declaration**

According to the Brazilian system, applicants and registrants must declare, under penalty of committing perjury, that they are legally engaged in the activities related to the specification of goods or services. This rule is applicable to all users (Brazilian nationals and foreigners), in keeping with the principle of equality before the law.

v  **Penalty of cancellation**

Article 135 of the IP Law states that ‘an assignment must include all the registrations or applications, in the name of the assignee, for identical or similar marks relating to a product or service that is identical, similar or akin, on the penalty of cancellation of the registrations or shelving of the unassigned applications’. This proviso was kept in force as it aims to avoid confusion in the public.

75 Summoning someone with a subpoena overseas is still an expensive and slow process, which demands communication between international bodies, and between the judiciaries concerned. Brazil could have taken the solution implemented by Mexico and Switzerland, having INPI and the respective trademark office for summoning and subpoena purposes, but it kept its traditional system in force.

76 According to the Federal Constitution, Brazilian Portuguese is the official language of all legal and administrative cases. Documents written in different languages must be freely translated to be valid in cases before INPI.
vi Evidence of use to maintain registration

Some jurisdictions demand that trademark proprietors periodically provide evidence of use of their mark, among other things, to avoid ‘deadwood marks’. Under Brazilian law, evidence of use was only required to prevent revocations based on non-use, and deadwood marks are considered illegal. It is common ground between the national and international systems that deadwood marks create legal obstacles in the trademark registration system and hinder industrial progress. Brazil has taken the opportunity to start requiring a declaration of activity from all users when renewing a registration, as a means of fighting the legal obstacles and conflicts created by deadwood marks.

vii Co-ownership

The Brazilian system already allows for multiple owners of a single mark, but INPI was reluctant to accept and implement this option, for administrative and organisational reasons. Now it is time for INPI to change this, avoiding certain problems, such as court disputes over ownership of musical bands’ marks, and various similar situations that arise in practice when a mark belongs to more than one person. Brazil has incorporated another useful regulatory practice into its trademark regime.

viii Multi-class applications

The international system provides the possibility of having one mark in various classes simultaneously (i.e., in only one application), but Brazil did not have a multi-class option under previous INPI practice. However, Brazil will implement the multi-class system on 9 March 2020, which will introduce a more dynamic and practical system (no longer obliging applicants to file a trademark application to each class, to protect their rights). This is a great opportunity for Brazil to harmonise its registration system with the international one, while also extending the multi-class option to Brazilians, in keeping with the principle of equality before the law.

VII OUTLOOK

By becoming a member of the Madrid Protocol, Brazil is taking an important step towards internationalising not only its trademark system, but also its economy.

INPI has been working hard to guarantee the international system will operate impeccably, and this task force requires crucial actions, such as issuing new Normative Instructions, upgrading its IT systems, training staff specifically for dealing with multi-class and co-ownership applications, organising public debates, updating the manual of trademark practices and publicising the changes, explaining step-by-step how the new system will operate. The belief in Brazil is that INPI is well-organised and is succeeding.

77 Changes to co-ownership and multi-class applications can be put into practice in Brazil simply by INPI (i.e., without changing the IP Law) as the system already allows for these.
I  OVERVIEW

The Danish trademark registration landscape revolves, for obvious reasons, around the Danish Patent and Trademark Office (DKPTO), which is a competent, efficient and consistent authority.

The Danish enforcement landscape, on the other hand, is much more complex, and as this chapter explains, trademark rights may be enforced in a number of ways in Denmark. Obviously, the Danish courts are the cornerstone of the Danish enforcement landscape, but they do not work alone. For instance, practitioners consider the Danish Complaints Board for Domain Names to be a great alternative to the courts, when trademark disputes involve domain names.

II  LEGAL FRAMEWORK

i  Legislation

The principal Danish legislation related to trademarks consists of the new Trademarks Act, which came into force on 1 January 2019, and which, inter alia, serves to incorporate the Trademarks Directive into Danish law. In addition, the Registration Order sets out supplementary provisions pertaining primarily to the application for and registration of trademarks in Denmark. Denmark has acceded to the TRIPS Agreement. Also, Denmark has acceded to the WIPO Convention and is a contracting party to numerous WIPO-administered treaties, including, by way of example, the Madrid Protocol and the Paris Convention.

1 Jakob Krag Nielsen is an attorney and partner and Søren Danelund Reipurth is an attorney and director at Lundgrens.

2 Consolidated Act (Denmark) No. 88 of 29 January 2019 (the Trademarks Act).


4 Order on Application and Registration, etc. of Trademarks (Denmark) No. 1685 of 18 December 2018 (the Registration Order).

5 Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement).


7 The Paris Convention for the Protection of Industrial Property of 20 March 1883, as amended on 28 September 1979 (the Paris Convention).
ii Authorities

**DKPTO**
The DKPTO forms part of the Danish Ministry of Industry, Business and Financial Affairs.\(^8\) It works to help companies protect and exploit their ideas and inventions and thus aims to be the Danish centre of intellectual property.\(^9\) One of the core tasks of the DKPTO encompasses the activities undertaken in relation to trademarks, including trademark registration in particular. The powers of the DKPTO are primarily set out in the Trademarks Act.

**Danish Complaints Board for Domain Names**
The Danish Complaints Board for Domain Names (the Complaints Board) hears cases concerning the right to .dk domain names.\(^10\) The Complaints Board claims to be an easy, faster and cheaper alternative to the courts in domain name disputes,\(^11\) and most practitioners would probably agree with this claim. The Complaints Board may, inter alia, decide to suspend, delete or transfer the .dk domain name that is subject to a complaint.\(^12\)

**DK Hostmaster**
DK Hostmaster maintains the Danish internet infrastructure and administers the database of all .dk domain names on behalf of the Danish government.\(^13\)

Although DK Hostmaster does not hear domain name complaints, such complaints may nevertheless, in certain special situations, be submitted to DK Hostmaster.\(^14\) These special situations include, inter alia, matters concerning typosquatting.\(^15\) Moreover, DK Hostmaster is competent where there is an obvious risk of economic crime, compromising IT equipment or content of a highly offensive nature.\(^16\) Also, DK Hostmaster may act if the domain name is used in connection with manifestly illegal acts or omissions that infringe substantial considerations of security or public interest.\(^17\) In such cases, DK Hostmaster may generally suspend and, subsequently, block or delete a domain name.\(^18\)

**The Danish Business Authority**
The Danish Business Authority (the Authority) registers the names of companies, including the names of limited companies and private limited companies. All company names must be

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\(^{8}\) See www.dkpto.dk/information/om-os/vores-profil/.
\(^{9}\) See www.dkpto.dk/media/1736667/maal-og-resultater-2017.pdf.
\(^{10}\) Act (Denmark) No. 164 of 26 February 2014 on Internet Domains (the Domain Names Act), Section 28(1).
\(^{11}\) See www.dk-hostmaster.dk/en/how-submit-complaint-about-right-domain-name.
\(^{12}\) Domain Names Act, Section 28(4)(1).
\(^{13}\) ibid., Sections 4 and 12; www.dk-hostmaster.dk/en/dk-hostmaster.
\(^{14}\) DK Hostmaster's Terms and conditions for the right of use to a .dk domain name, version 09 of 19 December 2017, Paragraph 9; www.dk-hostmaster.dk/en/how-submit-complaint-about-right-domain-name.
\(^{15}\) ibid., Paragraph 9.2.
\(^{16}\) ibid., Paragraph 9.3.
\(^{17}\) ibid., Paragraph 9.
registered with the Authority.\textsuperscript{19} When a company name is registered, the Authority examines whether an identical name is registered. However, the Authority does not examine whether similar names are registered, let alone if identical or confusingly similar trademarks have been registered.\textsuperscript{20} As such, the registration of a company name with the Authority does not entail any extinctive acquisition of rights. The Authority does not hear complaints pertaining to the registration of business names. However, if a court of law has concluded that a company name has been registered in violation of Section 2 of the Danish Companies Act,\textsuperscript{21} the Authority will remove the name from the register.\textsuperscript{22}

iii Substantive law

Registered trademarks

Registered trademarks are, inter alia, protected pursuant to the Danish Trademarks Act, namely Section 4(2), which implements Article 10(2)(a)-(b) of the Trademarks Directive, and which, pursuant to Subsections 4(2)(1) and 4(2)(2), entitles the proprietor of a trademark to prohibit any person not having consent from using any sign in the course of trade, if the sign is (1) identical to the trademark and is used for identical goods and services, or (2) identical or similar to the trademark, and the goods or services are identical or similar, if there exists a likelihood of confusion, including a likelihood of association with the trademark.

Reputed trademarks

Reputed trademarks enjoy, inter alia, protection pursuant to Section 4(2)(3) of the Trademarks Act, which implements Article 10(2)(c) of the Trademarks Directive, and which stipulates that, regardless of the limitation in Section 4(2)(2) to identical or similar goods and services, the trademark proprietor may also prohibit use for goods or services that are not similar, if the trademark has a reputation in Denmark, and if use would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the trademark.

Collective marks and certification marks

Collective marks and certification marks used to be protected by the Collective Marks Act.\textsuperscript{23} However, such marks are now protected under the Trademarks Act.\textsuperscript{24}

Unregistered trademarks

In Denmark, trademark rights may also be acquired through use in the course of trade. This follows explicitly from Section 3(1)(3) of the Trademarks Act. Under the Former Trademarks Act,\textsuperscript{25} which was in force until 31 December 2018, very little was required of the use in terms of intensity, scope, etc., meaning that the use requirement was interpreted leniently by the Danish courts. For instance, even use within a group of companies could qualify as use for

\textsuperscript{19} See www.dkpto.dk/media/1107/beskyttelseafforretningskendetegn.pdf.
\textsuperscript{20} ibid.
\textsuperscript{21} Consolidated Act (Denmark) No. 1089 of 14 September 2015 on Limited Companies and Limited Liability Companies (the Companies Act).
\textsuperscript{22} See www.dkpto.dk/media/1107/beskyttelseafforretningskendetegn.pdf.
\textsuperscript{23} Consolidated Act (Denmark) No. 103 of 24 January 2012 (the Collective Marks Act) (no longer in force).
\textsuperscript{24} Trademarks Act, Section 1a(3)-(4).
\textsuperscript{25} Consolidated Act (Denmark) No. 223 of 26 February 2017 (the Former Trademarks Act).
the purposes of Section 3(1)(2) of the Former Trademarks Act. However, Section 3(1)(3) of the Trademarks Act now requires that the use must be of more than mere local character. Regardless, the Danish use requirement is still lenient compared to other Member States.

**Well-known trademarks**

Well-known trademarks – within the meaning of Article 6(b) of the Paris Convention – are, inter alia, protected pursuant to Sections 3(2) and 15(2)(3) of the Trademarks Act.

The first provision ensures that proprietors of well-known trademarks may also invoke Section 4 of the Trademarks Act, among other provisions, meaning, inter alia, that the exclusive rights conferred on the proprietor of a trademark also extend to well-known trademarks.

The latter provision ensures that a mark that is identical or confusingly similar to an earlier trademark that is ‘well-known in this country in the meaning stipulated in Article 6(b) of the Paris Convention’ is not registrable. Section 15(2)(3) essentially implements Article 5(2)(d) of the Trademarks Directive.

Under the Former Trademarks Act, additional protection was also extended explicitly to reputed well-known trademarks. To be more specific, Section 15(3)(2) stated that a mark was not registrable if it was identical or similar to a well-known trademark within the meaning of Section 15(2)(4) of the Former Trademarks Act, even if it was applied for registration for different goods and services than those for which the mark was well-known, if the use of the earlier mark would imply that there was a connection between the marks, and the use would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the trademark. This provision was worded in accordance with Article 16(3) of the TRIPS Agreement.  

The wording of the Trademarks Act does not seem to extend similar protection to reputed well-known trademarks, which is slightly odd. Even so, it may be argued that Section 3(2) ensures that such protection is still in place.

**Company names**

Company names may be registered as trademarks in Denmark. Moreover, if use of a company name qualifies as trademark use, trademark rights may also be acquired through use. Outside the world of trademarks, company names are primarily protected pursuant to Section 2 of the Danish Companies Act. Most importantly, Section 2(2) essentially states that company names must differ from other company names registered in the Danish Business Authority’s IT system and must not include a family name, company name, distinctive name for real estate, trademark, trade name and the like, which is not the (intellectual) property of the company, or that may cause confusion on the part of the public.

**Trade names and business names**

As with company names, trade names and business names may qualify for trademark protection without trademark registration, if trademark rights may be said to have been acquired through use. In addition, Section 22 of the Danish Marketing Practices Act, which came into force on 1 July 2017, stipulates that no person carrying on a trade or business shall
make use of any trademark or other distinctive business mark to which that person is not legally entitled or make use of his or her own distinctive business marks in a manner likely to cause such marks to be confused with those of other traders.

The provision is intended to offer supplemental protection to Section 4 of the Trademarks Act for marks – or use of marks – that, for whatever reason, do not qualify for trademark protection. As such, the provision is often invoked in trademark disputes. However, at least until the new Trademarks Act came into force, the provision appears to have been gradually ‘outmatched’ by the Trademarks Act, the Domain Names Act, the Companies Act and other specific legislation.\(^{28}\) Section 22 is a national Danish rule that does not implement or reflect EU legislation.\(^{29}\)

**Geographical indications**

The Danish Trademarks Act protects geographical indications in various ways. Sections 10 and 13 stand out. Pursuant to Section 10(2), which implements Article 14(1)(b) of the Trademarks Directive, the proprietor of a trademark shall not be entitled to prohibit a third party from using, in the course of trade, indications concerning geographical origin.

Moreover, pursuant to Section 13(1)(3), which implements Article 4(1)(c) of the Directive, a trademark lacks distinctive character and therefore shall not be subject to registration, if it consists exclusively of signs or indications that may serve, in trade, to designate the geographical origin.

**Domain names**

Like many of the intellectual property rights described above, domain names may qualify for trademark protection. Moreover, a domain name may be equivalent to a company name, or it may be protected pursuant to the Danish Marketing Practices Act as a trade name or business name. It may also be a graphical indication. Additionally, the Domain Names Act offers primary protection for domain names or, if domain names are protected by other legislation, supplemental protection. Pursuant to Section 25 of the Domain Names Act, domain name registrants must not register and use internet domain names contrary to good domain name practice.\(^{30}\) Moreover, registrants must not register and maintain registrations of internet domain names solely for the purpose of selling or renting such domain names to other parties.\(^{31}\) Section 25 serves as a general clause within the area of domain names and, according to the preparatory works, allows for decision-making out of consideration of fairness.\(^{32}\)

\(^{28}\) Proposal for the Marketing Practices Act as put forward on 12 October 2016 by the Minister for Economic and Business Affairs (Troels Lund Poulsen), comments to Section 22.

\(^{29}\) ibid.

\(^{30}\) Domain Names Act, Section 25(1).

\(^{31}\) ibid., Section 25(2).

\(^{32}\) Proposal for the Domain Names Act as put forward on 13 November 2013 by the Minister of Trade, Industry and Growth (Henrik Sass Larsen), comments to Section 25.
III REGISTRATION OF MARKS

i Inherent registrability

In Denmark, trademark applications are filed with the DKPTO. Online application is available, and an application may be filed in English.\(^{33}\) In the latter case, the application should be accompanied by a Danish translation of the list of goods and services.\(^{34}\) There is no requirement to appoint a representative in Denmark.

The DKPTO will commence processing of the application once the application fee has been paid.\(^{35}\) The application fee for an application that covers one class is currently 2,000 kroner. For every additional class, an additional fee of 600 kroner is payable, albeit the fee for the first additional class is only 200 kroner.\(^{36}\) Additional fees, as of 1 January 2019, may be found on the DKPTO website.\(^{37}\)

The DKPTO examines whether the formal requirements are satisfied. Also, and perhaps even more interestingly, the DKPTO examines whether there are any absolute grounds for refusing the application.\(^{38}\)

If the DKPTO finds that the application does not satisfy the formal requirements, or that there are absolute grounds for refusing the application, the DKPTO will inform the applicant thereof. The applicant may then submit its observations, or it may apply for an extension within two months.\(^{39}\) If no observations are received in due time, or if the applicant fails to apply for an extension, the application is rejected, whether partially or in its entirety.\(^{40}\)

If no absolute grounds are identified, and all formal requirements are satisfied, the DKPTO proceeds to publish the application (not the registration).\(^{41}\)

ii Prior rights

The DKPTO first examines for various prior rights in the form of a search report.\(^{42}\) However, applicants may request that no search report is generated,\(^{43}\) therefore allowing for fast-track applications. As a third option, applicants may now request that a reasoned search report be generated.\(^{44}\)

If the applicant does not request that the search report is omitted, the DKPTO will search for prior applied and registered trademarks. And if the applicant has requested a reasoned search report, the report will also include the immediate assessment of the DKPTO. It is important to stress that the regular search reports as well as the reasoned search reports are merely intended to be informative, and that they should not be used as a basis for decisions.

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\(^{33}\) Registration Order, Section 7(1); http://iprights.dkpto.org/trademark/how-to-file.aspx.

\(^{34}\) ibid., Section 7(3).

\(^{35}\) Registration Order, Section 10(1).

\(^{36}\) Trademarks Act, Section 60a(1).


\(^{38}\) Trademarks Act, Section 16(1); http://iprights.dkpto.org/trademark/our-examination-of-your-application.aspx.

\(^{39}\) Registration Order, Section 11(2).

\(^{40}\) ibid., Section 11(3).

\(^{41}\) ibid., Section 13.

\(^{42}\) ibid., Section 12; Trademarks Act, Section 17.

\(^{43}\) Trademarks Act, Section 11(3).

\(^{44}\) ibid., Section 11(2).
iii  Inter partes proceedings

Oppositions

Historically, anyone could oppose a trademark registration (this was when oppositions targeted registrations rather than applications) in Denmark on the basis of absolute grounds for refusal, while no particular legal interest was required.45 This is no longer the case. Now, a trademark application may only be opposed on the basis of relative grounds for refusal.46 Oppositions claiming relative grounds for refusal may only be submitted by the proprietor of the prior rights on which the opposition is based.47 An opposition must be filed within two months of the date of publication.48 This is an absolute deadline.49 Anonymous oppositions are not allowed. Moreover, an opposition must be reasoned, although not much is required of the reasoning.50 The opposition fee (2,500 kroner) may be paid in a number of ways.51

Invalidity actions

In Denmark, revocation and invalidation actions may be submitted to the DKPTO pursuant to Section 34 of the Trademarks Act or, pursuant to Section 33 of the Trademarks Act, to the Danish courts. The starting point is that anyone may apply for revocation or invalidation.52 However, as is the case with regard to oppositions, it is not possible to base an application on third-party rights.53 Moreover, the application must be reasoned, and the applicant must pay a fee of 2,500 kroner, which may be paid in a number of ways.54 If an application is lodged with the Danish courts, the parties will be subject to the rules pertaining to civil procedures.

iv  Appeals

Any decision rendered by the DKPTO may be appealed to the Board of Appeals for Patents and Trademarks within two months.55 Moreover, decisions rendered by the DKPTO and the Board of Appeals for Patents and Trademarks may be submitted to the courts.56

45  Former Trademarks Act, Section 23.
46  Trademarks Act, Section 19(2).
47  ibid., Section 19(3).
48  ibid., Section 19(1).
50  ibid.
52  Trademarks Act, Section 34(1).
53  ibid., Section 34(2).
54  Trademarks Act, Section 60C(2); http://iprights.dkpto.org/trademark/prices-and-payment.aspx.
55  Trademarks Act, Section 46(1).
56  ibid., Section 46(3).
IV CIVIL LITIGATION

i Forums

Trials concerning national trademarks may, at first instance, be submitted to the city courts as well as the Maritime and Commercial High Court, although either party to such a dispute may demand that the case be referred to the Maritime and Commercial High Court.57 Disputes concerning EU trademarks must, at first instance, be submitted to the Maritime and Commercial High Court, which has exclusive jurisdiction in such matters.58

Judgments in trademark disputes rendered by the city courts may be appealed to the high courts.59 Certain monetary thresholds apply, but these thresholds are generally not relevant to trademark disputes.

Judgments rendered by the Maritime and Commercial High Court in trademark disputes may be appealed to the high courts.60 Also, such judgments may be appealed to the Supreme Court if the matter is of principal relevance and is of general significance to the administration of justice and the legal development or has a significant social scope; or if other special reasons justify that the case be heard by the Supreme Court in the second instance.61

In addition to ordinary trials, trademark disputes may also be submitted to the courts in the form of preliminary injunction actions.62 An action for preliminary measures in a trademark dispute may be submitted, even if a trial concerning the same dispute is pending. Pursuant to Section 43b of the Trademarks Act, such actions may be submitted to the city courts or the Maritime and Commercial High Court, although either party to such a dispute may demand that the case be referred to the Maritime and Commercial High Court.63 Section 43c of the Trademarks Act, on the other hand, stipulates that if the preliminary measures are to have effect in all EU Member States, an action for preliminary measures must be submitted to the Maritime and Commercial High Court.

Decisions on preliminary measures rendered by the city courts may be appealed to the high courts, whereas decisions on such measures rendered by the Maritime and Commercial High Court must be appealed to the high courts.64 Decisions on preliminary measures with effect in all Member States rendered by the Maritime and Commercial High Court must, however, be appealed to the Eastern High Court.65 If some sort of preliminary measure is awarded, a trial on the merits must be submitted within 14 days.66

ii Pre-action conduct

Before civil litigation is commenced, the infringed trademark proprietor will often approach the infringer, often in the form of a cease and desist letter or similar. Obviously, such a letter serves the purpose of avoiding legal proceedings. However, under Danish law there are other

57 Consolidated Act (Denmark), No. 1257 of 13 October 2016 (the Administration of Justice Act), Section 225(3).
58 ibid., Section 225(1).
59 ibid., Section 368(1).
60 ibid., Section 368(4).
61 ibid.
62 ibid., Chapter 40.
63 ibid., Section 225(3).
64 ibid., Section 427.
65 Trademarks Act, Section 43c(2).
66 Administration of Justice Act, Section 425.
advantages to approaching the infringer in this way. First, a cease and desist letter ensures that the infringer may no longer be said to act in good faith.67 Second, if the trademark proprietor does not approach the infringer, the proprietor risks not being awarded (full) costs, even if the subsequent action for preliminary measures or trial is successful.

No specific legislation covers the sending of cease of desist letters. However, pursuant to Section 126 of the Danish Administration of Justice Act, Danish lawyers must adhere to ‘good lawyer conduct’. This means that a lawyer acting on behalf of a trademark proprietor must disclose information essential to the infringer’s assessment of risk, including as part of a cease and desist letter.68

Before civil litigation is commenced, a trademark proprietor may also apply for the securing of evidence pursuant to Section 653 of the Administration of Justice Act. As opposed to actions for preliminary measures, securing of evidence actions must be submitted to the bailiff’s courts.

In Denmark, there are generally three alternatives to civil litigation in trademark disputes, namely arbitration, mediation and court mediation. All share one common characteristic, namely that they only come into play if the parties to a trademark dispute agree to pursue a path that is different from civil litigation.

iii Conduct of proceedings

Discovery and disclosure as part of proceedings

Pursuant to Chapter 29a of the Danish Administration of Justice Act, a party to an intellectual property infringement trial may ask the court to order the opposing party as well as a third party to disclose certain infringement information under certain circumstances, provided that it has already been fully established that an infringement has occurred. In addition, pursuant to Sections 298 and 299, a party to an intellectual property infringement trial may ask the court to order the opposing party as well as a third party to produce evidence, on which the asking party intends to rely. If the opposing counsel fails to comply with such orders, the court may assume that the factual circumstances are as the party asking for disclosure has presented them to the court. If a third party fails to comply, the third party may face various sanctions, including fines. Chapter 29a of the Danish Administration of Justice Act does not apply to actions for preliminary measures.69

Submission of legal and factual evidence

In the context of actions for preliminary measures, there are very few restrictions on submissions of legal and factual evidence. In most cases, the courts will allow examinations of party representatives and witnesses, submissions of various documents, submissions of products and other physical forms of evidence, expert opinions (including one-sided expert opinions). However, the court may restrict evidence, which will prolong the injunction case unreasonably.70

70 Administration of Justice Act, Section 417(1).
In the context of trials at first instance, various evidence restrictions apply. First of all, evidence must be submitted within certain time frames that are normally fixed by the courts. Generally, evidence will be allowed, even if it has been obtained illegally.\(^\text{71}\)

On the other hand, access to submit expert opinions is restricted in the context of trials. Expert opinions obtained by one party before the trial may, in most cases, be produced as evidence, whereas expert opinions obtained by one party, after the trial is initiated, may not be submitted.

**Written and oral proceedings**
In Denmark, the starting point is that cases are pleaded orally.\(^\text{72}\) Even so, cases may be pleaded in writing, if the parties agree to it, and if special circumstances support that the trial be pleaded in writing.\(^\text{73}\) Where the focal point of a trial is one of law and not one of evidence, such a trial may be suitable for pleading in writing.

**Legal representation**
The starting point is that only lawyers may represent parties at trial.\(^\text{74}\) There are exceptions to this starting point, but they are never relevant in the context of trademark disputes. That said, any party may represent itself, himself or herself,\(^\text{75}\) although the courts may force such parties to retain legal representation.\(^\text{76}\)

**Cost recovery**
In terms of cost recovery, the starting point is that the losing party must cover the costs inflicted by the trial on the winning party, unless the parties have agreed otherwise.\(^\text{77}\) This wording might suggest that, in Denmark, trial costs are fully recovered. This is not the case. Out-of-pocket expenses, such as those associated with obtaining an expert opinion before the court, are normally fully covered. However, legal fees are only covered up to an ‘appropriate amount’, which, in principle, is awarded arbitrarily by the courts.\(^\text{78}\) The presidents of the Western and Eastern High Courts have issued a brief on costs in civil trials, which, among other things, contains a table of costs corresponding to the value of the case, which is mostly adhered to.\(^\text{79}\)

**Time frames**
The Danish Administration of Justice Act does not set out any maximum time frames for civil proceedings.

\(^{71}\) U 2012 1893 V.
\(^{72}\) Administration of Justice Act, Section 365(2).
\(^{73}\) ibid., Section 366(1).
\(^{74}\) ibid., Section 131.
\(^{75}\) ibid., Section 259(1).
\(^{76}\) ibid., Section 259(2).
\(^{77}\) ibid., Section 312(1).
\(^{78}\) ibid., Section 316(1).
\(^{79}\) See www.domstol.dk/VestreLandsret/Documents/Sagsomkostninger%20og%20salærer/Sagsomkostninger%20og%20proceduresager.pdf.
iv Remedies

**Trial remedies**

The Trademarks Act is quite clear about which remedies may be applied for in a regular trial concerning trademark infringements. If a trademark infringement is established, the trademark proprietor may, in accordance with Article 13 of the Enforcement Directive, claim reasonable remuneration and damages. The term ‘reasonable remuneration’ means a licence fee. Reasonable remuneration may be awarded, even if no loss has been substantiated. On the other hand, damages are only awarded if some sort of (additional) loss may be established.

In addition to reasonable remuneration and damages, a trademark proprietor may, inter alia, claim that goods infringing a trademark right be: (1) temporarily withdrawn from the trade; (2) finally withdrawn from the trade; (3) destroyed; or (4) handed over to the trademark proprietor; and that the infringing trademarks be removed.

**Preliminary remedies**

If, in the context of an action for preliminary measures, a trademark infringement is rendered likely (as opposed to demonstrated), the applicant may ask the court to order that the subject of the action for preliminary measures is ordered to perform, abstain from or withstand certain actions. Moreover, the applicant may ask the court to seize goods that are likely to be used to violate an injunction or an order.

V OTHER ENFORCEMENT PROCEEDINGS

Pursuant to Section 42(2) of the Trademarks Act, intentional trademark infringements in aggravating circumstances may result in imprisonment of up to one year and six months, unless a higher penalty is warranted under Section 299b of the Danish Criminal Code. Section 299b of the Criminal Code states that trademark infringements of a particularly serious nature may result in imprisonment for up to six years, if the purpose of the trademark infringement was to obtain unjustified profits or if, regardless of the profits obtained, the circumstances are particularly aggravating. This means that if a trademark proprietor is faced with particularly grave trademark infringements, which fall under the scope of either Section 42(2) of the Trademarks Act or Section 299b of the Criminal Code, the trademark proprietor may report such infringements to the State Prosecutor for Serious Economic and International Crime (SØIK). If following an investigation, SØIK decides to proceed with the charges, the trademark proprietor may, in principle, file a claim for damages as part of the criminal proceedings.

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81 Trademarks Act, Section 43(1).
82 ibid., Section 44(1).
83 Administration of Justice Act, Section 411(1).
84 ibid., Section 423(1).
85 Consolidated Act (Denmark) No. 1156 of 20 September 2018 (the Criminal Code).
86 See www.retsinformation.dk/Forms/R0710.aspx?id=202950.
VI    RECENT AND PENDING CASES

Karnov Group Denmark A/S v. J H Schultz Information A/S

In May 2018, the Maritime and Commercial High Court ruled at first (and last) instance in a trial on the merits submitted by Karnov Group Denmark A/S (Karnov) against J H Schultz Information A/S (Schultz). This judgment, as well as the decisions by the Maritime and Commercial High Court and the Eastern High Court preceding the judgment and forming part of the same complex of cases, drew a great deal of attention in Denmark.

The focal point of this complex of cases was the question of whether Karnov, provider of the leading case-law database in Denmark and the proprietor of, inter alia, the trademark UfR (word), could prohibit Schultz from using UfR (word) as a metatag and identifier as part of Schultz’s competing subscription-based online case-law database.

For the purpose of identifying decisions and judgments in its database, Karnov uses a particular format known as the UfR-number, which contains the trademark UfR (word). Karnov had learned that Schultz also used this UfR-number in its database. Inter alia, Schultz allowed its users to search for judgments using the UfR-number.

This led Karnov to submit a request for a preliminary injunction against Schultz to the Maritime and Commercial Court, claiming that this use of the UfR-number constituted a trademark infringement of its unregistered rights to, inter alia, UfR (word) pursuant to Sections 4(1)(1) and 4(1)(2) of the Former Danish Trademark Act. Schultz’s principal argument was that use of the UfR-number in its database did not constitute trademark use, and that in any case use of UfR (word) was allowed pursuant to Sections 5(2) and 5(3) of the Trademarks Act, which implemented Articles 6(1)(b) and 6(1)(c) of the Former Trademarks Directive.

The Maritime and Commercial Court granted the injunction. However, on appeal, the Danish Eastern High Court ruled that Schultz had not used Karnov’s trademark in the course of trade, stating explicitly that the function of the trademark had not been affected.

Following the decision by the Eastern High Court, Karnov submitted a trial on the merits to the Maritime and Commercial High Court. Both Karnov and Schultz principally relied on the arguments previously relied on by the parties as part of the action for preliminary measures.

The Maritime and Commercial High Court delivered its judgment on 3 May 2018, and this time the Maritime and Commercial High Court, consisting of five judges, acquitted Schultz. Referring to the judgment of the Court of 14 May 2002 in Case No. C-2/00 (Michael Hölterhoff v. Ulrich Freiesleben), the court initially remarked that a reference to a trademark...

87 Administration of Justice Act, Section 991.
88 ibid., Section 991(4).
89 Judgment of the Maritime and Commercial High Court of 3 May 2018 in Case No. V-17-17.
92 Decision of the Eastern High Court of 7 July 2016 in Case No. B-267-16.
for descriptive purposes does not entail an adverse effect on the functions of that trademark. Moreover, following a case-specific analysis of the use of UfR (word) undertaken by Schultz, the Maritime and Commercial High Court concluded that this use did not amount to commercial communication, but rather constituted descriptive information, namely as a means of identifying a ruling, meaning that the functions of Karnov’s trademark UfR (word) had not been affected adversely.

The judgment of the Maritime and Commercial High Court was not appealed. The Maritime and Commercial High Court thus ended up with the final say in this complex of cases.

Not many Danish rulings have relied explicitly on the functions of the trademark, making the decision of the Eastern High Court and the judgment of the Maritime and Commercial High Court particularly interesting.

**G-Star Raw CV v. Kings & Queens ApS**

On 27 June 2018, the Eastern High Court ruled, at second instance, in a trademark dispute between international fashion brand G-Star Raw CV (G-Star Raw) and Danish retailer Kings & Queens ApS (Kings & Queens). The case was one of only a handful of Danish trademark cases to be centred around the use a translation of a trademark for identical goods and is thus of interest.

In 2016, G-Star Raw, proprietor of numerous registrations throughout the world of the trademark RAW for goods in class 25, became aware that Kings & Queens had applied for registration of the trademark ‘Raw Apparel Est. 04’ (figurative), and that Kings & Queens had started using the marks ‘RAW APPEAL’ (word) and ‘RAW APPAREL’ (word) for ‘clothing’ in class 25. A settlement was concluded, which, inter alia, required Kings & Queens to cease all use of the concerned marks.

Even so, in July 2017, shortly after the agreed phaseout period expired, G-Star Raw became aware that Kings & Queens had started using several marks consisting of or containing the Danish word ‘RÅ’, which primarily translates into RAW, for ‘clothing’ and ‘footwear’ in class 25, namely ‘RÅ’, ‘ЯÅ’, ‘ЯÅ ESTABLISHED 04’ and ‘ЯÅ Est. RÅ 04’. This time Kings & Queens refused to settle. Thus, in August 2017, G-Star Raw applied to the Maritime and Commercial High Court in Copenhagen for preliminary measures.

A decision was rendered by the Maritime and Commercial High Court on 9 February 2018. Rather unusually, the two non-legal expert judges disagreed with the presiding legal judge and voted to decide in favour of Kings & Queens, observing that in their opinion the marks were visually and orally dissimilar, just as these judges downplayed the conceptual identity relied on by G-Star Raw. These judges observed that there was no risk that the relevant consumer would perceive ‘RÅ’ to be a national sub-brand belonging to G-Star Raw, even though they did accept that ‘RÅ’ could mean ‘raw’. The presiding legal judge, on the other hand, voted in favour of an injunction, observing, among other things, that (1) G-Star had used ‘RAW’ independently; (2) the marks in question were orally and visually similar, just as they were conceptually identical; (3) use of the mirror letter ‘R’ as well as the word elements ‘ESTABLISHED 04’ and ‘Est. 04’ made no difference; (4) the goods marketed by Kings & Queens and G-Star did not differ to an extent that mattered; and (5) a likelihood of confusion was thus rendered probable.

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On 27 June 2018, the Eastern High Court overturned the decision of the majority of the Maritime and Commercial High Court. Referring explicitly to the observations of the minority of the Maritime and Commercial High Court, the Eastern High Court agreed that it had been well established that 'RAW' had been used independently by G-Star Raw, and that, at the very least, a likelihood of confusion had been rendered likely, just as the settlement agreement had been breached.

The decision seems to be in line with Danish case law, as well as EU case law, in relation to translations of marks and seems to confirm that where some visual and aural similarity exists, conceptual identity may cause a likelihood of confusion, if such conceptual identity is easily understood by the relevant consumers.

VII OUTLOOK

An amendment to the Trademarks Act came into force on 1 January 2019 (the Amendment). The purpose of the Amendment was, inter alia, to implement the Trademarks Directive. While no major upheaval was intended, the Amendment nevertheless introduced a few significant changes, a few of which are described in the following.

Following the entry into force of the Amendment, trademark rights may still be acquired through use in the course of trade. However, the Trademarks Act now explicitly states that such use in the course of trade must be of more than mere local significance. According to the explanatory notes, this is to ensure alignment with Danish case law, which, on numerous occasions, has explained that mere local use of a mark is not sufficient to establish trademark rights through use. Even though the explanatory notes indicate that no material change is intended, this amendment might still end up raising the ‘use threshold’. Should this scenario materialise, it would be reasonable to expect that Section 22 of the new Danish Marketing Practices Act, which offers supplementary protection, will become relevant once again, following a period of hibernation.

Another change relates to the notion of publication. Under the Former Trademarks Act, the DKPTO did not publish the application, but would rather publish the registration in the Danish Trademarks Gazette when a registration certificate was issued. Pursuant to the Trademarks Act, the practice of the DKPTO is now aligned with that of the European Union Intellectual Property Office, meaning that applications, not registrations, are published. From a practical perspective, this is good news. This change in procedure is likely to make it easier for international applicants to grasp the Danish application process.

Even more importantly, trademark applicants now have three different options when it comes to search reports. First, the applicant may choose not to receive a search report

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95 Act No. 1533 of 18 December 2018 on the amendment of the Trademarks Act and various other acts and on the repeal of the Collective Marks Act (Processing of applications, grounds for refusal, representation of marks, goods in transit, transfer of proceeds from fees, etc.).
97 Trademarks Act, Section 3(1)(3).
98 ibid.
99 Former Trademarks Act, Section 23.
100 Registration Order, Section 13(1).
at all.\textsuperscript{101} This option is already known from the EU Trademark system, which allows for ‘fast-track’ applications, provided that certain conditions are satisfied. Second, the applicant may choose to receive a ‘regular’ search report, which highlights potentially conflicting prior trademark rights to the extent that they are registered or have been applied for.\textsuperscript{102} In this regard, the Amendment introduced a limitation. Before, the regular search reports included further relative grounds for refusal.\textsuperscript{103} According to the explanatory notes,\textsuperscript{104} the underlying reason for this limitation is that the identification of unregistered rights, such as copyrights and portraits, by the DKPTO in its former regular search reports entailed a great deal of uncertainty, making it difficult for applicants to rely on such search reports, just as applicants may have been misled into making unfortunate decisions, such as abandoning an application that should clearly not have been abandoned. Third, applicants may now choose to receive a reasoned search report, if they pay a fee. This initiative was criticised by stakeholders. It was said that just like the former regular search reports, reasoned search reports would provide a false sense of security, considering that many rights will not be considered. Moreover, there is a risk that such reasoned search reports may be misappropriated in legal proceedings, serving as evidence for or against infringements, which could (unintentionally) turn the DKPTO into a source of binding legal opinions.

Regardless of how the Amendment is perceived, it will be interesting to see what its long-term effects will be. Perhaps the concerns of some will turn out to be unfounded, which may very well turn out to be the case.

\textsuperscript{101} Trademarks Act, Section 11(3).
\textsuperscript{102} ibid., Section 17.
\textsuperscript{103} Order on Application and Registration, etc. of Trademarks and Collective Marks No. 364 of 21 May 2008 (the Former Registration Order), Section 9(1).
\textsuperscript{104} Proposal for amendment of the Trademarks Act and various other acts and on the repeal of the Collective Marks Act (Processing of applications, grounds for refusal, representation of marks, goods in transit, transfer of proceeds from fees, etc.) as put forward on 3 October 2018 by the Minister of Trade and Industry (Rasmus Jarlov), explanatory notes, pp. 40–41.
I OVERVIEW

The European Union (EU) consists of 28 Member States. The EU has detailed legislation on trademarks. On the one hand, there is EU legislation approximating the national trademark laws of the Member States. On the other hand, the EU has created the European Union Trade Mark (EUTM) system, which is an innovative tool of European law and is a unitary trademark right that is acquired by way of a single, central filing with the European Union Intellectual Property Office (EUIPO) and applies to all Member States. Similarly, the EU has harmonised the national laws of its Member States on industrial designs and has created a unitary design right (also acquired by a single, central filing with EUIPO) and a unitary non-registered design right, both of which extend to all Member States. The EU has also adopted legislation to facilitate the enforcement of all intellectual property rights, including trademarks and designs. This legislation facilitates the collection of evidence in cases of alleged infringement, as well as the quantification of damages.

The EU has also set up a system whereby national customs authorities can inspect and control the movement of counterfeit goods and arrest such goods passing through EU customs. There is also EU legislation obliging Member States to use special courts for cases relating to the EUTM. As a result, these courts usually have a greater level of expertise on trademark issues. EUIPO has created a network of cooperation and communication, promoting a uniform application of trademark law by national trademark offices in all Member States, which have also adopted common guidelines and policies on specific issues.

II LEGAL FRAMEWORK

i Legislation

The major EU legislation on trademarks and designs consists of the following:

a Directive (EU) 2015/2436 on the approximation of national laws of the Member States on trademarks;

b Regulation (EU) No. 2017/1001 regarding the EUTM;

c Directive 1998/71/EC on the approximation of national laws of the Member States on industrial designs;

d Regulation (EC) No. 6/2002 on community designs;

1 Christos Chrissanthis and Xenia Chardalia are partners and Antonia Vasilogamvrou is an associate at Christos Chrissanthis & Partners.
Moreover, the EU is party to the following international conventions regarding intellectual property matters:

- **Paris Convention (1883)** as amended on 28 September 1979;
- **Nice Classification, established by the Nice Agreement (1957)** as amended in 1979, on the international classification of goods and services in trademark applications;
- **Vienna Agreement (1973)**, as amended in 1985, on the classification of figurative elements of trademarks;
- **Protocol Relating to the Madrid Agreement concerning the International Registration of Marks (1989)** through the World Intellectual Property Organization (WIPO);
- **Trademark Law Treaty (1994)**;
- **Singapore Treaty (2006)**, on the law of trademarks;
- **Locarno Agreement (1968)**, as amended in 1979, on the international classification of design rights; and
- **Hague Agreement Concerning the International Registration of Industrial Designs, known as the Hague System (Geneva Act 1999)**.

### ii Authorities

**Trademark registration process**

EUIPO, which is based in Alicante, Spain, is the organisation administering the EUTM registry; it receives and examines EUTM applications, oppositions, cancellations, etc.

EUIPO examines oppositions and cancellations in two stages. The first is an examination of the opposition or cancellation by the Operations Department of EUIPO. The second stage is carried out by the EUIPO Boards of Appeal, which examine appeals filed against decisions of the Operations Department.

The decisions of the EUIPO Boards of Appeal can be appealed before the General Court of the EU (GCEU). Judgments of the GCEU can be appealed before the Court of Justice of the European Union (CJEU). An appeal to the GCEU is referred to as an ‘application’.

In cases such as oppositions and cancellations, which are *inter partes* cases, an appeal to the GCEU against a decision by the EUIPO Boards of Appeal is addressed only against EUIPO and not against the other litigant party to the proceedings before EUIPO. As a result, the defendant in appeal proceedings before the GCEU and the CJEU is always EUIPO. The other litigant party to EUIPO proceedings is given the chance to intervene in the proceedings before the GCEU by filing a written response to the appeal, within two months of notification of the appeal. EUIPO is always a party to proceedings before the GCEU.

**Trademark enforcement**

Enforcement of EUTMs is achieved through the national courts of the Member States. Article 123 of Regulation (EU) No. 2017/1001 provides that Member States shall designate in their territories a limited number of possible national courts and tribunals of first and second instance, which shall have competence to deal with infringements of EUTMs. As a result, the national courts in all Member States dealing with trademark infringement cases have developed a relatively high level of expertise in trademark cases.
iii Substantive law

Infringement of registered EUTMs is established in the following cases: (1) unauthorised use by a third party in the course of trade, resulting in the likelihood of confusion, or the likelihood of association; (2) unauthorised use of a mark with reputation by a third party in the course of trade, resulting in dilution; and (3) illegitimate parallel imports, where trademark rights have not been exhausted.

Likelihood of confusion and likelihood of association

Unlike US trademark law, likelihood of association is deemed to be part of likelihood of confusion and not a separate type of infringement. All types of likelihood of confusion are actionable (i.e., forward confusion, reverse confusion, post-sales confusion and initial-interest confusion). The test for likelihood of confusion is a multifactor one, taking into account the level of similarity of the different marks and goods or services, the level of consumers’ attention and awareness, distribution channels, the level of recognition of the earlier mark (assessed on the basis of longevity of use, market shares, geographical expansion of use, volume of advertisement expenditure, etc.) and actual confusion, as well as intent of the unauthorised user (if it can be established). Similarity of marks can be visual, aural or conceptual. Goods are similar if they are made of the same raw materials, serve similar needs or are addressed to the same group of consumers. The level of similarity of the marks and goods or services can be low, average or high. The comparison is based on the overall impression created by the individual marks, and likelihood of confusion is considered globally.

Well-known marks – dilution and bad faith

Well-known marks (i.e., marks with reputation) enjoy additional protection, including protection against the likelihood of dilution. Reputation is assessed on the basis of market shares, volume of sales, volume of advertising investment, longevity of use, etc. (the test is again a multifactor one).

The prerequisites for establishing dilution are (1) similarity between the earlier and the later marks; (2) likelihood of a link in consumers’ minds between the earlier and the later marks; (3) unfair advantage in favour of the later mark from the reputation of the earlier mark, or detriment to the reputation of the earlier mark; and (4) lack of any due cause justifying such unfair advantage or detriment.

Dilution may consist of one or more of the following:

a free-riding on the reputation of another; that is, when the later mark becomes recognisable to consumers more easily, faster and using less advertising expense;

b the later mark is affixed to products of inferior quality, or there is some other negative publicity or negative connotations or implications against the earlier well-known mark; or

c there is a lessening of the distinctive value of the earlier well-known mark.

Under Regulation (EU) No. 2017/1001, well-known marks are also protected, according to Article 6 bis of the Paris Convention, against registration of later marks in bad faith. In addition, any mark, even if not well known, may be revoked and cancelled if it can be established that it has been registered in bad faith.
Parallel imports and exhaustion of rights

Under EU law, trademark rights are exhausted only if the trademark owner, or a party acting with his or her consent, has put the specific goods (i.e., those that have been imported in an EU Member State by a parallel importer) on the market in another EU or European Economic Area (EEA) country. The consent of the trademark owner is not assumed, but must be established on the facts. For example, the CJEU has clarified that an authorised distributor in a non-EEA country that exports goods in an EEA country is, in principle, not acting with the consent of the trademark owner. The burden of proof is on the parallel importer. As a result, parallel imports from non-EEA countries are in principle prohibited and amount to trademark infringement, while parallel imports from EEA countries are in principle allowed, provided that it can be established that the goods were first put on the market by the trademark owner or with his or her consent.

III REGISTRATION OF MARKS

i Registrability

Types of marks

Any sign may be registered as an EUTM if it can distinguish the goods or services of one business enterprise from those of another, and if it can be represented in a clear, precise, self-contained, easily accessible, intelligible, durable, objective, unambiguous and consistent way.

An EUTM may indicatively consist of one or more of the following:

- words affixed to products or used in the course of providing services;
- letters, abbreviations, numbers, names (both first names and surnames);
- slogans and short phrases;
- colours and colour combinations;
- designs, including 3D designs, provided they are distinctive and not of a merely decorative nature;
- the shape of the product, or of its packaging, product labels and product trade dress;
- company names and distinctive titles used to identify the premises where goods or services are offered to consumers;
- surface designs, colour patterns and design patterns, provided they are distinctive; or
- collective marks and certification marks.

Non-traditional marks, such as sounds, tastes, smells, touch, position marks, 3D representation of a state, holograms or movement marks, are in principle registrable, provided they are distinctive and capable of being represented in a clear, precise, self-contained, easily accessible, intelligible, durable, objective, unambiguous and consistent way.

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3 CJEU, C-273/00, 12 February 2002 and C-104/01, 6 May 2003.
4 See GCEU, T-305/04, 27 October 2005 concluding that smells cannot be represented graphically. However, sound marks can be represented graphically by way of musical notations (stave), showing a clef and musical notes (CJEU, C-283/01, 27 November 2003) or by way of an MP3 file accompanied by additional suitable graphical representation (EUIPO Decision EX-05-3, 10 October 2005).
Absolute grounds

Absolute grounds for rejecting an EUTM application include (1) lack of distinctiveness, (2) the mark being generic or descriptive, (3) commonplace, (4) deceptive, (5) functional, either technically or aesthetically, or (6) contrary to public policy, or morality. In addition, marks are excluded from registration if they are similar to designations of origin, geographical indications, traditional terms of wines, guaranteed traditional specialities or plant varieties that are protected under EU law or under international conventions to which the EU is a party.

Absolute grounds are assessed in view of the goods or services applied for (i.e., a mark may be descriptive in respect of some goods but not of others), as well as in view of the perception of the public (i.e., whether the public perceives a mark as an indication of origin or not). Although the same criteria are used for all types of marks, public perception may differ for certain types of marks. Because of linguistic or cultural differences among the Member States, a mark may be descriptive, or commonplace, or may lack distinctiveness in some Member States, but not in all of them. Owing to the unitary nature of the EUTM, a mark qualifies for registration as an EUTM only if it is free of any objections based on absolute grounds in all Member States. Therefore, if a mark is descriptive in only one Member State, it cannot be registered as an EUTM and the application will fail.

Acquired distinctiveness through use is taken into account to compensate for lack of inherent distinctiveness, descriptiveness, or the fact that a mark is commonplace. However, acquired distinctiveness must exist throughout the EU and must be evidenced in respect of every single Member State.

The following are other notable examples from case law on absolute grounds.

a Adidas’ much-disputed figurative mark consisting of ‘three black parallel stripes before a white background’ was cancelled by the EUIPO Boards of Appeal for lack of (inherent or acquired) distinctiveness. Interestingly, the decision noted that it was unclear whether the mark actually used in the market by Adidas was always ‘three parallel black stripes before a white background’ or ‘two white (or other light colour) stripes before a black (or other dark-coloured) background’.

b Word marks like ‘Biomild’ for foodstuffs such as yogurt and ‘Doublemint’ for chewing gum were found to be descriptive (biological and mild, and double mint) and were refused registration. Combinations of descriptive terms in a single new word cannot escape the absolute ground of descriptiveness, unless there is a perceivable difference among the combination and its parts.

c The following word marks have been refused registration for lack of distinctiveness: ‘eco’ (denoting ‘ecological’), ‘medi’ (denoting ‘medical’) and ‘universal’ (denoting ‘goods fit for universal use’).

5 CJEU, C-265/09, 9 September 2010 and C-64/02, 21 October 2004.
8 CJEU, C-265/00, 12 February 2004 (Biomild); C-191/01, 23 October 2003 and GCEU, T-193/99, 31 January 2001 (Doublemint).
9 GCEU, T-328/11, 24 February 2012.
10 GCEU, T-470/09, 12 July 2012.
11 GCEU, T-435/11, 2 May 2012.
The mark ‘Revolution’ for financial consulting services in Class 36 was found to lack distinctiveness and was refused registration.  

The mark ‘Restore’ for surgical and medical instruments was found to be descriptive.

The mark ‘Caffè Nero’ for coffee products and cafeteria services was refused registration on the ground that, in Italian, ‘caffè nero’ means ‘black coffee’ (i.e., coffee without sugar or milk). Therefore, if an EUTM is intended to apply to all Member States, lack of distinctiveness or descriptiveness in only one Member State may be fatal.

The mark ‘Deluxe’ for several goods and services in Classes 9, 35, 37, 39, 40, 41, 42 and 45 was refused registration as merely laudatory, descriptive and non-distinctive; the CJEU affirmed this decision.

The mark ‘Real’ for foodstuffs in Classes 29, 30 and 31 was refused registration as a descriptive term; the GCEU held that ‘Real’ had the meaning ‘not artificial or simulated, genuine’ and that it was therefore descriptive in connection to foodstuffs.

The filing and registration process

An application for an EUTM can be filed either electronically (online) or in writing, sent by fax or mail. The application contains details of the applicant, its professional representative acting on its behalf before EUIPO, as well as the mark applied for and the goods or services associated with it. The application is accompanied by a power of attorney appointing the professional representative. The power of attorney and the application need no legalisation, neither certification, nor the Hague Convention Apostille. If the mark includes colours, the applicant is required to identify the colours by reference to a generally accepted colour index, such as the Pantone Index. If the mark includes figurative elements, the applicant can, on an optional basis, identify these figurative elements by reference to EUIPO’s Figurative Classification Manual (version 3.0, 15 March 2013), which is based on the codes provided in the Vienna Convention (1973) on the classification of figurative elements of marks (seventh edition, 2012).

The goods or services applied for are identified by reference to the Nice Classification Agreement (1957), currently consisting of 45 classes.

Applications are assessed by a single examiner. If the examiner finds the application acceptable, it is published through the EUIPO website. Upon publication, the application is open to opposition for a period of three months. If no opposition is filed, the mark is registered. The whole process from the filing of the application to registration usually requires a period of four months, if no obstacles arise. An examiner’s decision rejecting an application can be appealed to the EUIPO Boards of Appeal within two months of its notification to the applicant.

Relative grounds – prior rights

Prior rights include:

- earlier applications or registrations of EUTMs;
- earlier applications or registrations of national trademarks in the EU Member States;

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12 GCEU, T-654/14, 2 June 2016.
13 CJEU, C-21/12, 17 January 2013.
14 GCEU, T-29/16, 27 October 2016.
16 GCEU, T-798/16, 30 November 2017.
earlier applications or registrations of international trademarks filed with WIPO designating the EU or a Member State;

d earlier well-known marks in the sense of Article 6 bis of the Paris Convention;

e earlier non-registered national signs used in the course of trade in one or more Member States of the EU; and

f earlier designations of origin, geographical indications and applications thereof.

EUIPO does not carry out an ex officio search for prior rights on its own initiative. As a result, prior rights must be invoked by way of formal opposition proceedings, otherwise an EUTM application will succeed in being registered, even if it is confusingly similar to an earlier mark.

There follow some notable recent cases on likelihood of confusion.

Cases where likelihood of confusion was established

a A figurative and position mark consisting of two parallel stripes appearing on athletic shoes was found to be confusingly similar to the Adidas earlier three-parallel-stripes mark, although the stripes had a different orientation in each case.\(^{17}\)

b A figurative mark consisting of an animal (a member of the cat family) jumping to the right was found to be confusingly similar to an earlier mark consisting of a member of the cat family jumping to the left. The fact that the animals were facing towards different directions was insufficient to render them dissimilar. Both marks were used in connection to clothing in Class 25. The GCEU rejected, on the evidence, the argument that the image of a jumping cat is widely used in connection to clothing and that it therefore has a weak distinctive character precluding the likelihood of confusion.\(^{18}\)

c The marks ‘Smith’ and ‘Anna Smith’, both for clothing and leather products in Classes 18 and 25, were found to be confusingly similar, although the common element ‘Smith’ was a common surname.\(^{19}\)

d The marks ‘Aquaperfect’ and ‘Waterperfect’, both in Class 7, were found to be confusingly similar because of their conceptual similarity, as ‘aqua’ means ‘water’ in Latin and is considered to be a Latin vocabulary term that European consumers clearly understand.\(^{20}\) In another similar case, likelihood of confusion was established between the marks ‘Vitaminwater’ and ‘Vitaminaqua’ in Classes 30 and 32.\(^{21}\)

e The mark ‘Colombiano House and device’ for restaurant and food services in Class 43 was refused registration, because of an earlier protected geographical indication ‘Café de Colombia’.\(^{22}\)

f The mark ‘Beyond Retro’ for clothing in Class 25 was found to be confusingly similar to the mark ‘Beyond Vintage’ for clothing and accessories in Classes 18 and 25; however,\(^{17}\) CJEU, C-396/15, 17 February 2016. To the same effect, see also GCEU, T-85 and 629/16, 1 March 2018. Note, however, that the Adidas three-parallel-stripes mark was found to be non-distinctive and was cancelled by the EUIPO Boards of Appeal, as discussed in Section III.i.

\(^{18}\) GCEU, T-113/16, 30 January 2018.

\(^{19}\) GCEU, T-295/15, 18 April 2016.

\(^{20}\) GCEU, T-123/14, 28 January 2015.

\(^{21}\) GCEU, T-410/12, 28 November 2013.

\(^{22}\) GCEU, T-387/13, 18 September 2015.
there was no likelihood of confusion with watches and jewellery in Class 14, for which an application for ‘Beyond Vintage’ was also made, as these goods were considered to be sufficiently dissimilar to clothing in Class 25.  

g. The marks ‘Pentasa’ and ‘Octasa’, both for pharmaceuticals in Class 5, were found to be sufficiently similar, although their respective first parts differ.  

b. The marks ‘Ginraw’ and ‘Raw’, both for household and kitchen utensils and containers, glassware and other goods in Class 21, were found to be confusingly similar, as the term ‘gin’ was likely to be associated with the alcoholic beverage and was hence rather descriptive of the goods.

Cases where likelihood of confusion was not established

a. The marks ‘Easy Air-tours’ and ‘Airtours’, both for transport services in Class 39, were not found to be confusingly similar, because their common components were descriptive terms. Similarly, the following pairs of marks were not found to be confusingly similar, because the common elements they shared were merely descriptive:

- ‘Magnext’ and ‘Magnet 4’, both for toys in Class 28;
- ‘Capital Markets and device’ and ‘Carbon Capital Markets’, both for financial and similar services in Class 36; and
- ‘Premium and device’ and ‘Suisse Premium and device’ both for foodstuffs in Class 30.

b. ‘Real estate services’ was found to be dissimilar to ‘financial and banking services’, although ‘real estate appraisal services’ was found to be similar to ‘financial services’.

c. In other cases, ‘retail services’ was found to be dissimilar to ‘distribution services’; ‘watches and jewellery’ in Class 14 was found to be dissimilar to ‘clothing’ in Class 25, although both are usually traded through the same channels; ‘compotes’ was found to be dissimilar to ‘dairy products’, although ‘restaurant and bar services’ was found to be similar to ‘foods and beverages’.

Dilution cases

a. The well-known mark of Calvin Klein ‘CK’ was found not to be diluted by the mark ‘CK Creaciones Kennya’ (both for clothing and leather goods in Classes 18 and 25), because the two marks were so dissimilar (although CK was incorporated as such in the later mark) that a link between them could not possibly be established.
In a similar case, the marks ‘Kinder’ (for food products in Class 30) and ‘Ti Mi Kinder Joghurt’ (for yogurt-based products in Class 29) were so dissimilar that consumers could not possibly establish a link between the two, although ‘Kinder’ was incorporated as such in the later mark.36 In these cases, the CJEU reasoned that, in assessing the level of similarity of the marks, the reputation of the earlier mark shall not be taken into account and that its reputation will be considered only at a later stage, to assess the likelihood that consumers might make a link between the two marks, but this later stage will not follow at all, unless sufficient similarity is established in the first place.

The well-known ‘Volvo’ mark was found not to be diluted by the mark ‘Lovol’ in Classes 7 and 12 because the two marks were sufficiently dissimilar, although they shared the letters ‘v’, ‘o’ and ‘l’, as well as the syllable ‘vol’.37

The mark ‘Vina Sol’ (meaning vineyard of the sun in Spanish) was found not to be diluted by the mark ‘Sotto il Sole’ (meaning under the sun in Italian). Although the goods associated with the respective trademarks were identical, and although the earlier mark enjoyed a reputation, likelihood of dilution was not established because the notion of the ‘sun’ was widely used by many other wine producers and was therefore of merely low distinctiveness.38

The mark ‘MacCoffee’ for food and beverages in Classes 29, 30 and 32 was found to dilute the marks ‘McDonald’s’, ‘McNuggets’, ‘McFlurry’, ‘McChicken’, etc.39

The Adidas figurative mark consisting of three parallel oblique stripes was found to be diluted by a trademark consisting of two parallel oblique stripes filed by Shoe Branding, although the stripes were oriented in a different direction in each case.40

### iii Inter partes proceedings

Inter partes proceedings before EUIPO include (1) oppositions to EUTM applications; (2) applications for invalidity of registered EUTMs; and (3) applications for revocation of registered EUTMs.

**Oppositions to EUTM applications**

Since EUIPO does not take into account earlier rights on its own initiative, opposition proceedings are the only means of invoking such earlier rights to prevent the registration of an EUTM application. The time limit to file an opposition against an EUTM application is three months from its publication.

**Applications for invalidity of registered EUTMs**

If an application for an EUTM has been registered, although there were absolute or relative grounds that should have resulted in its rejection, then this registration is open to cancellation (invalidity). There is no time limit restricting the filing of an application for invalidity. The effects of invalidity are retrospective and date back to the filing of the contested EUTM registration.

36 CJEU, C-552/09, 24 March 2011.
37 GCEU, T-524/11, 12 November 2014.
40 GCEU, T-85 and 629/16, 1 March 2018. On the same case, see also GCEU, T-145/14, 21 May 2015, which was upheld by the CJEU, C-396/15, 17 February 2016.
Applications for revocation

A registered EUTM can be revoked if:

a. the mark has not been used for a period of five consecutive years and there are no proper reasons justifying non-use;

b. because of acts or inactivity of the proprietor, the mark has become a common name in trade for a product or service for which it is registered; or

c. as a result of the use made of it by its proprietor, the mark has become misleading to the public.

There is no time limit for filing an application for revocation.

The effects of revocation are retrospective and date back to the date of filing of the application for revocation, or to another date fixed by the decision revoking the registration.

In respect of the form of the proceedings for oppositions, applications for invalidity and revocations, see Section II.ii.

iv. Appeals

Decisions of the EUIPO Operations Department on oppositions, applications for invalidity or revocations, as well as decisions of the examiners on absolute grounds preventing trademark registration, can be appealed before the EUIPO Boards of Appeal, which can review cases on matters of both fact and law. The decisions of the EUIPO Boards of Appeal can be appealed before the GCEU on matters of law only. The judgments of the GCEU can be appealed before the CJEU on matters of law only (see Section II.ii).

IV. CIVIL LITIGATION

The European Union Trade Mark

Infringement cases relating to EUTMs are dealt with by national courts of the Member States according to local rules of civil procedure. Article 123 of Regulation (EU) No. 2017/1001 provides that Member States shall designate in their territories as limited a number as possible of national courts and tribunals of first and second instance, which shall have competence to deal with infringements of EUTMs.

Directive 2004/48/EC on enforcement of intellectual property rights

Directive 2004/48/EC establishes a legal regime that is favourable to trademark owners regarding the collection of evidence relevant to trademark infringement and remedies. In particular, trademark owners may request a court order enabling them to inspect third parties’ premises where infringing goods are likely to be found, or to make a list of allegedly infringing goods and obtain samples of these, or even provisionally arresting allegedly infringing goods, as well as any other measure that could make it possible to preserve evidence relating to trademark infringement. Such measures can be ordered by a national court under either ordinary or summary proceedings, and may be ordered by a national court without notifying the defendant in advance or hearing its arguments. Furthermore, the Directive provides practical criteria for the quantification of damages on the basis of (1) the amount of royalties that would have been due if the infringer had requested a licence; (2) loss of profits suffered by the trademark owner; or (3) the profits made by the infringer.
V OTHER ENFORCEMENT PROCEEDINGS

The EU has developed a particularly efficient system to trace and seize counterfeit goods within customs authorities. The system functions at a European level. The system is established by Regulation (EU) No. 608/2013, and the following are its main characteristics:

a. the system covers goods infringing any intellectual property right based on EU law, such as trademarks, patents, utility models, supplementary protection certificates, plant varieties, semi-conductor topographies, copyright and industrial designs, as well as protected geographical indications;

b. there is an accelerated procedure to secure destruction of infringing goods without a court order; and

c. there are provisions dealing with counterfeit products imported by post or courier in small consignments.

The Regulation has reduced administrative costs and has ensured that more substantial information is made available so that the customs authorities can be better prepared to take proper action.

Many complexities are raised by counterfeit goods in transit through the EU territory. Article 9.4 of Regulation (EU) No. 2017/1001, expressly provides that:

the proprietor of that EU trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such goods, including packaging, come from third countries and bear without authorisation a trade mark which is identical with the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

VI RECENT AND PENDING CASES

i. Kerrygold and Kerrymaid

The CJEU has clarified that the peaceful coexistence in two Member States of marks that are confusingly similar (such as ‘Kerrygold’ and ‘Kerrymaid’) does not prevent likelihood of confusion in other Member States. On the evidence, Kerrygold and Kerrymaid (both for dairy products) coexisted peacefully for many years in Ireland and the United Kingdom. It was argued that, because of the unitary nature of the EUTM, peaceful coexistence in two Member States prevented likelihood of confusion in other Member States as well. The CJEU turned down this argument, confirming that likelihood of confusion depends greatly on the relevant public and, hence, may be assessed differently in each Member State; this is not in conflict with the unitary nature of the EUTM. It was further argued that peaceful coexistence in two Member States establishes sufficient grounds to argue in favour of limitation of trademark rights in other Member States, but the CJEU turned down this argument as well. Finally, it was argued that in the context of dilution, peaceful coexistence in two Member States establishes ‘due cause’ to use the same mark in other Member States as well and, hence, it prevents a dilution claim raised in other Member States where the marks do not coexist; the CJEU also rejected this argument.41

41 CJEU, C-93/16, 20 July 2017.
ii  **Cotton-flower mark**

The Bremen Cotton Exchange (VBB) had registered an EUTM consisting of the figurative representation of a cotton flower. The mark was filed and registered as an individual mark, but it was actually used as a collective one. VBB was not producing its own products but only licensing the mark to other manufacturers of textiles, who promised to comply with good quality standards. There were certain concerns as to whether VBB was exercising efficient quality control on the goods produced by its licensees. VBB brought infringement proceedings against a manufacturer who was using the mark without having obtained a licence. The CJEU, responding to a request for a preliminary ruling submitted by the national court, clarified that ‘genuine use’ of an individual mark exists only if this mark is used as an indication of origin, since this is the essential function of trademarks. In the present case, the use was not one as an indication of origin, but one as an indication of quality. Therefore, the mark was open to revocation for non-use. The CJEU was also requested to consider whether the cotton-flower mark was deceptive and hence open to invalidation, because, on the evidence, it seemed that VBB was not exercising sufficient quality control over its licensees. The CJEU responded that a mark is deemed to be deceptive if it is deceptive *per se* as from its filing; in this respect, the subsequent management and behaviour of the trademark owner or its licensees is irrelevant. Note, however, that a mark is open to revocation if it is likely to mislead the public because of the use made of it by its owner after its filing and registration. This issue, however, was not brought to the attention of the CJEU. Finally, this case was decided under the provisions of Regulation (EC) No. 207/2009, as those provisions were phrased before the amendment by Regulation (EU) 2015/2424, which resulted in Regulation (EU) No. 2017/1001. At that time, Regulation (EC) No. 207/2009 provided for individual marks and collective marks. Regulation (EU) 2015/2424 also supplemented provisions in respect of certification marks, which became effective from 1 October 2017. The cotton-flower mark was actually used as a certification mark and it could be accommodated as such under the new provisions.

iii  **AdWords and online marketplace cases**

Use of trademarks on the internet raises many complicated and controversial issues. The CJEU has delivered several preliminary rulings that shed some light on how such complexities can be overcome.

**Google France**

In the *Google France* case, three French companies alleged that Google had infringed their trademarks by making it possible for other companies to use their trademarks as keywords for internet advertising and promotion. In its preliminary ruling, the CJEU reasoned that a ‘keyword use’ of a sign identical to a trademark cannot establish infringement for an internet referencing provider such as Google on the ground that such use does not qualify as use of the trademark as such; however, such a keyword use could possibly establish infringement on the part of the company that uses a third party’s trademark as a keyword to promote its own goods or services. According to the CJEU, infringement is established when the trademark functions, particularly the origin function, are frustrated. This mainly depends on how the internet advertisement appears. If it appears in a way that an average internet user...
can understand that it does not originate from the trademark owner, then there is no adverse effect on trademark functions and no infringement is established. On those grounds, the CJEU concluded that when the internet advertisement does not enable an average internet user to ascertain whether the goods or services referred to in a website originate from the trademark owner or from a third party, trademark infringement is established.

**BergSpechte**

BergSpechte and Trekking at Reisen were both selling trekking and nature tours and, hence, were direct competitors. Trekking at Reisen used two keywords for internet advertisement purposes. The first was identical to one of BergSpechte’s trademarks, while the second was only similar to an earlier trademark of its competitor. In its preliminary ruling, the CJEU followed the reasoning of the *Google France* judgment and concluded that in cases of a keyword that is identical to an earlier trademark, infringement is established if trademark functions are frustrated (i.e., if the internet advertisement does not enable an average internet user to ascertain where the goods or services originate). On the other hand, when the keyword use is only similar (but not identical) to an earlier trademark, then trademark infringement depends on whether likelihood of confusion or likelihood of association can be established.

**L’Oréal v. eBay**

This case related to the sale through the eBay online marketplace of counterfeit goods, as well as of goods constituting parallel imports to the EU from non-EEA countries. L’Oréal alleged that eBay was liable for trademark infringement in making such sales possible through its online marketplace. In its preliminary ruling, the CJEU reasoned the following:

a Trademark rights are enforced only against traders, not against consumers; therefore, sales of goods in online marketplaces can possibly infringe trademark rights if committed by entities acting on a commercial scale, but not if committed by consumers as a private activity.

b Sales through online marketplaces are subject to the same rules on parallel imports as traditional sales; therefore, sales originating from non-EEA countries destined for EU countries are illegitimate parallel imports and can be prevented by trademark owners.

c Trademark owners can prohibit an online marketplace from advertising products, through Google AdWords, using a keyword that is identical to an earlier trademark when such advertising does not enable an average internet user to ascertain where the goods originate.

d The mere fact of displaying goods for sale in an online marketplace does not by itself amount to use of the trademarks affixed on such goods. Therefore, an online marketplace does not commit an infringement simply by making available to potential purchasers goods bearing trademarks of third parties. In such cases, use of the trademarks is made by the sellers of the goods, but not by the marketplace itself.

e An online marketplace may not be able to avail itself of certain defences that are available to other information society service providers under EU law (Directive 2000/31/EC, Article 14) if it plays an active role in the promotion of the products concerned and thus has knowledge and control over the goods and their status.

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44 CJEU, C-278/08, 25 March 2010.
45 CJEU, C-324/09, 9 December 2010.
Trademark owners must have available efficient injunctions, sufficient to prevent both current and future infringements.

*Interflora*46

Interflora was a US-based worldwide flower delivery service. Marks & Spencer, the well-known English retailer, operated its own flower delivery service and used the Interflora trademark as a keyword for internet promotion. In its preliminary ruling on possible trademark infringement, the CJEU repeated the principles laid down in the *Google France* judgment. However, this time, the court went further and examined the potential dilution of the Interflora trademark through its use as an AdWord. The court observed that trademarks with reputation have an additional function, called the ‘investment function’. It is possible that this function may be adversely affected by the use of the trademark as a keyword by a third party. If this is the case, trademark infringement in the form of dilution is established. However, this requires something more than a mere necessity for the trademark owner to adapt its efforts to increased competition and to additional strain to preserve its reputation and retain the loyalty of its clients. Dilution, in the form of free-riding and detriment to the distinctive character of the trademark concerned, is likely when the goods displayed on the internet are imitations of the goods of the trademark owner, but imitating goods is not necessarily the case, because the goods displayed may not be imitating goods.

*Christian Louboutin red shoe sole*

A recent case that has been very much discussed and publicised is the case of the ‘red sole’ of Christian Louboutin shoes. The case arose from a referral to the CJEU from the District Court of The Hague. Christian Louboutin had registered a coloured position mark consisting of the red colour applied to the sole of high-heeled shoes. On the evidence, it was found that the red colour gives substantial value to the shoes traded by Christian Louboutin, and plays an important role in the consumer’s decision to make a purchase. The question referred to the CJEU was whether the mark could be invalidated on the ground that it was functional. Functionality may be either technical or aesthetic. As a result, the shape of a product that gives substantial value to the goods may be functional. The CJEU dissented from the two opinions delivered by the Advocate General and reasoned that the doctrine of functionality applies only to ‘shapes’, while the mark under consideration consisted of a colour. Therefore, this mark could not be challenged on the grounds of functionality.

**VII OUTLOOK**

The European Commission has released information advising that it intends to initiate the procedure for the amendment of Directive 2004/48/EC regarding enforcement of intellectual property rights. This Directive has a great impact on how infringements are dealt with by civil courts in the EU Member States. Although a certain level of approximation of the laws of the Member States has been achieved, it is true that there are still important differences from country to country.

46 CJEU, C-323/09, 22 September 2011.
I OVERVIEW

Trademark ownership is acquired by registration at the National Institute of Intellectual Property (INPI) for French trademarks, at the European Union Intellectual Property Office (EUIPO) for European Union trademarks and at the World Intellectual Property Organization (WIPO) for international trademarks, which may designate France or the European Union. The registration lasts for a 10-year period, which is renewable indefinitely.

Registration is granted following proceedings before the relevant office, where registrability of the trademark application is examined on absolute grounds and on relative grounds if an opposition is filed by a third party.

In some cases, trademark ownership can be acquired by use.

A trademark is a sign that serves to distinguish the goods or services of a natural or legal person. The trademark therefore has a function of identifying the origin of a product or a service. Indeed, ‘this is a sign that allows a manufacturer or a trader to distinguish his goods or services . . . from those of his competitor’.2

A trademark may be constituted by denominations in all forms (such as words, combinations of words, surnames and geographical names, pseudonyms, letters, numerals, abbreviations), as well as audible signs, such as sounds or musical phrases. Figurative signs can also be registered as trademarks, such as devices, labels, seals, reliefs, holograms, logos, synthesised images; shapes, particularly those of a product or its packaging, or those that identify a service; arrangements, combinations or shades of colour. For instance, the Paris Court of First Instance admitted the protection of a trademark consisting of the red sole of Louboutin shoes,3 a decision confirmed by the Court of Appeal of Paris4 and, in a parallel case, by the Court of Justice of the European Union (CJEU).5

The ownership of a trademark is conferred for the goods and services designated for the territory for which it is registered.

While civil trademark litigation is under the exclusive jurisdiction of nine specialised courts, criminal trademark litigation cases can be held before general criminal law courts. In both civil and criminal law cases, the jurisdiction will rule on the case and grant any appropriate remedies, which often include damages, injunctions not to use and publications.

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1 Catherine Mateu is a partner at Armengaud Guerlain.
3 The Paris Court of First Instance, 3rd Chamber, 16 March 2017, RG 2015/11131.
5 CJEU, 12 June 2018, C-163/16, Christian Louboutin.
Also, the defendant may file any trademark invalidity or frivolous proceedings counterclaim in the same proceedings. Interlocutory proceedings may be sought before or during trademark proceedings on the merits.

II LEGAL FRAMEWORK

i Legislation

Most legislation about French trademark law is compiled in Book VII of the Intellectual Property Code (IPC), which includes the law of 4 January 1991 and the subsequent legal changes, notably following EU harmonisation as well as international treaties. For trademarks registered before 1991, the law of 31 January 1964 has to be applied.

EU trademark law is notably found in EU Regulations Nos. 2017/1001, 2015/2424, 204/2009 and 2868/95, as well as Directive No. 2015/2436.

Also, France takes part in many international agreements related to trademarks, whose provisions may be applied by French courts directly. The main ones are:

- **Trade-Related Aspects of Intellectual Property Rights 1994**, binding members of the World Trade Organization (WTO) to fixed minimum standards of protection;
- **the Paris Convention of 1883**, which has partially harmonised trademark law and set the right of priority;
- **the Madrid Agreement**, concluded in 1891, and its Protocol of 1989, which have established international trademarks – also called the Madrid System;
- **the Nice Agreement of 1957**, which institutes an international classification of goods and services; and
- **the Singapore Treaty of 2006**, which harmonises administrative trademarks registration procurements.

ii Authorities

The French government agency responsible for industrial property is INPI, which administers French trademarks and examines oppositions to registrations of trademarks. It is also in charge of ensuring the public availability of information about French trademarks, notably through publication of the information on BOPI, the official bulletin of industrial property, as well as through its internet trademark database. INPI decisions can be appealed before specialised civil appeal courts.

The European agency responsible for intellectual property is EUIPO, which administers European trademarks and examines oppositions to the registration of trademarks. EUIPO has an appeal board, whose decisions can be appealed before the European Court of Justice. EUIPO also delivers information about trademarks on its TMview database, and offers mediation services regarding intellectual property disputes.

WIPO is the agency in charge of the administration of international trademarks, which, for each territorial designation, are examined by the corresponding territorial agency. WIPO is in charge of a database of international trademarks called Madrid Monitor.

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6 Article L712-4 IPC.
7 See https://www.inpi.fr/fr/base-marques.
10 See www.wipo.int/madrid/monitor/en/.
Company names are registered at the local commercial court where the company has been incorporated. There is no specific examination proceeding regarding the company name comparable to trademark registration proceedings. Research into company names can be performed on the website owned by the registries of all French commercial courts – Infogreffe.\(^{11}\)

Moreover, this organ provides informational support relating to trademarks, and the importance of its activities in respect of anti-counterfeiting initiatives has increased recently.

The French Network Information Centre (AFNIC) is a non-profit association and the primary operator in France of registry services on the internet. Afnic is the incumbent manager of domain registrations with the .fr top-level domain, among others.\(^{12}\)

### iii Substantive law

Signs used in the course of business can be protected by French trademark law, specific international rules available to unregistered but well-known trademarks, unfair competition law (trade names, company names and domain names), geographical indications and specific rules that protect public local entities.

**Registered trademarks**

Entities may file for French or EU trademarks either through direct application or through the Madrid System, which has set international trademarks. EU and French provisions are very similar since European trademark law has been harmonised extensively. For both EU and French trademarks, absolute and relative conditions are required. Absolute conditions are those relevant to distinctiveness, lack of deceptiveness and graphic representation, while relative conditions are those relevant to third-party rights. Collective and certification trademarks are subject to additional requirements.

Thus, to be registered as a trademark, a sign has to be distinctive and so be able to identify the owner of the intellectual property right. According to the IPC, the following signs are deprived of any distinctive character:

- **a** signs or denominations that, in common or professional language, are exclusively the necessary, generic or usual designation of the product or service;
- **b** signs or names that may designate a characteristic of the product or service, including the type, quality, quantity, destination, value, geographical origin and time of production of the good or of the provision of the service; and
- **c** signs constituted exclusively by the form imposed by the nature or the function of the product, or conferring on the latter its substantial value.

Similar provisions are found in Article 7 of EU Regulation No. 2017/1001.

However, a sign that would not be distinctive *per se* in respect of certain goods and services can become distinctive through use prior to the application. For instance, the trademark ‘vente-privée.com’, which can be translated as ‘private-sales.com’ or ‘exclusive-outlet.com’, recently acquired distinctiveness through the proof of intensive use. The French Supreme Court stated that a significant part of the general public could identify the products and services as the ones of vente-privée.com.\(^{13}\)

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\(^{11}\) See www.infogreffe.com/.

\(^{12}\) See www.afnic.fr/en/.

\(^{13}\) Court of Cassation, commercial chamber, 6 December 2016, No. 15-19-048.
Also, the sign cannot be deceptive. Thus, a sign cannot be adopted as a trademark if ‘it is of such a nature as to deceive the public, especially regarding the nature, the quality or the origin of the good or the service’, and if it is contrary to public policy and public morality. For instance, the Court of Appeal of Paris confirmed INPI’s rejection of the trademark application for Label Vert, since it refers to an environmental certification, which would therefore be misleading.

Moreover, under French law, and under EU law until 1 October 2017, the sign must be susceptible to graphic representation as required by Article L711-1 of the French IPC and Article 4 of EU Regulation No. 204/2009. This condition is the reason olfactory or gustatory trademarks cannot be registered. Indeed, the requirement for graphic representation is not fulfilled by a chemical composition, a description or a sample. As from 1 October 2017, the requirement for graphic representation is no longer mandatory. Signs may have any appropriate technical representation. However, the signs have to be clear, precise, easily accessible, intelligible, durable and objective.

Finally, the trademark cannot harm third-party rights, notably on their prior trademarks, name or geographical indications.

The validity of the simple French collective trademark is subject to the filing, by the owner of the registration, of rules for the collective trademark's use, at the same time as the filing of the trademark application. For instance, in a case in which the Ritz Hotel opposed a collective trademark owner, the Court of Appeal of Paris held the collective trademark ‘Palace’ to be valid for tourist services other than hotel services, taking into account that regulations for its use had been filed.

Similarly, French collective certification trademarks are governed by rules establishing the characteristic nature, properties or qualities required of the goods or services listed in the trademark application, and stipulating the conditions under which the collective certification trademark can be used. A collective certification trademark can only be registered by an entity that is not a manufacturer, importer or seller of those goods or services. Furthermore, the assignment of a collective certification trademark is conditional upon compliance with its rules of use.

EU collective trademarks (which indicate that the goods or services protected by that mark originate from members of an association, and may only be used by them) are also subject to a requirement for rules of use to be filed as an integral part of the collective trademark. However, as an exception, EU collective trademarks may be valid even if the sign can be used to designate the geographical origin of goods or services.

EU certification marks (which indicate that goods or services meet certain characteristics, as defined in the regulations of use) have also been available since 1 October 2017.

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14 Green Label.
15 Court of Appeal of Paris, Pole 5, Chamber 1, 14 February 2017, Case No. 16/04876.
16 CJEU, 12 December 2002, C-273/00, Sieckmann.
17 Court of Cassation, commercial chamber, 29 June 1999, Bull. 1999 IV, No. 145, p. 120.
18 Court of Appeal of Paris, Pole 5, Chamber 1, 13 January 2015, Case No. 2013/12820.
Well-known unregistered trademarks – Paris Convention

Article 6 bis of the Union of Paris Convention offers a national protection to unregistered trademarks that are well known. These trademarks have to be ‘known by a large portion of the public’.

General civil liability protection of trade names, company names and domain names

Under the general rules of civil liability, trade names, company names and domain names can be protected and opposed to subsequent users or to trademark applicants.

A company name can be protected as soon as the company is registered with the Trade and Companies Register. The scope of protection is limited to the company’s activity.

Protection of trade names may be generated through a personal and public use to identify a business. Protection is available even if the trade name has not been filed at the Trade and Companies Register.

French law and practice ensures protection of domain names through the general rules of civil liability.

Geographical indications

For a long time, geographical indications have been protected by French law, first nationally and subsequently on an EU level. Initially, geographical indications aimed to protect agricultural products. Manufactured goods are now also eligible for protection.

Name and image of local public entities

Since 2015, local public entities have been able to assert their rights to their image and name, and to oppose applications that may infringe these rights. Such entities may also benefit from INPI’s monitoring services to facilitate filing oppositions to trademark registrations.

III REGISTRATION OF MARKS

i Inherent registrability

A French trademark application may be filed by one or more legal or natural persons, by a French person, or by a foreigner if he or she is a beneficiary of the CUP, or a national of a WTO Member State, or domiciled in France. Similar requirements are found for EU trademarks. The application can be made by the applicant him or herself, or by a qualified representative (which is mandatory when the trademark is registered on behalf of several persons or when the applicant is neither established nor domiciled in France, not in a Member State of the European Union nor in a European Economic Area country). The applicant has to provide a model of the trademark and must enumerate the goods and services covered by it. The application provides a national number recorded on the receipt or notified to the applicant. Third parties may make observations during a period of two months following this publication and, if necessary, file an opposition.

INPI and EUIPO examine only absolute grounds for refusal, performing an assessment of the sign and the designated goods and services.

INPI does not search for previous potentially conflicting trademarks.

19 Court of Cassation, commercial chamber, 20 March 2012, Case No. 2011/10514.
20 Court of Cassation, commercial chamber, 24 February 2005, Case No. 2003/14668.
It is possible to request to modify or withdraw, totally or partially, the application up until EUIPO starts to make the technical arrangements for registration. Such requests must be in writing.

The procedure before the European Trademark Office is quite similar: the first step is a verification of the formal compliance of the application with Regulation No. 2017/1001, then the list of goods and services is sent to the Translation Centre for the Bodies of the European Union, in Luxembourg. If it has been requested, a research report can be drafted about potentially conflicting trademarks; the report can also cover national marks, in which case a request is transmitted to the required national trademark office. All reports are then sent to the applicant before the European Trademark Office considers absolute grounds of refusal. Afterwards, the application is published in the EUTM Bulletin; oppositions can be filed within three months of this publication.

Once an application is filed, the owner receives a six-month priority right to make other applications in Europe or abroad, while keeping the initial application date.

For both French and EU trademarks, registration takes effect from the date of filing of the application for a period of 10 years, which is renewable indefinitely.

The renewal of French trademarks must be made within a period of six months, expiring on the last day of the month in which the period of protection ends. However, the declaration can still be made within six months of the day following the last day of the month in which the protection expires, but a supplemental fee has to be paid.

EU trademarks may be renewed six months before their expiry date, and they also benefit from a six-month grace deadline, subject to payment of a fee (an additional 25 per cent).

The charges for an application at INPI of up to three classes of goods or services are €250 for a paper-based application, or €210 for an internet-based application. There is an additional cost of €42 per class if the applicant chooses to apply for more than three classes. Renewal fees are the same as filing fees.

Charges for an EU regular trademark application designating one class are €1,000 for a paper application and €850 for an electronic application; an additional €50 is charged for a second class and €150 for all subsequent classes. Renewal fees are the same as filing fees.

ii Prior rights

Article L711-4 of the French IPC establishes the following open list of rights that may constitute a prior right to a trademark:21 registered or well-known trademarks, company names, trade names, geographical indications, copyrights, industrial designs, third-party personality rights (especially a family name, pseudonym or image), and the name, image and reputation of a local public entity.

The prior-right assessment depends on the right invoked. For prior trademarks, company names and trade names, it will be the likelihood of confusion between the signs at stake; for famous or well-known signs, name, image and reputation of a local public entity, it will be an assessment of the harm to the prior sign. Also, regarding personality rights and domain names, it can be an assessment based on civil liability and therefore more generally an assessment of the harm to the prior right.

21 Court of Appeal of Paris, Pole 5, Chamber 2, 23 November 2012, Case No. 2011/16558.
iii Inter partes proceedings

Opposition proceedings

Third parties may file their opposition within two months of the publication of an application. There is no possible extension of this deadline. Opposition proceedings are available to:

a the owner of a trademark that was registered or applied for earlier;
b the owner of a well-known trademark;
c the owner of a trademark that has an earlier priority date;
d an exclusive licensee;
e the director of the agency in charge of the indications of origins and geographical indication; and
f local public entities.

As of May 2016, all oppositions have to be filed online on INPI’s website. The opposition is notified to the applicant. The applicant has at least two months to present counter-observations. If the applicant fails to do so, the INPI will make a decision on the matter. In the case of proper compliance by the applicant, the INPI shall issue the draft of a decision, which will be communicated to both parties, who will both have the opportunity to present their observations. If the draft is not contested, it will be adopted as a decision. During opposition proceedings, the applicant may request evidence of use of the prior trademark if it has been registered for more than five years. The INPI fee for filing an opposition is €325. The opposition may be filed by the right holder or by appointed counsel.

Opposition proceedings are also available against EU trademark applications and must be filed within three months of the publication of the application. The opposition fee is €320. After the opposition is declared admissible, there is a cooling-off period during which the parties are given the opportunity to terminate the proceedings. Afterwards, parties are each given two months to communicate their arguments on the case; there can be several exchanges of briefs. EUIPO will then make a decision about the opposition.

If an EU opposition succeeds, the applicant will have to pay the other party’s costs (roughly €650); if it fails, the opponent will have to bear the costs (roughly €300). In the case of only partial loss, the costs will be shared. There are no such provisions regarding French trademarks.

Invalidity proceedings

Trademarks can be challenged by invalidity actions before a court specialised in trademark law that has territorial jurisdiction on the case. If the trademark is not distinctive, if it is deceptive, contrary to public policy and public morals, or if it cannot be represented graphically, any interested party can request its invalidation. However, if the trademark infringes a prior right (trade name, surname, copyright), only the holder of the prior right can initiate an action.

Infringement actions based on prior rights, whether copyright or trademark, as well as civil liability actions (i.e., rights on a corporate name), can also be brought against a trademark before a specialised court, and can lead to its invalidation.

Trademark property claims

Trademark ownership may be claimed by a party who considers that the trademark has been applied for fraudulently.

Judicial first instance proceedings usually last nine to 18 months. The court fees are a few hundred euros.
iv Appeals
An appeal against a ruling from INPI rejecting a trademark may be lodged within one month of the ruling before the specialised appeals court that has jurisdiction on the territory where the claimant resides. The deadline is extended by a month if the appellant resides outside Metropolitan France22 and by two months if the appellant resides outside France. These proceedings usually last four to 12 months.

IV CIVIL LITIGATION
i Forums
Civil actions and applications related to trademarks, including those with issue of unfair competition, shall be brought exclusively before the specialised courts of first instance, which currently are Bordeaux, Fort-de-France, Lille, Lyons, Marseilles, Nanterre, Nancy, Paris, Rennes and Strasbourg.

Litigation based on unfair competition law shall be brought before commercial courts only if both parties are merchants, and before civil courts if one of them is not a merchant.

ii Pre-action conduct
Since 2015, it has been mandatory to prove that an attempt has been made to reach an amicable solution before beginning a proceeding, or to justify due cause for not fulfilling this obligation.

Under French law and practice, several alternative dispute resolution methods are often used. Many cases are settled before any legal action starts and the settlement may prohibit subsequent legal proceedings. Mediation is another kind of alternative dispute resolution. More and more courts are nominating mediators during commercial law proceedings. Arbitration proceedings are also regularly used, since Paris has several arbitration courts.

However, it is not possible to obtain the revocation of a trademark (or the nullity of any intellectual property right for that matter) through these alternative methods. The decisions rendered are only enforceable inter partes, as opposed to judicial decisions, which are enforceable erga omnes. Nonetheless, these procedures may ensure confidentiality as well as an outcome that may be applicable around the world.

Should an amicable outcome not be possible, the party that wishes to initiate proceedings needs to gather all evidence to show its rights and how they are harmed. To do so, the plaintiff may seek to initiate seizure proceedings, which are available to a party after a judge issues a court order specifying the date, place and type of seizure (either a mere description or the judge can also allow the seizure of samples, devices involved in the infringing process, or any documentation pertaining to the infringing activity). A bailiff conducts the seizure; he or she can be assisted by experts (in software, a trademark and patent attorney, a locksmith, etc.) who cannot, under any circumstances, dictate any part of the report at risk of seeing the entire procedure cancelled (the courts are extremely strict on that point). Proceedings must be initiated within 20 working days or 31 calendar days of the seizure.

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22 French territory included in Europe; that is to say continental France and Corsica as opposed to other territories, such as the islands of New Caledonia, Réunion or Martinique.
iii Causes of action

Trademark infringement

Trademark infringement is the most common cause of action. It involves opposing trademark rights to undertakings that use the protected sign for identical or similar goods or services. It is required to establish likelihood of confusion when the signs, goods or services are not identical.

Unfair competition law

Unfair competition regulated by civil liability provisions is often used either as an additional claim or as a subsidiary claim. It can cover many types of conduct, notably disparagement, which means spreading pejorative and malicious information about a person, a company or a competitor’s products. Unfair competition law also prohibits generating confusion in customers’ minds between companies or their products. This is the behaviour by which an economic agent interferes in the activity of another to profit, without spending anything, from its efforts, investments and know-how. Most case law in the digital arena, notably on domain names and the look and feel of web pages, is based on these general civil law rules.

Family or corporate names

Disputes related to conflict between trademarks and family names or surnames are common. They can be based on trademark law to oppose the registration of trademarks that may harm family or corporate names, as well as on civil liability or rights of personality. In practice, many court cases involve contract law. In the famous Bordas case, the Supreme Court ruled that inalienability and imprescriptibility of a patronymic name are not obstacles to the conclusion of an agreement related to the use of the patronymic name as a trade name. The Ducasse case gave additional details. The Supreme Court ruled that the consent given by a partner, whose name is well known, to the insertion of his or her surname in the denomination of a company that has an activity in the same area, would not, without his or her agreement and in the absence of renunciation to his or her property rights, allow the company to register this surname as a trademark to designate the same goods or services. More recently, the Supreme Court held that an individual agreement to use a name was a contract performed successively. Therefore, even if the agreement did not include any term, that term is not qualified as a perpetual contract. Hence, it constitutes a contract of an undetermined period that each party can terminate at any time, with fair notice.

iv Conduct of proceedings

A plaintiff can request the communication of pieces of evidence related to any alleged infringement from the delegate of the President of the Paris Court before legal proceedings are initiated (notably with seizure proceedings) or, once proceedings are pending, by presenting a petition to the judge in charge of the case management. It enables the right holder to take the full measure of the extent of the infringement, both in terms of the network (producers, distributors and all involved parties in between) and the quantities concerned (of goods,

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23 Court of Cassation, commercial chamber, 12 March 1985, Case No. 84-17163.
24 Court of Cassation, commercial chamber, 6 May 2003, Case No. 00-18192.
benefits made, etc.). The time frame for gathering such evidence varies from half a day to a couple of months. Moreover, the owner of a trademark can request customs seizures and follow up with civil or criminal law proceedings.

Judicial proceedings start with the filing of a complaint that has been served to the defendant and then filed at court. According to the Paris Bar and Paris High Court Civil Procedure Protocol signed on 11 July 2011, for proceedings on the merits, there should be a total of four briefs, including the complaint. An argument or an element of fact not referred to in these writings cannot be taken into account by the court. The defendant is the one who responds last. The case is heard at final oral pleadings by one to three professional judges, and the ruling is issued a couple of weeks later.

First instance disputes related to trademark proceedings, such as infringement, dilution, invalidity or unfair competition claims, last nine to 12 months.

An appeal can be lodged within the shortest of the following deadlines: one month after the notification of the ruling for French residents (two months for persons located in France but outside metropolitan France and three months for foreign residents); or two years after the date of the ruling.

Urgent proceedings and interlocutory proceedings may take a couple of days or weeks. They start with a written complaint served to the defendant and then filed at court. Urgent proceedings are, by nature, oral, but parties often file briefs ahead of the oral pleadings to support their final oral argument. The deadline to appeal against interlocutory proceedings is either two years after the ruling or 15 days after notification of the ruling for French residents; one month and 15 days for persons located in France but outside Metropolitan France; and two months and 15 days for foreign residents.

Appellate proceedings take between one and two years.

The losing party can be ordered to pay the other party’s court fees and all other costs.

In any of these proceedings representation by a lawyer is mandatory; however, proceedings before the commercial court (which may have jurisdiction in cases about company names or trade names not involving trademark law) do not require representation by a lawyer.

v Remedies

In civil proceedings, courts may order several remedies for infringement, often granted with the benefit of immediate execution and therefore enforceable even if appellate proceedings are filed. The most usual are financial compensation or a prohibition order. Courts may also grant the confiscation or destruction of counterfeiting goods and their means of production, the publication of the judgment and, more generally, the award of damages based on the negative economic consequences of counterfeiting, including losses incurred and lost profits, moral damage, and the profit made by the counterfeiter. However, the injured party can request a lump sum as damages that exceeds the amount of the royalties or fees that would have been paid if the infringer had applied for authorisation to use the infringed right. This lump sum is not exclusive of compensation for the moral damage caused to the injured party.26

26 Article L716-14 IPC.
V OTHER ENFORCEMENT PROCEEDINGS

In practice, most cases are heard before civil courts. However, trademark infringement proceedings may be initiated by the owner, the public prosecutor or the customs authorities since trademark infringement is also a criminal law tort. In particular, the IPC provides that trademark infringement shall be punished by a prison term ranging from three to five years (depending on the type of conduct) and by fines ranging from €300,000 to €500,000. A trademark infringement case is heard before the general criminal law court after an investigation by customs, the police or a judge. These proceedings may be a very helpful deterrent and enable the trademark owner to find infringement networks. However, the case may take a couple of years longer and the allocated damages and legal fees may be considerably lower.

Customs proceedings are also very commonly used. EU Regulation No. 608/2013 and national law (the Customs Code) allow – for both French and EU trademarks – detention or seizure of counterfeit goods. The right holder and the exclusive authorised licensees can submit applications for such customs proceedings. Customs authorities can also proceed on their own initiative.

While Regulation No. 608/2013 is applied at the external borders of the EU, French legislation is applicable to commerce between Member States. If counterfeit goods are found by customs authorities, following the notice of the seizure, the right holder or person with appropriate decision-making authority has 10 days to inform the customs authorities that he or she is engaged in legal proceedings, otherwise the customs authorities would have to release the goods.

VI RECENT AND PENDING CASES

Some interesting cases regarding the distinctiveness of trademarks have been ruled on in 2019. For instance, the Paris Court of Appeal declared that the distinctiveness of the trademark is a relative notion — the same sign could be distinctive for some products and not for others, and it can also vary with time.

Furthermore, the CJEU held that the proof of distinctiveness for an EU trademark can be brought globally from all Member States in which the trademark is protected, or separately for a few Member States. In such case, the EUIPO has to look into the specific situation of each Member State before stating on the distinctiveness of the trademark on an EU level. These findings lead to a quite strict interpretation of the territorial distinctiveness, features that need to exist in every Member State. Yet, the possibility of gathering some States into ‘coherent market groups’ cases this task. As the case on the merits regarding this matter is still pending, there is no doubt that trademark owners will try to bring further evidence of the distinctiveness of the trademark through the homogeneity of the regional market.

Finally, the distinctiveness of a three-dimensional (3D) trademark was also strengthened. The CJEU stated that the joint use of a 3D and a word trademark would not distort the

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28 Court of Appeal of Paris, Pole 5, Chamber 2, 12 April 2019, No. 18/07432.
distinctiveness of the 3D sign if it is more distinctive than the word one. Furthermore, the functional element of the object might contribute to the distinctiveness if the shape is unusual.³⁰

VII OUTLOOK

The effect of Brexit on EU trademarks is a major concern for rights owners, who will probably need to find reliable, yet cost-effective, ways to secure their rights in both the EU and the United Kingdom.

As the ‘no deal’ scenario seems to be the likely outcome of the Brexit process, it is crucial to keep in mind the statutory instruments drafted: the Trade Marks (Amendment etc.) (EU Exit) Regulations 2018. On exit day, the UK Intellectual Property Office (UKIPO) will copy all trademarks on the EUIPO database in order to emit ‘comparable trademarks’. All the documents or legal accessories (licence, pledge, decisions) related to an EU trademark will be applicable to the comparable trademark, and thus, taken into account during a litigation in front of tribunals in the UK. Yet, there is no certainty that this equivalence will be applied in other European countries.

One aspect of the text in the Regulations is quite questionable. Indeed, when a comparable trademark is submitted to the UKIPO, the applicant will have the possibility of correcting the English used for the EU application, should it be found to be inaccurate. Will this, in addition to editing the EUIPO’s work, generate a reassessment of some of EUIPO’s decisions?

The implementation of the ‘trademark package’ will grant to both courts and national authorities jurisdiction to decide on invalidation and revocation proceedings. It therefore raises many questions about trademark invalidity proceedings in the coming years; in particular, how invalidation or revocation proceedings will be handled in conjunction with infringement proceedings. Currently the decision is at a political stage.

There is currently abundant case law on the statute of limitations in relation to seeking the invalidation of trademark rights.

³⁰ CJEU, 23 January 2019, No. C-698/17, Klement v. EUIPO.
Chapter 7

GERMANY

Jens Matthes, Anna Kräling and Maximilian Kiemle

I OVERVIEW

Embedded in the European system, yet equipped with a confident own voice and some highly regarded national peculiarities, Germany, with its legal framework, is rightfully perceived as an attractive jurisdiction for trademark owners. Due to the efficient but diligent German Patent and Trade Mark Office (DPMA), experienced courts and established case law, Germany remains an outstandingly stable and reliable jurisdiction when it comes to registering and enforcing trademark rights. Strengthening the alignment of the German trademark system with EU law, a recent reform in German trademark law has brought some significant changes both in substantial and procedural law.

II LEGAL FRAMEWORK

i Legislation

Because Germany is a member of the European Union, its national trademark system is deeply intertwined with the European Union trade mark (EUTM) system. The two systems run in parallel (i.e., a German trademark is legally independent from a homonymous EUTM), although their geographical scope of protection does, in part, overlap. Hence, it may often be advisable to combine the systems and seek both EU and German trademark protection. As of 14 January 2019, the German Trade Mark Modernisation Act entered into force, amending the German Trade Mark Act.² Transposing the EU Trade Marks Directive 2015/2436, the reform resulted in an even closer alignment of the two legal frameworks. However, there remain some important differences between the two systems that practitioners should keep in mind. This chapter highlights the most important recent changes to German trademark law, as well as the differences between German and EU trademark law where relevant.

The Trade Mark Act is by far the most important source of German trademark law. Further supplementary legal norms are the Regulation concerning the implementation of the Trade Mark Act, the Act on the Extension of Industrial Property Rights, the Patent Costs Act and the Guidelines for Trade Mark Registration and Opposition Proceedings.

As Germany is a contracting party of the Madrid Agreement and the Madrid Protocol, international registrations covering jurisdictions outside Germany may be obtained using a

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2 MarkenG 1994, as most recently amended in 2018.
national German trademark as basic registration; likewise, protection in Germany may be secured by an international registration based on a foreign national trademark. In addition, Germany is a contracting party of:

\[a\] the Paris Convention for the Protection of Industrial Property;

\[b\] the Nice Agreement, which harmonises the classes for the goods or services for which the mark is registered;

\[c\] the Vienna Agreement, establishing an international classification of the figurative elements of marks;

\[d\] the TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights;

\[e\] the Trade Mark Law Treaty; and

\[f\] the Singapore Treaty on the Law of Trademarks for the standardisation of national and regional trademark registration procedures.

ii Authorities

All German trademark applications have to be filed with the DPMA. The decisions of the DPMA regarding the registration of trademarks may be reviewed by the Federal Patent Court (BPatG), whereas the Federal Supreme Court (BGH) serves as a court of last resort, reviewing only legal (not factual) aspects of the BPatG decision. EUTMs registered with the European Intellectual Property Office, and international registrations designating Germany and registered with the World Intellectual Property Organization (WIPO), are also valid and enforceable in Germany.

Protected commercial designations, such as company names, cannot be registered with the DPMA or any other German authority. The German Trade Mark Act requires no such registration, as protection is granted without further administrative steps for signs used in trade as a name, company names or special designations of a business operation or an enterprise. In the case of legal disputes, civil courts will decide upon the existence of such rights.

With regard to domain name protection, all domain names ending with the .de top-level domain have to be registered with the German Network Information Centre (DENIC). Because of data protection legislation, DENIC employs a restrictive approach regarding accessibility of domain holder information. Information on availability and ownership of .de domains may only be provided to trademark owners whose trademark rights are potentially being infringed by the domain in question, or to applicants who have obtained an enforceable title against the domain holder.

iii Substantive law

The legal basis for the protection of trademarks, company names, trade names, business names and geographical indications is the German Trade Mark Act. With regard to company names and names of natural persons, both the German Civil Code and the German Commercial Code set out additional provisions for their scope of protection.

All registered German trademarks are protected under German trademark law. To register a trademark, the applicant must file a trademark application with the DPMA. A trademark will be registered once the DPMA has examined and confirmed its eligibility for trademark protection. Only then will the opposition phase begin, which lasts three months. This registration process is an essential difference between the EUTM and the German trademark system and entails an advantage for the registrant as he or she does not have to wait until after any opposition proceedings are concluded to enjoy protection for his or her already registered trademark. The 2019 trademark reform has abolished the requirement of graphic
representability. As of 14 January 2019, trademarks need only be able to be represented ‘in any way that allows determining the subject matter of the trademark protection’. Hence, applicants might now submit, for example, hologram or audiovisual trademarks represented in electronic files.

Unregistered trademarks enjoy protection under the German Trade Mark Act insofar as they have acquired public recognition as a trademark by use in trade or if they constitute a well-known mark. Whereas the sign must be well-known in Germany to constitute a well-known trademark, it must not necessarily have been used in Germany to acquire such status.

The German Trade Mark Act provides protection for registrations of indications of geographical origin as well as for collective marks. Since entering into force in 2019, the amended Act now also allows for certification marks to be registered and protected. The certification mark must be capable of distinguishing goods or services that are certified in respect of certain quality traits or other characteristics from goods or services that are not so certified. Natural persons or legal entities that carry on a business involving the supply of goods or services of the certified kind may not apply for a certification mark.

Commercial designations, such as company names, are also protected under the Trade Mark Act, provided that they are actually used in trade. The geographical scope of protection of commercial designations is not necessarily nationwide as the law grants protection only insofar as they are used in trade. Companies that are only active within a specific part of Germany may only claim protection for their commercial designations in that area.

Domain names as such are not covered by the German Trade Mark Act. Registration of domain names with the DENIC is subject to availability. However, a domain name might qualify as an unregistered trademark if it has acquired public recognition as a trademark by use in trade. Similarly, domain names may qualify as company names. In addition, an already registered domain name may be registered as a trademark.

III REGISTRATION OF MARKS

Inherent registrability

Trademarks may be registered if the DPMA does not consider an absolute ground for refusal to be applicable. In contrast to patent and trademark offices in some other jurisdictions, there is no _ex officio_ examination on relative grounds (see subsection ii). Hence, a trademark, inter alia, has to be distinctive (i.e., not be descriptive of the goods or services, not deceive the public and not be contrary to public policy). A sign may also acquire distinctiveness by use in trade. To prove acquired distinctiveness, the owner may submit, inter alia, market share data, advertisement material and consumer surveys indicating that at least 50 per cent of consumers perceive the sign as an indication of origin. In 2019, new absolute grounds for refusal were introduced. As of 14 January 2019, the DPMA will refuse registration of trademarks that consist of geographical indications and designations of origin; in particular, for foodstuffs, wines and spirits protected under national or European legislation or conventions.

The duration of protection for registered trademarks commences with the date of filing. For all trademarks registered before 14 January 2019, the protection lapses 10 years after registration, by the end of the last day of the month of registration (e.g., a trademark registered on 7 January 2019 would lapse by the end of 31 January 2029). Trademarks registered on or after 14 January 2019 lapse exactly 10 years after registration (e.g., a trademark registered
on 15 January 2019 would lapse by the end of 15 January 2029). Upon payment of renewal fees, trademark protection can be renewed for additional 10-year periods. There is no limit as to how often trademark protection may be renewed.

Fees for German trademarks are significantly lower than those for EUTMs. The basic application fee for a German trademark is €300 (€290 for electronic filing) and includes the fee for three classes of goods or services. Each additional class of goods or services costs €100. Renewal fees are €750 (including three classes) and €260 for each additional class.

**ii Prior rights**

The DPMA does not assess *ex officio* whether the registration of a trademark may be refused on grounds of earlier rights. Earlier rights must be invoked by the respective right holder in an opposition proceeding. Hence, right holders are advised to constantly monitor trademark registrations. Later ‘attacks’ based on prior rights are possible after the opposition period has ended, but require action in court (see subsection iii). Applicants, on the other hand, should ensure that no identical or confusingly similar earlier marks have been registered prior to seeking registration themselves.

**iii Inter partes proceedings**

Any owner of an earlier right may lodge an opposition within a three-month period after the date of the publication of the registration of the challenged trademark. As of 14 January 2019, an opposing party may file an opposition on the basis of several earlier rights, while the previous system required a separate opposition for each earlier right invoked by the opposing party. The 2019 reform also introduced a cooling-off period during opposition proceedings. Upon joint request of the parties, the DPMA may grant a period of at least two months for the parties to reach an amicable settlement.

Upon request by a third party, a trademark may be revoked due to, inter alia, non-use within five years of registration, genericisation of a trademark or deceptiveness acquired by use of the trademark.

Furthermore, any third party may lodge an invalidity action based on absolute grounds for refusal or earlier rights, provided that the ground for refusal or the earlier right still exists at the time of the invalidity decision.

Revocation and invalidity actions can be filed either with the DPMA or with the civil courts. Under the current system, however, invalidity actions based on earlier rights may only be filed with a civil court. This will change as of 1 May 2020, when all revocation and invalidity actions, including invalidity actions based on earlier rights, at the choice of the claimant, may be filed either with the DPMA or with a civil court.

**iv Appeals**

With regard to the decisions of the DPMA, appeals may be lodged with the BPatG. The decisions of the BPatG can only be reviewed on points of law by the BGH if the BPatG has allowed such an appeal on points of law in its order or if a significant procedural right has potentially been violated.

With regard to the decisions of the civil courts of first instance, appeals may be lodged with appellate courts (OLG). Decisions of the OLG may be reviewed on points of law (not facts) by the BGH.
IV CIVIL LITIGATION

i Forums
Regional courts are exclusively competent as courts of first instance for civil trademark litigation. Regional courts specialised in trademark litigation have been established, thus guaranteeing that highly qualified judges with expertise in intellectual property law are handling trademark cases.

In Germany, the relatively high number of 18 regional courts serve as EU trademark courts of first instance. They are the competent courts when it comes to actions for infringement or threatened infringement of an EU trademark, actions for a declaration of non-infringement, actions for compensation under the EU Trade Mark Regulation and for counterclaims of revocation or invalidity of an EU trademark.

ii Pre-action conduct
German trademark and civil procedure law does not require pretrial formalities for a claim to be admissible. Claimants, however, should consider sending out warning letters or cease-and-desist letters before going to court. If they file a claim without having served the defendant with a warning letter and the defendant instantly acknowledges the claims brought against him or her, the claimant bears the costs of the court proceedings as, in this case, the defendant had not given rise to be sued; this is in contrast to the general rule according to which the defeated party bears the costs. Parties fearing that an ex parte injunction may be ordered against them may submit their position on the subject to a central register for protective briefs.

Alternatively, trademark disputes may be settled by arbitration and other procedures of alternative dispute resolution. Although associations such as the German Arbitration Institute provide support for the conduct of arbitration-related tasks in Germany, and an arbitration award has the same inter-party effect as a final and binding judgment handed down by a court, such litigation alternatives are rarely used in Germany. Alternative dispute resolutions concerning domain names can be fought out before general arbitrators, as German law does not provide for a specific arbitration or alternative dispute resolution mechanism for domain names. Neither does the WIPO Center offer dispute resolution services for .de domains.

iii Causes of action
As the competent courts for trademark infringements are – specialised as they may be – ordinary regional courts, they are also competent for unfair competition, domain names and commercial designation disputes. All these types of disputes may be brought before the court in one and the same proceeding, be it as part of the statement of claim, by extension of a claim or a counterclaim, provided that the parties are the same and the court is territorially competent to hear all disputes.

iv Conduct of proceedings
Proceedings commence with filing a written statement of claim. The claimant must present all factual and legal grounds to substantiate his or her claim. Evidence must either be submitted (e.g., as annex) or ‘offered to be provided’ (i.e., the written submission announces the introduction of evidence if the fact to be proven remains disputed). The defendant will then submit a written statement of defence. Replies and rejoinders may follow. Since trademark matters are heard by regional courts, parties must be represented by a professional practitioner (i.e., a member of the Bar). Upon the first oral hearing before the court, the
judge will only discuss the factual and legal points of the case that he or she deems to be crucial for his or her decision. Upon prior written court order for evidence, the parties may be asked during the hearing to present evidence they had offered within their submissions, such as witnesses or expert opinions. Usually the judge will indicate which arguments he or she considers to be more convincing. In many cases, the court will try to facilitate leading the parties to an amicable resolution of the legal dispute. If an amicable settlement cannot be reached and the dispute does not require further submissions or oral hearings, the court is supposed to pronounce its decision within three weeks of the last oral hearing. In the case of lengthy and complex matters, however, the court may take more time to draft its decision. German procedural law follows the principle that the party that has not prevailed in the dispute is to bear the costs of the legal dispute. Costs have to be shared proportionately if and when each of the parties has prevailed for a part of its claim or defence. With regard to the attorney fees, the extent of the costs to be compensated is capped. Only statutory fees and expenditures of the attorney of the prevailing party are to be compensated. Actual fees are often higher than the statutory fees, as the latter serve as legal minimum.

German procedural law does not provide for pretrial discovery nor does it entail full disclosure proceedings. Nevertheless, German courts may allow evidence to be introduced that was previously gathered by way of a discovery or disclosure proceeding outside the German jurisdiction.

v Remedies

Courts may order remedies, such as cease-and-desist orders, damages, claims for disclosure of information, claims for destruction and claims for publishing the court’s judgment. The latter rarely happens in practice. German law does not provide for punitive damages to be awarded. With regard to damages for trademark infringement, the claimant may choose the method by which the actual damage is calculated. He or she can decide to calculate the damage based on a licence analogy, claim the profit the defendant made as a result of the trademark infringement or estimate the profit he or she lost due to the trademark infringement.

In recent cases, the BGH has, based on a cease-and-desist claim, ordered the infringer to recall the infringing products. These rulings were heavily criticised because, according to German law principles, cease-and-desist claims generally do not entail an obligation to act. A respective case before the constitutional court is pending. It is not possible to foresee the extent to which the BGH’s case law on recall claims will remain valid in the future.

V OTHER ENFORCEMENT PROCEEDINGS

Intentional trademark infringements are punishable under German criminal law with imprisonment of up to five years or a fine. In the course of criminal proceedings, infringing products may be secured by seizure. The trademark owner may participate in the prosecution alongside the public authority as a private accessory prosecutor, or combine the criminal proceeding with civil law infringement claims, or both.

Customs enforcement of trademark rights is largely harmonised by EU law. Trademark owners registered with the customs authorities will be informed with regard to counterfeit

3 BGH, decision dated 11 October 2017, Case I ZB 96/16 (products for wound treatments).
4 Federal Constitutional Court, Case 1 BvR 396/18.
goods seized by customs. Subsequently, trademark owners can ask for the counterfeit goods to be destroyed. Due to the European Union Customs Union and the Schengen Agreement, border controls focus on third-country goods arriving through German airports and seaports.

VI RECENT AND PENDING CASES

Recent German court decisions deal with exhaustion, registration of colours per se and the requirements of distinctiveness.

In its Keine-Vorwerk-Vertretung decision of 2018, the BGH ruled that a domain name using a third-party trademark with reputation in Germany may be infringing the trademark owner’s rights, even if the website offers used products and spare parts. The defendant tried to claim exhaustion and justified descriptive use in the spare parts business. The court, however, found that, in essence, the domain name holder had other options to promote his spare part business and that these additional options were less invasive than the use of the third-party trademark as part of his domain name. In a similar case, the BGH clarified that trademark use might be justified on grounds of exhaustion even if the third party is using unorthodox measures to promote the goods in question. Exhaustion also applies in cases where the third party has the promoted trademarked goods at his or her disposal, which does not necessarily mean that the goods in question are in stock. With regard to the registration of multiple colour marks, the BPatG clarified the requirements for submitting a precise representation of the mark in question. When registering colours per se, such a precise representation requires indicating the proportion of the different colours to be used, a definition of the borders between the colours (e.g., straight or curved line) and a definition of the colours themselves by using either the Pantone or the RAL code. In the case in question, the registrant had confusingly used both Pantone and RAL codes, resulting in contradicting colours. In Pippi Langstrumpf II, the BGH held that names of natural persons, such as Astrid Lindgren’s Pippi Longstocking, may be deemed descriptive and hence devoid of distinctiveness. The descriptive meaning of the sign, however, is only relevant in cases where it is not unlikely that the sign is used in a manner for which it is deemed descriptive. If the only likely use is non-descriptive, the sign may well be registered.

Apart from the Federal Constitutional Court’s case concerning the recall of infringing products (see Section IV.v), pending cases mainly include requests for preliminary rulings before the Court of Justice of the European Union (CJEU), lodged by German courts. One of these requests, submitted by the OLG Düsseldorf in November 2018, concerns the question of whether use of a trademark (Ferrari’s testarossa mark) is genuine within the meaning of the EU Trade Mark Directive in the case of a trademark that is registered in respect of a broad category of goods, but is actually only used in respect of a particular market segment. While the OLG Düsseldorf tends to apply a rather strict assessment of genuine, right-maintaining use, it is uncertain whether the CJEU decision comes to the same conclusion. Another request for a preliminary ruling was lodged by the BGH in September 2018, asking the CJEU 

5 BGH, judgment dated 28 June 2018, Case I-ZR 236/16 – Keine-Vorwerk-Vertretung.
6 BGH, judgment dated 28 June 2018, Case I-ZR 221/16 – beauty for less.
7 BPatG, decision dated 13 June 2018, 28 W (pat) 584/17 – Rot/Blau.
8 BGH, decision dated 13 September 2018, Case I ZB 25/17 – Pippi Langstrumpf II.
9 OLG (Higher Regional Court) Düsseldorf, decision dated 8 November 2018, I-20 U 132/17; and CJEU, Case C-721/18.
whether a person storing trademark-infringing goods on behalf of a third party without being aware of the infringement, stocks those goods for the purpose of offering them or putting them on the market, if it is not that person him or herself but rather the third party alone that intends to offer the goods or put them on the market.10 In this case, Davidoff licensee Coty sued Amazon – the BGH expressly tended to deny such a broad interpretation of an infringing act of storing as it would overstretch the limits of the storing person's liability. Lastly, the BGH, in its #darferdas decision, asked the CJEU for a preliminary ruling on whether a sign has distinctive character when there are, in practice, significant and obvious possibilities for it to be used as an indication of origin in respect of goods or services, even if this is not the most likely form of use of the sign.11 In a previous decision, the CJEU had left this question open and only held that the examining authority is not required to assess the distinctiveness of a figurative mark with regard to possibilities to use the mark other than the ways in which the examining body considers to be most likely.

VII  OUTLOOK

The coming year will prove whether the recent changes in German trademark law lead to a notable impact on trademark registration and litigation. The registration statistics will reveal how well the new national certification mark is received by potential rights owners and the new ways in which to register trademarks might be established now that the requirement of graphic representation is abolished. Nevertheless, questions concerning the registration of less common types of marks, such as colours per se, will likely remain cause for legal disputes. The new procedural rules on trademark oppositions will need to prove their efficiency, whereas the opposing parties’ conduct will show if the newly introduced cooling off period will lead to more amicable settlements.

Decisions on the pending case law with regard to the storage of infringing goods by parties acting in good faith and the requirements of genuine use are to be expected within the coming year. Furthermore, the Federal Constitutional Court may shed some light on the question of whether and to what extent the defendant is obliged to recall trademark-infringing products based on a cease-and-desist claim.

Courts will continue to face more and more cases regarding the interaction between domain names and trademarks. To date, cases concerning influencer advertising through social media platforms have been assessed by German courts predominantly under unfair competition law aspects. However, trademark-related questions might emerge in this rather new legal practice area, as more and more influencer business practices are being scrutinised before German courts.

10 CJEU, Case C-567/18.
11 CJEU, Case C-541/18.

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Chapter 8

GREECE

Christos Chrissanthis, Xenia Chardalia and Antonia Vasilogamvrou

I OVERVIEW

i Impact of EU law

Greece is late in implementing Directive (EU) 2015/2436 on the harmonisation of national laws of EU Member States on trademarks. The Directive should have been implemented in Member States by 14 January 2019. The new national legislation implementing this Directive is likely to be published and come into force at the end of October 2019.

ii Types of marks

The following types of marks are capable of being protected:

a words;
b letters, numbers, names and abbreviations;
c slogans and short phrases;
d colours and colour combinations;
e designs, including 3D designs;
f the shape of the product, or of its packaging, product labels and trade dress; and
g company names and distinctive titles used to identify the premises where goods or services are offered to consumers.

Non-traditional marks, such as sound, taste, smell and feel, are currently considered not capable of being protected in practice, because they cannot be described or identified in a clear, precise, consistent and unambiguous manner, or at least there is currently no consensus as to the method that would enable a clear, precise, consistent and unambiguous description of such signs.

The Greek Trademark Office accepts applications for both product marks and service marks, as well as for collective marks.

iii Basic features of Greek trademark law

The most notable features and peculiarities of Greek trademark law can be summarised as follows. In the process of trademark registration, the Trademark Office carries on an ex officio search for ‘prior rights’, that is, earlier national, European or international registrations, or applications that are identical or similar to the mark applied for.

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Under Greek law, trademark rights are particularly strong rights in the context of civil (i.e., enforcement) proceedings. This is because, unlike what happens in other jurisdictions, in Greece it is not possible to challenge the validity of a registered trademark in the context of civil proceedings. To challenge the validity of a trademark, one has to initiate cancellation proceedings before the Administrative Trademark Committee (the Trademark Committee) and the administrative courts. A trademark registration is invalidated only by way of a final judgment.

Greek law provides for a 'proof-of-use' defence in the context of opposition, cancellation and revocation proceedings, but not in the context of civil proceedings.

The above features may change as a result of the ongoing legislative process for a new national law on trademarks and the implementation of Directive (EU) 2015/2436.

II LEGAL FRAMEWORK

i Legislation

The Greek law on trademarks consists of Law No. 4072/2012 (Articles 121 to 183), as amended by Law No. 4155/2013. As of August 2019, this Law is under reform to implement Directive (EU) 2015/2436.

Greece has implemented the following EU Directives, which affect its national law on trademarks:

a Directive 2008/95/EC regarding the approximation of the law on trademarks; Directive (EU) 2015/2436, recasting Directive 2008/95/EC, has not yet been implemented into national law; and


Regulation (EU) No. 608/2013 concerning customs enforcement of intellectual property rights is directly applicable in Greece. Regulation (EU) 2017/1001 on the European Union trade mark (EUTM) is also directly applicable in Greece, and EUTMs are protected according to the provisions of the Regulation.

Greece has also implemented the following international conventions into national law:

a Paris Convention 1883 (Stockholm 1967 version);

b World Trade Organization TRIPS Agreement;

c Hague Convention for international registration of industrial designs, known as the Hague System (Geneva Convention 1999);

d Locarno Agreement (1968) on the international classification of industrial designs;

e Madrid Protocol (1989) regarding international registration of trademarks through the World Intellectual Property Organization (WIPO); and

f Nice Classification Agreement (1957), now consisting of 45 classes of goods and services for trademark registrations.

ii Authorities

Cases relating to trademark registration, revocation or cancellation are dealt with by the Trademark Office, the Trademark Committee and the administrative courts. Cases relating to infringements and the enforcement of registered trademarks and other distinctive signs (i.e., company names and non-registered distinctive signs) are dealt with by the civil courts.
Cases relating to the registration or cancellation of domain names are dealt with by the Hellenic Telecommunications and Post Commission (EETT), the national regulatory authority for telecommunications and postal services.

**Cases relating to the registration process**

Trademark applications are dealt with by an examiner, who is a civil servant of the Trademark Office. The Office is a department of the Ministry of Trade. The decisions of the examiner can be appealed before the Trademark Committee, within 60 days of notification.

The Trademark Committee consists of three members and deals with oppositions, revocations and cancellations. Its decisions are appealed before the first instance administrative courts and then, if necessary, to the second instance administrative courts. The decisions of the second instance administrative courts can be appealed to the Greek supreme administrative court, the Council of State. In all these cases, the period in which an appeal to a superior court must be filed is 60 days if the appellant is residing in Greece and 90 days if the appellant is residing abroad.

**Cases relating to enforcement of registered trademarks and non-registered distinctive signs**

Cases relating to infringements and the enforcement of trademark rights and non-registered distinctive signs are dealt with by civil courts. There are civil courts of first and second instance (the latter being appeal courts). The judgments issued by second instance (appeal) courts can be further appealed before the Supreme Civil and Criminal Court of Greece (the Supreme Court). The time frame to file an appeal, either to a second instance (appeal) court or to the Supreme Court is only 30 days after notification of the judgment, or 60 days if the appellant is residing abroad. Only judgments of a second instance court are enforceable. An appeal to the Supreme Court does not affect the enforceability of the judgment reviewed, unless the Court issues, upon the application of the appellant and under summary proceedings, an order rendering the judgment unenforceable.

According to Article 123 of Regulation (EU) 2017/1001, Greece has designated the civil courts of Athens and Thessaloniki to deal with civil cases relating to the enforcement of EUTMs. These two courts also deal with cases relating to national trademarks and all other intellectual property cases. Therefore, cases relating to trademark infringement committed in any part of northern Greece are dealt with by the civil courts of Thessaloniki, while cases relating to infringements in southern Greece are dealt with by the civil courts of Athens.

In addition to ordinary proceedings, civil courts can issue provisional court orders and summary judgments. Applications for provisional court orders, or summary judgments, are filed with single-member first instance courts. A provisional court order may be issued without a formal court hearing, or even without prior notice to the defendant, within about 10 days of the filing of the application. Provisional court orders are usually issued to attach and preserve evidence, in the manner of an *Anton Piller* order. However, it is not unusual for a court to issue a provisional cease-and-desist order, prohibiting a defendant from using a certain mark. A summary judgment is issued after a court hearing under summary proceedings, within a period of about six months of the filing of the application. A legal action under ordinary proceedings must always follow, unless the case is settled out of court. A judgment under ordinary proceedings from a first instance court is usually issued within 18 months of the filing of the legal action, while a judgment from a second instance court is usually issued within two years of the filing of an appeal.
**Domain names**

The body responsible for the registration and cancellation of domain names is EETT. See Section V.ii for procedures relating to domain names.

### iii Substantive law

**Registered trademarks**

Registered trademarks are infringed in cases of unauthorised use by a third party leading to (1) likelihood of confusion (including likelihood of association), or (2) dilution, as well as in cases of (3) illegitimate parallel imports, where trademark rights have not been exhausted (see Section VI.iii). In defining those concepts, Greek law follows Directive 2008/95/EC and case law of the General Court of the European Union and the Court of Justice of the European Union (CJEU).

The rules that are more often applied in connection to likelihood of confusion are the following:

- **a** likelihood of confusion is presumed in a case of identicality of both the marks and their respective goods or services;
- **b** likelihood of confusion is assessed on the basis of the respective dominant elements of the different marks, while descriptive or commonly used elements are not taken into account;
- **c** consumers' attention and awareness is higher in the case of pharmaceuticals, high-value goods and goods addressed to professionals; and
- **d** likelihood of confusion is established when the earlier mark is incorporated as such in the latter.

Here are some notable examples from case law:

- **a** Likelihood of confusion established:
  - ‘Red Bull and device of two bulls’ and ‘Crazy Bull and device of one bull’, both for non-alcoholic beverages in Class 32;\(^2\)
  - ‘Lixidon’ and ‘Lixin’, both for soaps in Class 3;\(^3\) and
  - ‘Wonderbra’ for brassieres in Class 25 and ‘Wonderbody’ for swimsuits in Class 25.
- **b** Likelihood of confusion not established:
  - ‘Catherinebijoux’ and ‘CSC Catherine Silver Corner and device’, both for jewellery in Class 14;\(^4\)
  - ‘Jet Oil and device’ and ‘Jet Gas’, both for fuels in Class 4;\(^5\)
  - ‘Clear Guard’ and ‘On Guard’, both for locks in Class 6;\(^6\)
  - ‘Coca-Cola’ and ‘Up Kola’, both for non-alcoholic beverages in Class 32;\(^7\)
  - ‘Clusters’ and ‘Kellogg’s Crunchy Nut Clusters’, both for cereals in Class 30;\(^8\)

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\(^2\) Council of State, No. 2944/2008.
\(^3\) Council of State, No. 620/1982.
\(^4\) Second Instance Administrative Court of Appeal of Athens, No. 97/2013.
\(^7\) Council of State, No. 189/1985.
\(^8\) Council of State, No. 1610/2017.
• ‘Aire Alpino and device of a spruce fir tree’ and ‘a device mark representing a spruce fir tree’, both for air fresheners in Class 5;9 and
• ‘Coffee Time’ for cafeteria services in Class 43, and the advertising slogan ‘It’s coffee time – Loumidis’ for coffee products, because the term ‘coffee time’ is of limited distinctiveness only, while Loumidis is a famous coffee brand in Greece.10

In addition to likelihood of confusion, marks with reputation are protected against dilution.

Well-known marks

Well-known marks (i.e., marks with a reputation), enjoy additional protection, including protection against likelihood of dilution and bad faith. The prerequisites for establishing dilution are:

a  similarity between the earlier and the later mark;
b  likelihood of a link in consumers’ minds between the earlier and the later mark;
c  unfair advantage in favour of the later mark from the reputation of the earlier mark, or detriment to the reputation of the earlier mark; and

d  lack of any due cause justifying such unfair advantage or detriment.

Dilution may exist if:

a  the later mark becomes recognisable by consumers faster and with less advertising expenditure (free-riding);
b  the later mark is affixed to products of inferior quality, or there is some other negative publicity or negative implications against the earlier mark; or
c  there is a lessening of the distinctive value of the earlier mark.

Here are some notable examples from case law:

a  The mark of Adidas consisting of ‘three parallel stripes’ has been found to be a mark with reputation that is diluted by the use of a mark consisting of ‘four parallel stripes’ in athletic footwear.11
b  The mark ‘Element and device of a tree’ of the well-known leisure and casual clothing company was found to be one with reputation, and dilution was established when a retailer traded clothes with similar marks from other manufacturers.12

c  The mark ‘Champion’ of the well-known athletic clothing company was found to be one with reputation, and dilution was established when a local manufacturer launched athletic clothes under the same mark, although in different lettering.13

d  Caterpillar’s mark consisting of its company name and black and yellow colours was found to be one with reputation and was granted legal protection, although the yellow colour is widely used in machinery and heavy tools by many other competitors.14

10  Single-Member First Instance Court of Athens (Summary Judgment), No. 5632/2004.
11  Supreme Court, No. 1030/2008.
12  Athens Court of Appeal, No. 840/2012; from the judgment it seems that the level of similarity between the different marks was strong enough to also establish likelihood of confusion.
13  Multi-Member First Instance Court of Athens, No. 5610/2010.
14  Single Member First Instance Court of Athens (Summary Judgment), No. 9476/2012.
Greece

Lufthansa’s figurative mark, consisting of a bird (stork) in blue and yellow colours, was not considered to be a famous one, but likelihood of confusion was established when a local air carrier used a similar figurative mark accompanied by a different company name.15

Marks that have been registered as trademarks in other countries and enjoy reputation abroad are also protected in Greece, according to Article 6 bis of the Paris Convention (1883); this means that a later national application can be opposed and a later national registration can be cancelled. National legislation has extended this type of protection even to foreign trademarks that do not have reputation, provided it can be established that the later national application was made in bad faith.

Non-registered distinctive signs and company names

Non-registered distinctive signs and company names enjoy legal protection under Articles 13 to 15 of Law No. 146/1914 on unfair competition. The prerequisites for obtaining protection for an earlier non-registered distinctive mark are as follows:

- the mark must be distinctive (either inherently or through use), not descriptive and not commonly used;
- use in the course of trade must be established on the evidence; in the case of marks other than word marks (such as the shape of the product, colours and designs of the packaging), the level of use in the course of trade must be substantially high (i.e., almost to the level of reputation);
- priority of use against the later mark must be established on the evidence; and
- use of the later mark must cause likelihood of confusion, likelihood of association or likelihood of dilution.

Non-registered distinctive signs and company names do not enjoy protection in the whole country, but only in the geographical area where they are used and have become recognisable by consumers;

The remedies are the same as in registered trademarks (see Section IV.v).

Unfair competition

Article 1 of Law No. 146/1914 prohibits any act that (1) is committed in the course of trade; (2) is contrary to business ethics and morals; (3) is oriented towards some commercial advantage; and (4) is objectively capable of granting some commercial advantage, which also means that the plaintiff and the defendant must also be competitors. This Article establishes a tort of unfair competition, in compliance with Article 10 bis of the Paris Convention (1883).

Geographical indications

Illegitimate use of protected appellations of origin, or protected geographical indications, as well as any illegitimate use of any other geographical terms, all qualify as unfair competition infringements.

15 Athens Court of Appeal, No. 3945/2012.
III REGISTRATION OF MARKS

i Formalities and process for trademark registration

Greek trademark law retains the prerequisite that a mark must be capable of being represented graphically. However, this prerequisite will soon be abolished because of the forthcoming implementation of Directive (EU) 2015/2436, which has dispensed with the prerequisite of ‘graphical representation’ of the mark to be applied for.

Trademark applications are submitted to the Trademark Office and are adjudicated by a single examiner on both absolute grounds (e.g., lack of distinctiveness, or the mark being descriptive, commonplace, functional, deceptive), and relative grounds (i.e., earlier rights). It is a peculiarity of the Greek trademark system that it provides for an ex officio search for prior rights that is, however, limited to prior national and EUTM registrations and applications, and to prior international trademark registrations with WIPO that designate Greece. With respect to earlier rights, a trademark application or registration (whether national, EU or international) may enjoy international priority under the Paris Convention or the Madrid Protocol.

The state fees for filing a trademark application are €110 for the first class and a further €20 for each additional class. Renewal fees are €90 for the first class, plus €20 for each additional class. The renewal period is 10 years after the filing of the application. State fees are currently under revision and are likely to increase slightly.

The time frame for trademark registration can be as short as about five months after the filing of the application if the examiner raises no objections. This five-month period includes the opposition period, which runs for three months starting from publication of the application on the website of the Trademark Office. If objections are raised by the examiner, or if there is an opposition, the usual time frame for a decision by the Trademark Committee is about 12 months. If the decision of the Trademark Committee is appealed before the administrative courts, the judicial process is exorbitantly long and it can take between seven and 10 years to obtain a judgment from a first instance administrative court, and one more year to obtain a judgment from a second instance administrative court.

An opposition may be filed on account of either absolute grounds (e.g., the mark is non-distinctive, descriptive, in common use) or relative grounds (i.e., prior rights). The time frame to file an opposition is three months after publication of the trademark application on the website of the Trademark Office. The prior rights on which an opposition may be based can consist of prior trademark registrations or applications (national, EU or international designating Greece), or prior non-registered distinctive signs, including company names.

With respect to registered trademarks, priority is determined on the basis of the date of the filing of the application with the Trademark Office. With respect to non-registered rights, priority is determined on the basis of actual use in the course of trade. Use in the course of trade and the date when the use commenced are matters of fact to be established by evidence.

Registration occurs when the decision of the examiner, or the Trademark Committee in the case of opposition proceedings, becomes final; that is, it cannot be appealed before the second instance administrative court. An appeal with the Council of State does not prevent registration, but if the contested judgment is reversed, registration will fail retrospectively.
Absolute grounds

On absolute grounds, Greek law follows Article 3 of Directive 2008/95/EC. Absolute grounds for rejecting a trademark application include:

- lack of distinctiveness;
- the mark being:
  - descriptive;
  - commonplace;
  - functional (including aesthetic functionality);
  - inherently deceptive;
  - a protected appellation of origin;
  - a protected geographical indication; or
  - contrary to morality;
- the mark consisting of the name of a state or of a national emblem; or
- the mark being filed in bad faith.

Distinctiveness and descriptiveness are assessed in view of the goods or services applied for. Only directly descriptive marks are incapable of registration; directly descriptive marks are those that describe the goods or services applied for by their literal (vocabulary) meaning. Conversely, marks that are only indirectly descriptive (i.e., they are descriptive by referring to some descriptive implication) are capable of obtaining trademark registration. Common terms are registrable if they are used in an uncommon way (i.e., if the goods or services to which they are to be applied are totally unconnected to those terms). For example, the mark ‘Reflex’ for steam-generating apparatus in Class 11 was found to be distinctive and not commonplace in respect of the goods applied for.16 The mark ‘World Academy of Sports’, filed in various classes, was rejected by the Trademark Committee for lack of distinctiveness and for being deceptive,17 because under Greek legislation, the term ‘academy’ can be used only for certified educational institutions. However, the judgment was reversed by the first instance administrative court and the mark was registered.18

Slogans are registrable if they have some level of originality. For example, the slogan ‘With us you can do everything’ for hand tools and household apparatus in Classes 8 and 21 was found to be distinctive and not commonplace.19

The Trademark Office is very suspicious of marks consisting of geographical terms, because they are likely to be either descriptive or deceptive. However, geographical terms are registrable if it is not reasonable to assert that they indicate the actual place of production of the relevant goods (e.g., terms such as ‘Everest’ or ‘Mont Blanc’ are registrable).

Neologisms (i.e., new words that are a combination of existing words), are, in principle, not registrable, unless they create an impression that is significantly different from the words of which they are composed. For example, the mark ‘Walkman’ filed by Sony for audio devices in Class 9 was found to be distinctive but neither descriptive nor commonplace.20

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17 Trademark Committee, Decision No. 2481/2008.
18 First Instance Administrative Court of Athens, No. 383/2016.
Acquired distinctiveness (i.e., a secondary meaning acquired through use in the course of trade) can overcome the difficulty of lack of distinctiveness, descriptiveness or the mark being commonplace.

Single colours and simple colour combinations (i.e., consisting of up to three stripes) are usually registrable only if acquired distinctiveness is established.

Bad faith in filing a trademark application is established particularly in cases where a distributor or commercial agent files a mark that is used with the consent of his or her principal, or where one party files a mark that is owned by another party and there is some pre-existing cooperation or at least communications between the two parties. Bad faith can also be established when an applicant files, in Greece, a mark that has a reputation abroad. Finally, bad faith can be established when a trademark is applied for without actual intent to use and with the sole purpose of restricting competition.

iii Prior rights

On prior rights, Greek law follows Article 4 of Directive 2008/95/EC. It is a peculiarity of the Greek trademark system that the Trademark Office makes an *ex officio* search for prior rights and can reject a trademark application on this ground, even if the owners of the prior rights do not file an opposition. However, this *ex officio* search by the Trademark Office is limited to prior national or EUTM applications or registrations, and to prior international trademark registrations filed with WIPO under the Madrid Protocol that designate Greece. The Trademark Office does not make an *ex officio* search for other prior rights, such as company names, or other non-registered distinctive signs; these can prevent registration, but need to be invoked by their owners by way of an opposition. Other prior rights that can prevent registration include earlier industrial designs and copyright.

Prior rights prevent registration if they cause likelihood of confusion, likelihood of association or dilution (see Section II.iii).

iv Inter partes proceedings

*Inter partes* proceedings may be oppositions, cancellations or revocations.

**Opposition**

See Section III.i.

**Cancellation**

On cancellation, Greek law follows Directive 2008/95/EC. An application for cancellation is filed with the Trademark Committee. The decision of the Trademark Committee can be appealed before the administrative courts (i.e., first instance, second instance and the Council of State); the time limit for appeal is 60 days after notification of the judgment (90 days for foreign appellants). Cancellation occurs when the judgment cancelling the registration becomes final; that is, it cannot be appealed before the second instance administrative courts. The judgment cancelling the registration does not have any retrospective effects. The decision of the Trademark Committee is usually issued within 12 months of the filing of the cancellation, but if it is appealed before the administrative courts, the judicial process can be as long as 12 years.

The legal ground for cancellation is that the trademark should have been rejected because of absolute or relative grounds that were overlooked by the examiner.
If a party has filed an opposition that was rejected, they cannot file a cancellation on the same grounds.

The owner of the contested registration may invoke the proof-of-use defence against the applicant who requests the cancellation on the grounds of earlier rights (see Section III.i).

**Revocation**

On revocation, Greek law follows Directive 2008/95/EC. An application for revocation is filed with the Trademark Committee. The grounds justifying revocation are:

- non-use of the trademark during a five-year period from the date of its registration, or non-use during a period of five consecutive years at any time, unless there are proper grounds justifying non-use (see Section III.i); or
- the trademark has become either commonplace or deceptive.

**Appeals**

The decisions of examiners can be appealed before the Trademark Committee. The decisions of the Trademark Committee can be appealed before the administrative courts. It is only final judgments (i.e., those that cannot be appealed further before the second instance administrative court) that are recorded with the registry. For more details, see Sections II.ii (cases relating to the registration process) and III.iv.

**IV CIVIL LITIGATION**

**i Forums**

See Section II.ii.

**ii Pre-action conduct**

Under Greek law, there are no pretrial formalities and there is no pretrial obligatory disclosure as there is in other jurisdictions.

**iii Causes of action**

Infringement of both registered trademarks and non-registered distinctive signs, including company names, can be established on the basis of either likelihood of confusion (which includes likelihood of association) or dilution (in the case of marks with reputation only), or both. The concepts of likelihood of confusion, likelihood of association and dilution are those provided under EU law (i.e., Directive 2008/95/EC as amended by Directive (EU) 2015/2436) and EU court jurisprudence.

Registered trademarks are also infringed in cases of illegitimate parallel imports (see Section VI.iii).

Domain names are infringed if a domain name has been obtained in bad faith, causing likelihood of confusion with an earlier domain name, an earlier registered trademark or an earlier non-registered distinctive sign (see Section V.ii).

**iv Conduct of proceedings**

Legal actions (writs) under Greek law tend to be long and detailed, as they need to provide a fully substantiated and detailed statement of facts. If reputation is invoked, the legal action should provide specific and detailed information as to the volume of sales and advertising...
expenditure, market share and other factors from which reputation can be derived. The plaintiff must serve the legal action to the defendant within 30 days of filing with the court. If the defendant resides abroad, the legal action must be translated into the language of the defendant. The parties are granted a 100-day period from the filing of the legal action with the court (130 days for those residing abroad) to submit to the court written arguments and evidence. An oral hearing usually does not take place.

Witnesses do not give oral evidence during a court hearing. Instead, they make a written testimony under oath before a notary public, a county court or a Greek consular officer (if the witness resides abroad). The written testimonies take place before the trial and are disclosed to the other party.

A first instance court judgment is usually issued within about 18 months of the filing of the legal action, whereas a judgment by the appeal court is usually issued two years after the filing of the appeal. Courts will award legal costs only if the legal action contains a claim for damages; the costs may be about 3 or 4 per cent of the volume of the claim that has been judicially upheld and awarded. If the legal action is for a cease-and-desist order only, courts are not likely to award legal costs.

v Remedies

With respect to remedies in cases of infringement, Greece has fully implemented Directive 2004/48/EC on the enforcement of intellectual property rights. In cases of infringement of registered trademarks, or non-registered distinctive signs, the following remedies are available under national law.

a A cease-and-desist court order: establishing fault on the part of the defendant is not required for such an order. Such an order can also be granted under summary proceedings.

b Seizing or destroying infringing goods: the courts allow the claimant to seize and destroy infringing goods in the possession of either the infringer or third parties (who have not been parties to the legal proceedings), such as distributors or retailers. A court order allowing the claimant to seize infringing goods can also be obtained under summary proceedings.

c Damages: fault in the form of either negligence or intent must be established on the evidence. Pursuant to Article 13(1)(a) and (b) of Directive 2004/48/EC, courts may quantify damages on the basis of (1) the amount of royalties that would have been due if the infringer had requested a licence; (2) loss of profits suffered by the plaintiff; or (3) the profits made by the infringer. Plaintiffs usually prefer to request the amount of royalties that would have been due because it is easier to produce persuasive evidence on this ground, such as similar licensing agreements.

d Psychological (moral) damages: these are determined at the discretion of the court. Usually the court does not award psychological damages at all, and in cases of counterfeit goods, which are considered to be the most serious type of infringement, the amount of the award may be as low as €10,000, or even less.

e Legal interest: the rate is currently 7.25 per cent per annum and is estimated on the amount of the court award. Interest accrues from the date the legal action is served to the defendant.

f A court order obliging the defendant to disclose information regarding the names and details of distributors, manufacturers and suppliers of infringing goods, as well as information about the quantities of infringing goods that were manufactured, supplied or obtained and the relevant prices (see Article 8 of Directive 2004/48/EC).
A public announcement about the judgment in the press at the expense of the defendant.

A pecuniary penalty, which can amount to up to €10,000 if the defendant does not fully comply with the court judgment or a summary judgment.

Imprisonment of the legal representatives of the defendant’s legal entity if the latter does not fully comply with the court judgment or a summary judgment.

Legal costs, ranging from 3 to 4 per cent, roughly, on the volume of the damages and psychological damages award.

V OTHER ENFORCEMENT PROCEEDINGS

i Customs enforcement of intellectual property rights

Regulation (EU) No. 608/2013 regarding customs enforcement of intellectual property rights is directly applicable to Greek law and has proved to be particularly efficient in practice. The procedure established by the Regulation makes it possible to activate the customs service to watch for counterfeit goods passing through customs. A single application to the Central Customs Office at Piraeus simultaneously activates all local customs authorities in Greece. The application has to be accompanied by a notarised power of attorney appointing an attorney-at-law, or any other representative in Greece, as well as an agent to receive service of process. An application may also be filed with a customs office of any other EU Member State, and also designating Greece; in this case, the application is notified to Greek customs authorities, which are thus alerted to look out for counterfeit goods.

If the customs authorities trace goods that are believed to be counterfeit, they notify the local representative of the trademark owner, who is required to make a statement within 10 working days claiming whether the goods are indeed counterfeit; the statement must be made within three days in the case of foodstuffs and some other categories of goods. The representative is provided with a sample of the goods, and if a statement that they are counterfeit is filed, then the customs authorities seize the goods. The trademark owner who caused the arrest is required to file a legal action under ordinary proceedings within a period of 10 additional days. Usually, under these circumstances, the owner of the counterfeit goods settles the case out of court by agreeing to the destruction of the goods at their own expense. Otherwise, destruction of the goods is ordered by a court judgment.

The trademark owner has to bear all the customs authorities’ costs in relation to seizing and preserving the goods; these costs may vary from €500 to €1,000 for a period of about six months in ordinary cases, but costs really depend on the volume of the merchandise seized and on the period involved. There have been exceptional cases of very large quantities of counterfeit goods, where costs were as high as €20,000. The same procedure applies to goods infringing either trademark rights or any other intellectual property rights, such as patents, designs or even copyright. Greek customs authorities are likely to apply the same procedure in connection to goods in transit, which they have done occasionally in the past.

The procedure established by the Regulation does not apply to illegitimate parallel imports. This means that customs authorities will not agree to seize goods that have been stated by the trademark owner to be genuine goods, even if intellectual property rights have not been exhausted. However, should the trademark owner trace the infringing goods through the customs procedure, they can apply for a provisional court order to seize the goods. Therefore, the customs procedure can be of assistance even against parallel imports of genuine goods.
**Domain names infringing earlier trademarks**

Domain names infringing earlier trademarks or distinctive signs can be deactivated and deleted from the domain names registry through an administrative procedure initiated by an application to EETT. The applicant has to establish that the domain name was obtained in bad faith. Likelihood of confusion alone does not suffice. However, bad faith is likely to be established in cases where a domain name is very similar to an earlier trademark or distinctive sign with reputation. The process for deactivating and deleting a domain name obtained in bad faith is likely to last about 12 months. A decision by EETT can be appealed to the second instance administrative court, which will review the case on matters of law only; however, a decision made by EETT is enforceable, and filing an appeal against it does not affect its enforceability, unless the decision is reversed by the judgment of the court.

**Criminal proceedings**

Infringement of both registered trademarks and non-registered distinctive signs is a criminal offence. However, criminal proceedings are very slow, and the penalties are small and manageable. Moreover, criminal prosecution authorities usually do not have the means to seize large quantities of infringing goods. Hence, criminal proceedings are usually inefficient.

**VI RECENT AND PENDING CASES**

**Conflicts between trademarks and company or personal names**

Conflicts between trademarks and company names are very common in Greek court practice, and have resulted in conflicting and sometimes controversial judgments. One of the most notable and recent cases involving conflicts between trademarks and personal names is the Panayiotis Nikas case. This case related to the use of personal names as trademarks and limitation of trademark rights. Mr Panayiotis Nikas was the founder and general manager of Nikas SA, a leading producer of sausages and cold meats. After a successful career at Nikas SA, Mr Nikas sold his shares to the company and was alienated from it. Ten years later, he started up another sausage and cold meats production company, using other trademarks. However, the advertising slogan he used on the product labels was: ‘With recipe and care by Panayiotis Nikas’. Nikas SA was the owner of a series of trademarks comprising the ‘Nikas’ word mark and alleged trademark infringement on the basis of likelihood of confusion and dilution. The First Instance Court of Athens[^21] found in favour of Panayiotis Nikas and held that Mr Nikas should not be prevented from using his own name in the context of the slogan ‘With recipe and care by Panayiotis Nikas’, so long as all other elements in the respective labels and packaging of the different products were dissimilar.

**Lookalikes, product get-up and trade dress**

‘Lookalike’ cases (also called ‘product get-up’ or ‘trade dress’ cases) are among the most difficult to argue in court. They relate to the protection of distinctive elements in a product’s overall appearance (such as the colour combinations, the packaging designs, or even the shape of the product or of its packaging) and are usually argued on the grounds of both trademark law and unfair competition. The ideal ground for such actions is trademark law, but invoking unfair competition is necessary if the overall appearance of the product,

[^21]: Multi-Member First Instance Court of Athens, No. 5246/2014.
or some of its distinctive elements, are not covered by trademark registrations (i.e., when the packaging has not been registered as a trademark), or when the artistic elements of the packaging (i.e., colour combinations and designs) are not covered by copyright.

Some notable cases that describe the approach of the courts on the matter, and that took into account arguments on both likelihood of confusion and dilution, are described below.

**Petro gas**
This case relates to protection of a single colour, which was alleged to dominate the appearance of a product. ‘Petro gas’, a liquid gas for domestic use, was sold in blue cylinders. A new product, ‘Vitom gas’, used a closely similar shade of blue in its gas cylinders. The plaintiff’s legal action was rejected in both the first instance and the appeal court. The Supreme Court reasoned that the copying of colour should be assessed in the context of the doctrine of ‘overall impression’; in other words, the other figurative or word elements, as well as the overall packaging and appearance, should also be taken into account, to determine whether there is any likelihood of confusion or association, unfair resemblance or dilution. The Court, however, noted that, in principle, copying a single colour alone could suffice to establish likelihood of confusion if on the evidence it was found that this colour is the prevailing element of the packaging and appearance of the product and if it could be proved that copying this single colour alone could attract the attention of consumers.22

**Sliced toast bread**
This case concerns the colour combinations of the packaging of a product. The court found that one of the main elements copied by the defendant was the basic overall colour of the packaging, and that the basic overall colour was prevailing in the overall impression of the packaging. However, in this case, the defendant had also copied the colour combination, as well as other figurative and word elements used by the plaintiff, and this may reasonably have had an effect on the final ruling of the court.23

**Camper Twins shoes**
In this case, the court granted trade dress protection under unfair competition law to the red packaging and design of ‘Camper Twins’ shoes. The court emphasised that the red packaging of the shoes was characteristic for Camper Twins shoes and was therefore distinctive and protected. Another important point in this judgment is that the court found that the red Camper packaging had become distinctive as a result of intense advertising, although it circulated in the market for only a short period (two years). However, in this case, again, the defendant had copied the design of the shoes as well, and this may reasonably have had an effect on the court’s final judgment.24

**Aspirin green packaging**
Bayer has failed to obtain protection for the green-and-white colour combination of its ‘Aspirin’ packaging against a competing painkiller called ‘Salospir’, which was also sold in green and white packaging. The court found that the word marks (Aspirin and Salospir), as well as

23 Single-Member First Instance Court of Athens, No. 1265/2005.
24 Multi-Member First Instance Court of Athens, No. 6778/2004.
the company names of the manufacturers (Bayer and Uni-Pharma), rendered the different packages sufficiently dissimilar and prevented likelihood of confusion. Most importantly, the court held that the green colour was not distinctive, as it was associated in the minds of consumers with the idea of relief from pain. Indeed, the novelty of this judgment was that it accepted the marketing doctrine that certain colours, when used in connection with certain products, cause specific psychological emotions and mental associations for consumers. It is a well-established principle in the sciences of both marketing and psychology that the colour green is mentally and psychologically associated with calmness, relief from pain and with healing diseases. In this case, the defendant, Uni-Pharma, was not a newcomer but a leading local pharmaceutical company and Salospir had been traded as a word mark for about 40 years in the local market and enjoyed a high market share.

iii Parallel imports and exhaustion of rights

Following EU law (Article 7 of Directive 2008/95/EC) and the jurisprudence of the CJEU on the matter, Greek law and court practice is particularly supportive of trademark owners on the issue of exhaustion of rights and parallel imports. Trademark rights are exhausted only if the trademark owners themselves, or a party acting with their consent, have put the specific goods (i.e., those that have been imported into Greece) on the market in an EU or European Economic Area (EEA) country. Consent is not assumed, but must be established on the facts. The burden of proof is on the parallel importer. As a result, parallel imports from non-EEA countries are in principle prohibited and amount to trademark infringement, while parallel imports from EEA countries are in principle allowed, provided that it can be established that the goods were put on the market by the trademark owner or with their consent. Good faith of the parallel importer is irrelevant.

The rulings of Greek courts have been more favourable to trademark owners, as they have found on certain occasions that trademark owners had legitimate reasons to oppose the commercialisation in Greece of goods imported from other EU countries (i.e., goods whose trademark rights should have been exhausted). The grounds justifying the objection of the trademark owners for further commercialisation was that the goods destined for Greece were manufactured under different quality standards from those traded in other EU countries. For example, the court prevented further commercialisation in Greece of Kodak negative photographic films, which had been imported from other EU countries, on the ground that, as far as the manufacturer was concerned, those films were not destined for Greece, where light is more intense, and hence their use in Greece would not have acceptable results. Another characteristic example is Nescafé’s instant coffee powder. Courts have prevented parallel imports of genuine Nescafé tins from north European EU countries, on the ground

25 Athens Court of Appeal, No. 1702/2016; the same case was similarly decided before the European Union Intellectual Property Office in the context of opposition proceedings (Case R-2444/2015-4).
27 Multi-Member First Instance Court of Piraeus, No. 1735/2012.
28 See Article 7(2) of Directive 2008/95/EC.
29 Single-Member First Instance Court of Chania, No. 2410/2003.
that Nescafé is made differently for Greece, so that it produces more foam and can be prepared as a cold drink, whereas the product manufactured for countries in northern Europe is made for consumption as a hot drink only.\(^{30}\)

Preference is also shown to trademark owners in that Greek courts usually find that even in cases of legitimate parallel imports, a parallel importer is not allowed to use the trademark for advertising purposes. In some cases, it has also been argued that use of the trademark by the parallel importer for advertising purposes creates the false impression that the parallel importer is part of the trademark owner’s distribution network (i.e., the parallel importer is an authorised dealer).\(^ {31}\) These cases, however, greatly depend on the facts and the particular circumstances (i.e., the nature of the use made of the trademark by the parallel importer). In addition, these cases have been heavily criticised in legal literature and may no longer represent a valid precedent.

The approach of the CJEU on this issue is that the type of advertising and the standards of advertising set by the parallel importer should not impair the image of the trademark and should be similar to those set by the trademark owners themselves.

**VII OUTLOOK**

The most notable future development expected in Greek trademark law is the implementation of Directive (EU) 2015/2436. The implementation should have taken place by 14 January 2019, but Greece is late in this process. The new Greek law on trademarks implementing the Directive is likely to come into force at the end of October 2019.

\(^{30}\) Single-Member First Instance Court of Thessaloniki, No. 8031/2005 and Multi-Member First Instance Court of Piraeus, No. 1735/2012.

\(^{31}\) Athens Court of Appeal, Nos. 6414/1996 and 4723/2010; Piraeus Court of Appeal, No. 172/1996.
Chapter 9

INDIA

Chander Mohan Lall1

I OVERVIEW

The trademark registration and enforcement landscape in India, as far as legal provisions are concerned, are no different from those in other Commonwealth jurisdictions. However, despite the best laws, India has always been criticised for its weak and highly time-consuming enforcement and court procedures. This chapter will attempt to give a brief outline of the laws as they exist and the recent changes in the enforcement procedures on account of legislative changes and attitude of courts, resulting in efficient and timely conclusion of cases. The chapter will also discuss some of the path-breaking precedents handed down by Indian courts, especially in the digital space.

II LEGAL FRAMEWORK

i Legislation

The Trademark Act 1999 and the Trade Marks Rules 2017 provide for registration of trade and service marks. The term trademark in India includes service marks. The Companies Act 2013 provides for registration of company names. The Geographical Indication of Goods (Registration and Protection) Act 1999 provides for registration of geographical indications (GIs) of goods.

India is also a member of the World Trade Organization and a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property and the Madrid Protocol for the International Registration of Marks. India is also a member of the Nairobi Treaty for the Protection of Olympic Symbols. Additionally, India adopted the Nice Agreement on the International Classification of Goods and Services and the Vienna Classification, established by the Vienna Agreement.

ii Authorities

The Registrar of Trade Marks under the Intellectual Property Office (IPO) manages the filing and registration of trademarks. The Registrar is empowered to refuse or rectify marks based on absolute or relative grounds, or both. Appeals from its orders can be filed with the Intellectual Property Appellate Board (IPAB).

The GI Registry, also under the IPO, manages the filing and registration of GIs.

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Company names can be registered with the Registrar of Companies (ROC). The ROC also has powers to disapprove or rectify name of companies that are identical with or too closely resemble the name by which a company in existence had been previously registered.

Cooperative societies can be registered with the Department of Registrar of Co-operative Societies.

Domain name registration for .in and .co.in domain names can be undertaken through registrars appointed by the .IN Registry working with the National Internet Exchange of India, both of which, in turn, are under the Ministry of Electronics and Information Technology. The .IN Registry has adopted the Uniform Dispute Resolution Policy and is assisted by a Dispute Resolution Committee to resolve disputes in this regard. It also has powers to appoint arbitrators to address disputes involving registrars and registrants.

Disputes relating to print and television advertising, including comparative advertising, are undertaken by the Advertising Standards Council of India (ASCI), which is an industries body with representation from the industry. The ASCI Code is recognised and enforceable under the Cable Television Networks Rules 1994, which stipulate that ‘No advertisement which violates the Code for self-regulation in advertising, as adopted by the Advertising Standards Council of India (ASCI), Mumbai for public exhibition in India, from time to time shall be carried in the cable service’.

Remedies against the manufacture and sale of misbranded drugs and cosmetics can be undertaken through the drug inspectors. Such products are licensed under the office of the Drug Controller, all under the provisions of the Drugs and Cosmetics Act 1940.

### iii Substantive law

Registered trade and service marks protected by the Trade Marks Act 1999, registered GIs, unregistered and well-known trademarks protected by common law, can all be protected through the filing of civil suits. Trademark violations also attract criminal liabilities (see Section V.i).

The Trade Marks Register itself can be rectified by filing proceedings either with the Registrar of Trade Marks or the IPAB.

Company names can be enforced either through filing substantive suits in civil courts or through the mechanism provided in the Companies Act 2013, empowering the ROC to rectify names of objectionable companies.

India has been at the forefront of protection of internationally well-known trademarks, even if the trademarks are not used in India. The Trade Marks Act stipulates the following criteria for determining whether a trademark is well-known in India:

- **a** the knowledge or recognition in the relevant section of the public including knowledge in India obtained as a result of promotion;
- **b** the duration, extent and geographical area of any use;
- **c** the duration, extent and geographical area of any promotion, including advertising or publicity and presentation, at fairs or exhibition;
- **d** the duration and geographical area of any registration of or any application for registration to the extent that they reflect the use or recognition of the trademark; and
- **e** the record of successful enforcement of the rights mark; in particular, the extent to which the trademark has been recognised as a well-known trademark by any court or registrar under that record.
The term ‘relevant section of the public’ takes into account (1) the number of actual or potential consumers, (2) the number of persons involved in the channels of distribution and (3) the business circles dealing with the goods or services to which that trademark applies.

Where a trademark has been determined to be well known in at least one relevant section of the public in India by any court or registrar, that trademark is considered as a well-known trademark for registration. There is no requirement that the trademark is well-known to the public at large.

The trademark is neither required to be used nor registered to be declared a well-known trademark. The Registrar maintains a list of declared well-known trademarks in India, which it also publishes.

The Information Technology Act 2000 and the Intermediary Guidelines Rules 2011 enacted under the said Act provide rules and regulations, terms and conditions or user agreements informing users of computer resources not to host, display, upload, modify, publish, transmit, update or share any information that infringes any patent, trademark, copyright or other proprietary rights.

The manufacture and sale of misbranded drugs and cosmetics, which includes adulterated and spurious drugs and cosmetics, can also be enforced through the provisions of the Drugs and Cosmetics Act 1940.

### III REGISTRATION OF MARKS

Registration of trademarks can be undertaken by filing an application with the IPO. The fee for a physical filing is 10,000 rupees. For e-filing, the fee is reduced by 10 per cent. There is a new expedited process for registration for which an additional expedited processing fee of 40,000 rupees is payable. The fee for renewal of a registered trademark is identical to the filing fee (i.e., 10,000 rupees for a physical filing and 9,000 rupees for an e-filing).

Once an application is filed, it is given an exclusive number and a date. Based on the priority of filing it is taken in its turn and examined. The process of examination includes an assessment of inherent registrability and acquired distinctiveness and prior rights. If no objections are found, the trademark is published in the Trade Marks Journal to invite oppositions (see Section III.iii) from members of the public at large. If no objections are filed within four months of the publication, the registration certificate is issued. The registration dates back to the date of the application and is thereafter renewable every 10 years.

There is no requirement for the mark to have been used in India to make it eligible for registration in India. Trademarks can also be registered on a proposed user basis. If, however, use of the trademark is not commenced for a period of five years, it can be a ground for removal of the trademark from the Register of Trade Marks.

#### i Inherent registrability

The following trademarks are not registrable in India on grounds of inherent registrability:

- **a** those devoid of any distinctive character; that is to say, not capable of distinguishing the goods or services of one person from those of another person;
- **b** those that consist exclusively of marks or indications that 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 service;
India

c those consisting exclusively of marks or indications that have become customary in the current language or in the *bona fide* and established practices of the trade,

d those of such nature as to deceive the public or cause confusion;

e those containing or comprising of any matter likely to hurt the religious susceptibilities of any class or section of citizens of India;

f those comprising of or containing scandalous or obscene matter;

g those whose use is prohibited under the Emblems and Names (Prevention of Improper Use) Act 1950; or

h those consisting exclusively of a shape:

• of goods that results from the nature of the goods themselves;

• of goods that is necessary to obtain a technical result; or

• that gives substantial value to the goods.

In *Bata India Ltd v. Chawla Boot House*, the court held that while generic marks are least distinctive, descriptive marks require secondary meaning to be established before they can be registered. However, suggestive marks and arbitrary and invented marks are all inherently distinctive, not requiring any evidence of secondary meaning.

In the case of descriptive marks, registration can be obtained by producing evidence that, before the date of application for registration, the mark acquired a distinctive character as a result of the use made of it or it was a well-known trademark.

A trademark may be limited wholly or in part to any combination of colours. If a trademark is registered without limitation of colour, it is deemed to be registered for all colours.

ii **Prior rights**

A trademark can be denied registration if there exists a likelihood of public confusion with an earlier trademark, which includes the likelihood of association with the earlier trademark, and if either of the following relative grounds (based on prior rights) applies:

\[\text{a} \quad \text{the mark is identical to an earlier trademark within a similar goods or services sector; or} \]

\[\text{b} \quad \text{the mark is similar to an earlier trademark within an identical or similar goods or services sector.} \]

A trademark may be denied registration even in a case where it is sought to be registered for goods or services that are not similar to those for which the earlier trademark is registered in the name of a different proprietor or if the earlier trademark is a well-known trademark in India, if the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark. An earlier trademark is one that is either registered or used prior to the later trademark.

Similarly, a trademark can be denied registration if its use in India is liable to be prevented by the laws of passing off or copyright.

iii **Inter partes proceedings**

All trademark applications are published in the *Trade Marks Journal* to enable members of the public to oppose such registrations within a period of four months. It is also possible to initiate proceedings with the Registrar to initiate rectification or cancellation proceedings.

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2 Case No. CS (Comm) 110/2019 (Delhi High Court decision dated 16 April 2019).
against granted registrations. These can also be initiated with the IPAB. While opposition proceedings can be initiated by any member of the public, rectification and cancellation proceedings can only be filed by an aggrieved person (i.e., a person who has some legitimate interest in having the registered mark rectified or removed).

iv Appeals

Appeals against the orders of the Registrar can be filed with the IPAB. Orders of the IPAB can be challenged in the Supreme Court of India by way of a special leave petition. It may also be possible to challenge such orders of the IPAB by way or writ petition to a High Court.

IV CIVIL LITIGATION

i Forums

The district court is considered the court of first instance for trademark disputes. An appeal therefrom lies to the High Courts, and finally, an appeal by way of special leave petition lies with the Supreme Court. There are 29 states in India, divided into 731 districts, with each district having a district judge (DJ) who is the administrative head of the district, and there are additional district judges who have the same judicial powers as the DJ. Additionally, there are 24 High Courts in India, all of which have appellate jurisdiction over the district courts and some quasi-judicial bodies or tribunals. Six High Courts (of Delhi, Bombay, Madras, Calcutta, Jammu and Kashmir, and Himachal Pradesh) have original jurisdiction and can entertain trademark suits. These suits are filed before a single judge, and a bench of two judges has appellate jurisdiction over the single judge.

The territorial jurisdiction of a court is decided by the residence or place of business of the defendant (the infringer) or the place where the infringement (cause of action) takes place. It is also possible to claim jurisdiction on the basis of a threat in the jurisdiction. Under the Trade Marks Act, it is also possible to confer jurisdiction on courts where the trademark owner resides or carries on business or has its principal place of business. The Supreme Court of India has recently ruled on these issues in the case of *IPRS v. Sanjay Dalia.* Other relevant rulings of the Supreme Court include *Dhodha House v. S K Maingi* and *Patel Roadways Ltd v. Prasad Trading Company.*

There have also been rulings of the Delhi High Court (Division Bench) conferring jurisdiction on courts on the basis of interactive websites, which include *Banyan Trade Holding v. A Murali Krishan Reddy* and *WWE v. Reshma Collection.*

As far as pecuniary jurisdiction is concerned, claims must be for at least 20 million rupees for a case to be eligible for filing in the Delhi High Court. For the Bombay High Court, it is half this amount. The court fee payable is 1 per cent of the amount claimed.

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3 (2015) 10 Supreme Court Cases (SCC) 161.
5 1992 All India Reporter 1514.
6 2010 (42) Patents & Trade Marks Cases (PTC) 361 (Del).
7 2014 (60) Patents & Trade Marks Cases (PTC) 452 (Del).
ii Pre-action conduct

It is advisable to conduct appropriate investigations before commencing actions. This should include, among other things, online and on ground investigations, and searches on the Trade Marks Register and Registrar of Companies. Based on the results, litigation strategies should be devised, which could include obtaining and executing *ex parte* search and seizure orders, serving the opposite party with cease-and-desist notices, and initiating pre-litigation mediation proceedings\(^8\) under the Commercial Courts Act.\(^9\)

iii Causes of action

Cause of action for a trademark case may be triggered by (1) actual infringing use of the mark, including use on business paper or packaging material; (2) likelihood of passing off; (3) threat of use or passing off; (4) advertising, including online advertising through an interactive website; (5) import or export of infringing goods; (6) infringing use by use in a company or firm name; or (7) adoption of infringing domain name, key words, meta tags, etc.

iv Conduct of proceedings

The recently enacted Commercial Courts Act mandates each state government to constitute commercial courts at district levels. High Courts have original civil jurisdiction and are mandated with having commercial divisions within them. Over 250 commercial courts have already been constituted. The Delhi High Court itself has six commercial divisions. Trademark suits relating to registered or unregistered trademarks are considered commercial disputes.

The Commercial Courts Act provides for strict timelines to conclude trademark suits. Some significant enactments are:

- **a** A written statement is required to be filed within 30 days (up to a maximum of 120 days) of the date of service of summons. This period is not extendable.\(^{10}\) The written statement is required to be accompanied by an affidavit of admission and denial of the plaintiff’s documents.
- **b** All documents in support of the plaint and the written statement are required to be submitted along with the respective documents.
- **c** Inspection of documents of both parties are liable to be concluded within 30 days of filing of the written statement.
- **d** Within 15 days of inspection, the first case management hearing is liable to be held.

The Commercial Courts Act mandates for trial and arguments to be concluded within six months of conducting the first case management hearing. The judge is required to pronounce a decision within 90 days thereafter.

One important strategy for a speedy trial is to seek appointment of trial including examination and cross-examination of witnesses to be conducted before a court-appointed commissioner. Using this strategy, there are already examples of trials, including complicated patent trials, being concluded in less than six months.

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\(^8\) This is considered compulsory in all commercial suits with the limited exception of cases where urgent relief is sought.

\(^9\) Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015.

\(^{10}\) *Unilin Beheer B V v. Balaji Action Buildwell* (Case No. CS (Comm) 1683 of 2016 and CC (Comm) 38 of 2018 (Delhi High Court decision dated 9 April 2019)).
Under the Commercial Courts Act, costs are liable to be imposed on the defaulting party that does not adhere to the timelines. Actual costs are also liable to be granted for fees and expenses of witnesses incurred, legal fees and expenses incurred and any other expenses incurred in connection with the proceedings. There are several precedents of courts awarding actual costs with the unsuccessful party ordered to pay the costs of the successful party. In *Merck Sharp and Dohme v. Abhayakumar Deepak*, the court ordered costs of 8 million rupees. In *Koninklijke Philips Electronics NV v. Rajesh Bansal*, a case of patent infringement, the court ordered an order of injunction and actual costs to the tune of 31.571 million rupees. In *Glenmark Pharmaceuticals Ltd v. Curetech Skincare*, the Bombay High Court granted costs to the tune of 15 million rupees, payable to a relief fund in charity.

### Remedies

In civil proceedings, courts have powers to pass the following orders:

- injunctions against future violations (also *ex parte*);
- civil search and seizure orders (also *ex parte*);
- damages or accounts for profits;
- discovery of documents;
- preservation of infringement goods or documents or other evidence; and
- preservation of assets of the defendant (also *ex parte*).

### V OTHER ENFORCEMENT PROCEEDINGS

#### i Criminal enforcement

Trademark violations under the Trade Marks Act 1999 also invite penal consequences that may include imprisonment of up to three years and fines of up to 200,000 rupees.

Under the Act, a police officer of or above the rank of deputy superintendent of police or its equivalent can conduct search and seizure operations against a prospective infringer after obtaining an opinion on the same from the Registrar of Trade Marks. It is also possible to obtain open-ended search and seizure orders from magistrates’ courts against known or unknown parties.

The National Intellectual Property Rights (IPR) Policy recognises the need to build the capacity of the enforcement agencies at various levels, including strengthening of IPR cells in state police forces. Since the adoption of the National IPR Policy in 2016, IPR cells have been established in various states’ police departments. Some states, such as Telangana and Maharashtra, have also established intellectual property (IP) crime units. IPR enforcement training and capacity-building of police officials is regularly conducted, which includes working from the IPR Enforcement Toolkit for Police, which is a handbook that serves as a ready reckoner for police officials in dealing with IP crimes; in particular, trademark counterfeiting.

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11 CONT:Cas (C) 846 of 2018 (decision dated 11 March 2019).
12 CS (Comm) 24 of 2016 (decision dated 12 July 2018).
13 COMIP(L) No. 1063 of 2018 (Bombay High Court order dated 28 August 2018).
ii Customs

Notification 47/2007-Customs (NT), dated 8 May 2007, and Circular No.41/2007-Customs, dated 29 October 2007, empower customs authorities to interject goods suspected to be counterfeit or pirated at the border. The said rules are applicable on import of goods that infringe IP registered in India. Apart from registration with the appropriate authority for obtaining IP rights, registration with the Customs Department is also necessary for obtaining protection at the border.

Once IP is registered with the customs authorities, seizure of suspected counterfeit goods is carried out *suo moto* (on its own initiative) by Customs. The IP right holder is also required to furnish the details of the country or person suspected of exporting counterfeit goods to India in order to keep a check on the activities of those persons or consignments from those countries. Even where the IP is not registered with Customs, the clearance of imported goods can be suspended if Customs has *prima facie* evidence or reasonable grounds to believe that they infringe IP rights. The right holder may then be asked to comply with the filing of notice, etc., within five days of the date of suspension of clearance of goods.

VI RECENT AND PENDING CASES

The Supreme Court of India, in the path-breaking decision of *Justice K S Puttaswamy v. Union of India*,14 ruled that the right to privacy is a basic core fundamental right protected by the Indian Constitution as an intrinsic part of Article 21, which protects the right to life and personal liberty. Enshrined in the right to privacy is also the right to publicity.

The Delhi High Court has recently been engaged with cases involving infringing and counterfeiting activities on the internet and online marketplaces. In *Kent RO Systems Ltd v. Amit Kotak*,15 the Court held that, under the provisions of the Trade Marks Act and the Trade Marks Rules, an intermediary is only required to declare to all its users its policy in regard to violation of IP rights of others and advise them not to host any infringing information. The court held that eBay is entitled to be protected under the safe harbour provisions of the Information Technology Act and had complied with the Intermediary Guidelines Rules 2011. In an appeal against this decision,16 the appeal court, however, held that the court could not, on a demurrer, accept eBay as an intermediary and the same would have to be established at trial.

In *Christian Louboutin SAS v. Nakul Bajaj*,17 the court set out the guidelines under which an online marketplace could claim the exemptions available to an ‘intermediary’ under the Information Technology Act 2000. Similarly, in *Amway India Enterprises Pvt Ltd v. 1MG Technologies Pvt Ltd*,18 the Court held that online marketplaces, such as 1MG, Amazon, Flipkart and Snapdeal, are not mere passive platforms, but are massive facilitators providing warehousing, logistical support, packaging, delivery services, payment services, collection gateways, etc.

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14 Writ Petition Civil No. 494 of 2012 (Supreme Court of India decision dated 26 September 2018), Citation: 2017(10) SCC 1.
15 2017 (69) Patents & Trade Marks Cases (PTC) 551 (Delhi High Court decision dated 18 January 2017).
16 *Kent RO Systems Pvt Ltd v. eBay India Pvt Ltd*, Case No. FAO (OS)(Comm) 95 of 2017 (Delhi High Court decision dated 1 May 2017).
18 2019 SCC OnLine Del 9061 (Delhi High Court decision dated 8 July 2019).
Other than these cases, Indian courts are currently hearing arguments on issues such as use of registered trademarks as key words or part of key words, a dispute that involves search engines such as Google.

VII OUTLOOK

Although India is notorious for what is perceived as inefficient legal and administrative systems with inherent delays, things in the past few years have been very different.

The IPO, itself, has undertaken several measures to cut delays. Comprehensive amendments by way of the Trademark (Amendment) Rules 2017, which were made effective from 6 March 2017, streamline and simplify the trademark procedures. The number of forms has been reduced from 74 to eight. There is now one application form for all types of trademark applications. Emails have been introduced as a mode of service, and hearings can be held through video conferencing. SMS alert facilities have also been introduced. Registration certificates are automatically processed and despatched to designated email IDs, and are also uploaded to the electronic register. Similar processes have been initiated for renewals processes. Allotment of applications for examination has been automated to be examined by seniority of filing.

A 10 per cent concession has been provided for filing applications online, and online filing of trademark applications has increased by over 80 per cent. To promote filing, there is a 50 per cent concession in the prescribed fee for start-ups, individuals and small enterprises. Procedures that provided for filing extensions of time for submissions of affidavits and evidence have been removed. Adjournment of hearings has been restricted to a maximum of two, with the provision that each adjournment shall not be for more than 30 days.

The website of the IPO is one of the more efficient ones from a global perspective. The entire e-file of applications and prosecution history is available through an easy-to-navigate search mechanism. Documents are uploaded in pdf format, and are available publicly. With its online register, along with provisions of the Right to Information Act, it can safely be said that the Indian IPO is perhaps one of the most transparent intellectual property offices in the world. As a result of these changes, registration of trademarks has increased by over 20 per cent, and final disposal of cases by over 90 per cent. Indeed, it is not unusual for registrations to be granted within six to eight months.

On the enforcement front, with the introduction of the Commercial Courts Act, efficiency of handling cases has improved tremendously, reducing timelines significantly. The number of judges at the district level has increased with new, and better, infrastructure.

E-court services have been introduced across courts in India with an enhanced and improved website containing details of all cases filed and their current status.19 There have been several improvements in the working of the site itself, and a mobile app has also been introduced.

In conclusion, it would be safe to say that India recognises the importance of soft assets such as intellectual property and the role that they can play in the development of the economy. Several measures have been and are being taken to smoothen the processes, making it more transparent and enhancing the aspect of timeliness and efficiency. There are still constraints on resources, and much still needs to be done; however, the country is moving in the right direction and that, too, at a fairly rapid pace.

19 https://ecourts.gov.in/ecourts_home/.
Chapter 10

ISRAEL

Nahum Gabrieli

I OVERVIEW

Israel’s trademark registration and enforcement is governed by the Trademarks Ordinance (New Version) 1972 and the Trademark Regulations 1940. The Ordinance is a new version based on the British Trademarks Act of 1938, and deals with the civil and criminal aspects of trademarks. Israel is party to the Paris Convention and the Madrid Agreement, and in accordance with these, it also registers international trademarks. Trademark applications undergo substantial examination. The Israeli judicial system is based on Anglo–American law. Hence, the nature of both contentious proceedings before the registrar and enforcement proceedings before the courts is adversary and includes the hearing of evidence and cross-examinations of witnesses.

II LEGAL FRAMEWORK

i Legislation

The protection of trademarks in Israel is established by the Trademarks Ordinance, which deals with both the registration and the enforcement of trademarks.

The tort of passing off is regulated by the Commercial Torts Act 1999. Anti-counterfeiting enforcement carried out by customs authorities is established by the Trademarks Ordinance and the Customs Ordinance. The Merchandise Marks Ordinance deals mostly with false and deceptive use of registered and unregistered trademarks and provides remedies for violations of a criminal nature only.

Israel is party to the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property and, since 2010, the Madrid Agreement Concerning the International Registration of Marks. Israel is also a member of the Lisbon Agreement for the Protection of Appellations of Origin. The Israeli Trademark Office follows the Nice Classification system.

ii Authorities

Trademarks are registered by the registrar of trademarks at the Israel Patent Authority within the Ministry of Justice. Trademark oppositions and cancellation actions are heard and decided by the Trademark Tribunal at the Trademark Office by the registrar and other hearing officers. Enforcement actions are tried in court – usually the district courts, which are authorised to grant injunctions to enforce trademark rights and to award monetary remedies. Israeli

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customs are active in seizing goods that are suspected as infringing registered trademarks and holding them until court decides whether infringement has indeed occurred. Company names are recorded by the registrar of companies in the Israeli Corporations Authority at the Ministry of Justice. Domain names are registered by official registrars of domain names authorised by the Israel Internet Association (ISOC-IL), which also provides panels for dispute resolutions over the registration of domain names.

iii Substantive law

Registered trademarks

Trademark registration is made under the provision of the Trademarks Ordinance and provides for the registration of trademarks and service marks, as well as collective marks and certification marks. While trademarks can be registered by any legal entity, certification marks can only be registered by a person not a running business, and collection marks can only be registered by organisations. Certification and collection marks may be registered even if they lack distinctive character.

Unregistered well-known marks

The Trademarks Ordinance also provides for the protection of well-known marks. The protection of a registered well-known mark may expand beyond goods of the same description and apply to an identical or similar mark used in respect of goods not of the same description provided that the use points towards a connection between said goods and the owner of the registered mark, and that the owner may be harmed as a result of this use. Unregistered well-known marks may also be protected by the Trademarks Ordinance against use of identical or misleadingly similar marks in respect of the goods for which the mark is well-known or goods of the same description.

Company names, trade names, business names and domain names

Company names are recorded by the registrar of companies (see Section IV.iii regarding the prevention of recording misleading company names). Trade names and business names may be recorded, but effective practical protection is obtained through the trademark systems. Domain names are registered by official registrars of domain names authorised by the ISOC-IL (see Sections II.ii and IV.iii).

Geographical indications

The Trademarks Ordinance does not provide for a separate registration process for geographical indications, but such indications may be eligible for registration as trademarks. The Ordinance stipulates that a trademark is not eligible for registration if it contains a geographical indication in respect of goods that do not originate from the indicated geographical area or if it misleads regarding the true geographical area from which the goods originate. Israel is a member of the Lisbon Agreement for the Protection of Appellations of Origin.
III REGISTRATION OF MARKS

i Inherent registrability

Any legal entity may apply for the registration of a trademark; that is, any physical person or any kind of corporation, such as a company, partnership or society. Any mark that is capable of distinguishing the goods or services of the applicant from the goods or services of others may be the subject of a trademark application.

A mark is defined as letters, digits, words, images or other signs, or a combination of these, in two or three dimensions. These may include words, logos, pictures, devices and sounds.

Trademark application goes through substantial examination both for absolute and relative grounds. The applicant may argue with any objection raised by the examiner and is also entitled to request an oral hearing before the registrar.

It usually takes around 12 months to obtain a registration if there are no substantial objections raised by the examiner. This period includes the three-month opposition period. Multiple-class application is allowed in Israel (it was introduced into Israeli law when the Madrid Protocol came into force in 2010).

The official fee for filing an application in one class is 1,623 new Israeli shekels, and is 1,219 new Israeli shekels for each additional class. It is possible to apply for accelerated examination if the applicant can convince the registrar of the urgency in obtaining a registration. An official fee of 762 new Israeli shekels has to be paid and the application for acceleration should be supported by an affidavit.

There are no additional official fees. Professional fees for filing an application are usually charged as a fixed price and the prosecution of the application is usually charged on an hourly basis.

ii Prior rights

The Israeli Trademark Office will examine an application on relative grounds and will cite conflicting Israeli-registered trademarks against the application. If the examiner finds a pending but not yet accepted application for an identical or confusingly similar mark, applying for the same goods or goods of the same description, he or she will apply the provisions of Section 29 of the Trademarks Ordinance, under which the parties have to try to reach an agreement regarding the co-existence of their marks on the register; such an agreement is subject to the approval of the registrar. If no agreement is reached, the registrar will conduct rival application proceedings and decide whose application should prevail, and proceed with examination. In deciding whose rights to the mark prevail, the main criterion is the extent of actual use of the mark, while the filing dates of the rival applications are of less importance. The registrar will also check whether each of the applicants chose his or her mark in good faith.

iii Inter partes proceedings

Any person may oppose registration within three months of the date of publication of acceptance in the Trademarks Journal. The notice of opposition and the statement of case setting out the grounds for the opposition must be answered by the applicant within two months. Evidence in the form of affidavits and expert opinions may be filed by each
party. The opponent is entitled to submit evidence in reply. Cross-examinations take place in an oral hearing before the registrar, and a reasoned decision will be given after the parties have submitted written summations.

Revocation of a registration may be initiated by any aggrieved third party. A revocation action based on the ineligibility of the registered mark, or on the grounds that the registration creates unfair competition in respect of the petitioner’s rights in Israel, must be filed within five years of the date of registration. A revocation action claiming that the application for registration was filed in bad faith may be filed at any time.

There is no limitation on the period in which a cancellation action based on non-use may be filed. Any interested person may initiate such an action if no use of the mark is made for three consecutive years from the date of registration. The procedure for revocations or cancellations is similar to that for oppositions.

iv Appeals

If an application is finally denied by the registrar or hearing officer, an appeal may be lodged within 30 days to the district court.

Appeals against registrar or hearing officer decisions in oppositions or revocation actions should be filed to the district court within 30 days, and are heard by one judge. In order to contest a decision of the district court in an appeal against the registrar’s decision, leave to appeal should be filed to the Supreme Court within 30 days of the decision, and the Supreme Court will only hear the appeal if leave is granted.

IV CIVIL LITIGATION

i Forums

There are no specialised courts for trademark matters. Civil infringement actions for injunctive relief are tried in the district court. Actions for damages lower than 2.5 million new Israeli shekels are within the jurisdiction of the Magistrate’s Court, but if the lawsuit seeks for an injunction and damages, it would be tried before the district court, even though the monetary remedies are lower than the minimum sum within the jurisdiction of the district court.

ii Pre-action conduct

In Israel, there are no pretrial formalities and the plaintiff is not required to take any steps before initiating legal proceedings. However, in practice, in interim proceedings courts sometimes do not appreciate the plaintiff not sending a warning letter to the infringer before filing the law suit petitioning for interim injunctions. This approach may be expressed by judges in awarding low amount of costs or no costs at all to a successful plaintiff just because he or she did not send a warning letter and, therefore, did not make an attempt to avoid legal proceedings.

iii Causes of action

Trademark infringement

Trademark infringement is defined and established by the Trademarks Ordinance. Only the proprietor of a registered trademark is entitled to seek a remedy based on an infringement of its registration. The Israeli Supreme Court has ruled that a registered user (licensee) cannot sue for infringement of a registered mark for which it holds a recorded licence.
In order to establish the infringement contention, the plaintiff has to prove the defendant has used its registered mark or a mark resembling its mark in relation to goods in respect of which the mark is registered or goods of the same description, without being entitled to do so. The plaintiff has to prove the use of the mark by the defendant. The term ‘use’ is broadly interpreted by Israeli courts. Although the definition of an infringement in the Trademarks Ordinance requires only resemblance to the registered mark, the courts usually consider the question of the likelihood of confusion in deciding whether an infringement occurred.

‘Misleading similarity’ is a legal term to be determined and decided legally by the judge and not necessarily by evidence (see ‘Passing off’). In order to determine misleading similarity, the court applies a test known as ‘the triple test’, namely testing:

a visual and phonetic similarity;
b the description of the goods in question and the target consumers of the goods in dispute; and
c other relevant circumstances of the case, such as the specific conduct of the parties, which may affect the question of misleading similarity.

**Passing off**

Passing off is defined and established in the Commercial Torts Act 1999, according to which a trader should not cause an asset he or she sells or a service he or she provides to be erroneously considered to be an asset or service of another trader or an asset or service connected to another trader. The plaintiff has to prove two essential grounds to establish the tort: it must meet the burden of proof to establish its goodwill in the mark and must convince the court that the use made by the defendant could cause the defendant’s goods or services to be considered the plaintiff’s, or at least that such goods or services might be connected to the plaintiff. The likelihood of confusion is decided by the judge applying the triple test described above.

**The doctrine of dilution**

The doctrine of dilution has been recognised by the Israeli Supreme Court, but was recently limited to dilution of a trademark and only in matters of registered well-known marks; there is no possibility to sue for ‘goodwill dilution’ or for dilution of unregistered well-known marks. In an action based on dilution, the plaintiff must establish the goodwill it acquired in the mark (usually a strong internationally renowned mark) and convince the court that the use made by the defendant may dilute and tarnish this goodwill in the mark.

**Company names**

The registrar of companies is responsible for the recordal of company names, implementing the provisions of the Companies Act 1999 and preventing the recordal of misleading names. Section 27 of the Companies Act provides that a company will not be recorded under a name that is a registered trademark in respect of goods and services that are similar to the objectives of the company in question or under a name that is misleadingly similar to the registered trademark. The triple test is used to test for misleading similarities. The registrar is also authorised to require a company to change its name if it is found to be a misleading name, and, if the company does not comply by changing its name, the registrar will choose a name for it. Disputes over company names are tried before the district court, usually within the framework of trademark infringement proceedings, and the district court may also judicially review the discretion of the registrar of companies regarding the recordal of misleading names within the framework of a petition to the district court.
Domain names
Disputes regarding the registration of domain names registered by the ISOC-IL are decided by a special board established by the Association, which handles such disputes in accordance with its published rules and regulations. The general principles of misleading similarity in the field of domain names are adjusted by the board, meaning that more flexibility is allowed in this field in comparison with trademarks in other fields, and, sometimes, minor differences that would not normally suffice in distinguishing between trademarks may be deemed sufficient for the purposes of domain names. The infringement of a domain name may be brought to court within the framework of trademark infringement proceedings and other commercial torts, such as passing off or unfair interference, which has already been used by the court to prevent the use of a domain name by a trader. The district court has the power to prevent the use of a domain name or order a defendant to change an infringing domain name.

iv Conduct of proceedings
The case is always decided by one judge. If the plaintiff seeks interim injunctions, an application should be filed together with the main lawsuit. Such an application should be supported by an affidavit to prove a prima facie case. The respondent may submit a response within 20 days of receiving the application, unless otherwise ordered by the court, and the applicant may reply to this response within 10 days. The court may render its decision based on the application and the response, without a hearing. Usually, the court will summon the parties for a short oral hearing and will allow short cross-examinations, if there are disputed facts that it deems relevant to deciding the case, and will render its decision regarding the interim remedies shortly thereafter. The same procedure applies when the application for interim injunctions is filed ex parte. Applicants must submit with the application for interim injunctions a self-guarantee without which a temporary remedy may not be awarded. The guarantee is aimed at securing any damage that might be caused to the respondent if it is eventually decided that temporary injunctions were granted even though the applicant was not entitled to it. Usually, an application for interim injunction is decided within four to six weeks.

The main lawsuit for permanent injunctions and damages is filed as a statement of claim detailing the relevant facts and specifying the requested remedies. The defendant files a statement of defence within 60 days. Within the preliminary proceedings, discovery of documents is available to both parties, and interrogatories may take place.

Discovery proceedings are only available to the parties in the course of the main lawsuit and not during the interim relief proceedings. Within the preliminary proceedings of the main lawsuit, each party is entitled to demand a general discovery of documents, as well as a discovery of specific documents, provided that these are documents that are relevant to the disputed matters. After disclosing a document, the other party is entitled to see the document and obtain a copy of it. A refusal to discover documents may be brought before the court, which may order a party to disclose the requested documents. Documents that were not discovered are not admissible as evidence, unless specifically permitted by the court. Documents concerning the extent of the alleged infringement may not be disclosed within the process of discovery since the plaintiff may be entitled to see such documents only after an infringement has been found by the court. Injunctions ordering discovery by third parties are very rare.

After completion of the preliminary proceedings, the court orders the submission of evidence, usually in the form of affidavits. Expert opinions are allowed. No evidence in reply
is admissible in court, unless allowed by the court as rebuttable evidence. During the court hearing, each party is entitled to cross-examine the other party’s witnesses. Finally, the parties summarise their contentions, usually in writing. The court then renders its judgment. When the plaintiff seeks monetary remedies, the court will sometimes divide the proceedings into two stages: only if infringement and liability is found in the first stage is a second stage of deciding the damages tried.

In civil cases, the burden of proof is the regular civil burden, which is based on the balance of probabilities. A certified copy of the registration will be prima facie evidence of the validity of the registration.

It was decided that the question of the risk of confusion is a legal question and therefore the court may find such a risk, even without any actual evidence, although witnesses or any other evidence for actual confusion may help in convincing the court that injunctions should be granted for the benefit of both the registrant and the public.

If the action is based on common law rights (passing off), the plaintiff’s case is significantly harder to prove in terms of bringing evidence to establish the goodwill acquired by the plaintiff in the trade dress, which is circumstantial. The courts have not limited the means by which this can be proved (witnesses, experts, public opinion polls, etc.).

The winning party is awarded with the proceeding’s legal costs and attorneys’ fees. Unfortunately, the costs awarded by the courts in the proceedings described above are not actual costs incurred. The courts tend to award a fixed amount of legal costs and usually include attorneys’ fees in the fixed amount. When awarding costs, judges consider the extent of the proceeding, the amount of evidence, the number of witnesses, the number of hearings and also each party’s conduct (although costs should not be punitive). However, still, the costs and attorneys’ fees awarded are almost always significantly lower than the actual costs incurred by the winning party. The situation is different in proceedings before the Trademark Tribunal (opposition and revocation actions) where, in recent years, the hearing officers consider actual costs incurred by the party and attempt to award costs based on the actual legal costs and attorneys’ fees incurred, as long as they are reasonable. The result is that the registrar awards much higher costs than in the district courts.

v Remedies

The civil remedies available to enforce trademark rights include injunctive relief and damages. In its final judgment, the court also has the power to order the destruction of assets resulting from the infringement or that were used to perform the infringement. The court may also order the transfer of ownership in the infringing assets to the plaintiff, in consideration of their real value, had an infringement not occurred.

The most effective remedy to stop an infringement is an interim injunction sought by the plaintiff. An application for an interim injunction may be submitted together with the main lawsuit for the permanent injunction. Such applications are decided on a prima facie basis within several weeks. An application for an interim injunction may be filed ex parte. The plaintiff may also apply ex parte for a search and seizure order, or what are known as Anton Piller orders, and this instrument is used in cases of counterfeited and pirated products that the plaintiff desires to seize as evidence and to prevent the infringer from flooding the market with the infringing goods.

The proprietor may also be entitled to monetary relief, such as damages or an account of profit. In an action that concerns an unregistered well-known mark, the plaintiff would be entitled to injunctive relief only.
The plaintiff may elect to receive damages based on the actual losses caused by the infringement or to receive all the profits made by defendant due to the infringement, based on an account of profit.

In an action based on common-law rights, such as passing off, statutory damages for up to 100,000 new Israeli shekels for all the events of a particular infringement are available to the plaintiff.

V OTHER ENFORCEMENT PROCEEDINGS

i Customs anti-counterfeiting activities

In accordance with the provisions of Section 200A of the Customs Ordinance, customs authorities are authorised to hold goods that prima facie constitute an infringement of a registered trademark, and notify the proprietor of the registration that these goods are held by customs and that the proprietor must deposit a guarantee fixed by customs within three days of the notice. Within 10 days of the notice, the proprietor must file a lawsuit against the importer. Failure to deposit said guarantee or file said lawsuit will result in customs releasing the goods. Customs are authorised to extend the above terms and usually grant such extensions to overseas proprietors. In such a lawsuit, the proprietor may obtain injunctive relief, damages and an order of the destruction of the goods. Customs hold goods because of a notice received from a proprietor or found by its own inspection. In recent years, customs have implemented these provisions intensively, and infringing goods are held every day. If customs seize small quantities of infringing goods, they usually implement a ‘short procedure’, whereby the goods are destroyed without a court order if the proprietor supplies customs with a written opinion that the seized goods are counterfeit, together with an undertaking for indemnification of any damage caused to the importer of the destroyed goods, if it is proved that the goods had not infringed the proprietor’s trademark.

According to Section 69A of the Trademarks Ordinance, a trademark proprietor whose rights to a trademark are infringed or about to be infringed may send a written notice to the customs director asking him or her to detain the suspected goods and treat them as described above according to his or her powers under the Customs Ordinance (Section 200A).

ii Criminal proceedings

Trademark infringement may also constitute a criminal offence under the Trademarks Ordinance. Criminal proceedings are generally prosecuted by the state. Only in cases where the procedure of a private criminal complaint is available to a registered trademark proprietor, may the proprietor file the complaint him or herself. Criminal offences under Section 60 of the Trademarks Ordinance or Section 3 of the Merchandise Marks Ordinance may be prosecuted by a private complainant who is the owner of the infringed trademark.

The Merchandise Marks Ordinance also provides for criminal offences committed by infringers who use deceptive descriptions for goods, and such infringing actions are also liable for penalties of a fine or imprisonment. The Ordinance also empowers the court to give a search and seizure order, which is carried out by the police.

In criminal proceedings, the prosecution has to prove the facts of the case beyond any reasonable doubt.

The defendant may be liable to a maximum of three years’ imprisonment or a fine that could amount to a maximum of 1.4 million new Israeli shekels.
VI  RECENT AND PENDING CASES

Two important judgments have been given recently by the Supreme Court.

The first judgment involves a dispute over the Habitat mark between the UK owner of the international trademark and an Israeli trader who registered the Habitat mark in the 1970s after the registrar accepted his petition to cancel the UK company’s prior trademarks because they were not used in Israel. The Trademarks Ordinance provides that an application to revoke a mark based on the ground that it was registered in bad faith may be filed at any time unlike other grounds, which are limited to five years of the date of registration. It was ruled that there is no limitation on this cause of action of registration in bad faith in view of the specific provision in the Ordinance in this regard. The court also denied a contention that the UK company’s action should have been denied in this instance due to laches because it acted decades after the registration of the mark in the name of the Israeli trader.

The second judgment dismissed an appeal of Nespresso against a competitor that used an advertisement with an actor imitating George Clooney and the famous advertisements of Nespresso by way of a parody. In terms of the rulings regarding dilution only, one of the arguments raised by Nespresso concerned the dilution caused by the defendant to Nespresso’s goodwill created by the use of the character of the actor George Clooney for the promotion of its products. It was ruled that there can be no dilution of goodwill but only dilution of a registered mark and further that only a well-known registered mark can be diluted. It was also ruled that dilution can only occur when the defendant made use of the registered well-known mark. Since the defendant had not used a registered well-known mark in this case, the dilution argument was denied.

VII  OUTLOOK

There have been almost no court decisions regarding trademarks in the social media sphere, and, since trademarks are used extensively in social media, we expect this field to develop in coming years. In spite of the existence of several Supreme Court principal judgments in the fields of well-known marks and the doctrine of dilution, we feel that judicature in these areas has not yet matured and developments are to be expected. Parallel import is clearly defined by the courts as legal and allowed, but problems in this area arise every day because of the actions of the parallel importers. It appears that ruling on some issues in this respect will have to be better adjusted and fine-tuned by courts. The same goes for the question of exhaustion of rights, which arises every day in our global village.

Regarding legislation, it seems that the legislator will have to consider legislation to regulate the rights in types of marks that are not yet defined, such as scents or more complex trademarks, such as audiovisual trademarks.
Chapter 11

MALTA

Luigi A Sansone

I OVERVIEW

i Trademark registration
There are two types of trademark registration available in Malta:

a the registration of a Maltese trademark pursuant to applicable provisions contained in the Trademarks Act; and

b the registration of a European Union trademark (EUTM) pursuant to applicable provisions contained in Regulation (EU) No. 2017/1001. This also includes international registrations designating the EU.

ii Trademark enforcement in Malta
Enforcement of trademark rights is possible by means of a lawsuit filed before the relevant court of first instance, known as the First Hall of the Civil Court.

With regard to a national trademark, the lawsuit is filed pursuant to applicable provisions of law contained in the Trademarks Act, and remedies that can be requested include permanent injunction and damages.

With regard to an EUTM, the lawsuit is also filed pursuant to provisions of law contained in the Trademarks Act (made applicable to EUTMs), and again, the remedies available include permanent injunction and damages.

In each of the above scenarios:

a the Enforcement of Intellectual Property Rights (Regulation) Act allows the right holder a set of pretrial and trial remedies pursuant to Directive 2004/48/EC on the enforcement of intellectual property rights; and

b judgment of the court of first instance is subject to one appeal possibility, by means of an application (to be filed within 20 days of the judgment date) before the Court of Appeal in its civil jurisdiction.

1 Luigi A Sansone is the sole owner and CEO of Salomone Sansone.
II LEGAL FRAMEWORK

i Legislation

The most significant domestic legislation related to trademarks is the Trademarks Act 2019, which was enacted by Act XII of 2019 and is supplemented by the following:

- Legal Notice 283 of 2000 – Trademarks (Provisions and Fees) Rules 2000 (SL 597.01);
- Legal Notice 233 of 2003 – Community Trademark Rules 2003 (SL 597.02); and

In addition, the following national laws are of significant relevance to trademarks in Malta:

- the Enforcement of Intellectual Property Rights (Regulation) Act;
- the Commercial Code;
- the Intellectual Property Rights (Cross-Border Measures) Act; and
- the Criminal Code.

The most relevant treaties Malta has entered into regarding trademarks are as follows:

- the Paris Convention (Lisbon), 20 October 1967 (Stockholm: Articles 13–30, 12 December 1977);
- the World Intellectual Property Organization, 7 December 1977; and

The most relevant international commitment Malta has entered into regarding trademarks is its joining of the European Union on 1 May 2004. This has brought with it Malta’s access to the acquis communautaire, which includes, most notably:

- the EU Trademarks Regulation, namely Regulation (EU) No. 2017/1001;
- the EU Directive on trademarks, namely Directive (EU) 2015/2436;
- Directive 2004/48/EC on the enforcement of intellectual property rights; and

ii Authorities

The Office of the Comptroller of Industrial Property (the Office) is responsible for the national trademark regime, the office of the Registrar of Companies is responsible for national company names, and the Malta Internet Foundation, also known as NIC(Malta), within the office of the University of Malta, is responsible for the national .com.mt domain names.

iii Substantive law

The legal basis for the protection of Malta-registered trademarks is that contained in the Trademarks Act. To qualify for registration, a trademark must be capable of (1) distinguishing the goods or services of one undertaking from those of other undertakings, and (2) being represented on the register in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. A trademark may be disqualified from registration on the basis of absolute grounds or on the basis of relative grounds. Furthermore, there is a regulated system for opposition of a trademark during the application stage and, in the event that the Office considers a trademark application as qualifying under the absolute grounds tests, the trademark application is published at law for opposition purposes, and may be opposed within 60 working days of
the date of publication in the online Trademarks Journal. Should no opposition be filed within such period, a certificate of registration would be issued and the registered trademark would be published in the online Trademarks Journal. A third party may, within the time limits established by law, file a court action for one or both of the following, depending on the circumstances: (1) invalidation of the trademark registration (on the basis of absolute or relative grounds); or (2) revocation of the trademark registration (e.g., on the basis of non-use of the registered mark for an uninterrupted period of five years in circumstances in which there are no valid reasons for the non-use). It is possible to register collective or certification marks.

The legal basis for the protection of unregistered trademarks, company names, trade names, business names, geographical indications and domain names is contained in the Commercial Code of Malta, where it deals with the limits of competition between traders. Of particular relevance are Articles 32 and 37 of this Code, which provide as follows:

**Article 32**

Traders shall not make use of any name, mark or distinctive device capable of creating confusion with any other name, mark or distinctive device lawfully used by others, even though such other name, mark or distinctive device be not registered in terms of the Trademarks Act, nor may they make use of any firm name or fictitious name capable of misleading others as to the real importance of the firm.

**Article 37**

(1) Any trader who contravenes any of the prohibitions contained in Article 32 . . . inclusively, shall, at the choice of the injured trader, be liable either to an action for damages and interest or to a penalty. The injured trader may, further, demand that everything done contrary to the said prohibitions be destroyed, or that any other remedy be applied capable, according to circumstances, of removing the act constituting the unlawful competition.

(2) Any action for damages and interest brought under this Article shall be governed by the rules of the civil law.

(3) The penalty, however, shall be fixed by the Civil Court, First Hall, or by the Court of Magistrates (Gozo) in its superior commercial jurisdiction at the suit of the injured trader, and shall not be less than four hundred and sixty-five euro and eighty-seven cents (€465.87) nor more than four thousand, six hundred and fifty-eight euro and seventy-five cents (€4,658.75), having regard to the seriousness of the fact, to its continuance, to the malice of the offending party and to all other particular circumstances of each case. Such penalty shall be paid to the injured trader in settlement of all his claims for damages and interest.

With regard to company names, Article 70(4) of the Companies Act provides as follows:

A company shall not be registered by a name which:

a is the same as a name of another commercial partnership or so nearly similar as in the opinion of the Registrar it could create confusion; or

b is in the opinion of the Registrar offensive or otherwise undesirable; or

c has been reserved for registration for another commercial partnership by a notice in writing to the Registrar given not more than three months before the date of the second request.
Provided that the Registrar shall notify any refusal under this sub-article without delay to the person requesting the registration:

Provided further that in applying paragraph (b), the Registrar shall have regard, inter alia, to the business or proposed business of the company, to the protection of the names of persons who are not connected in any way with the company, and, in the case of a private company, to the names of the members.

### III REGISTRATION OF MARKS

#### i Inherent registrability

The Office will examine a trademark application with regard to the inherent registrability of the trademark (absolute grounds); for instance, if the trademark is considered exclusively descriptive in nature, it will be refused on absolute grounds, although the applicant will be provided with an opportunity to file submissions or amend the trademark application with a different version that may be considered registrable if the registration is limited to the distinctive manner of presentation (and with this limitation being a condition of the registration).

#### ii Prior rights

The Office will additionally examine a trademark application with regard to prior rights in respect of the trademark (relative grounds); however, this will only be done with respect to earlier trademarks on the Register of Trademarks of Malta, and, if an earlier trademark of relevance is detected, the Office will send a communication to the proprietor thereof at the address on record, informing them about the examined trademark application.

#### iii Inter partes proceedings

*Inter partes* proceedings at application stage are now regulated, and in this regard, a third party may file an opposition (inclusive of all relevant documentary evidence) on certain defined grounds (as provided in EU Directive 2015/2436), within 60 working days of the date of publication of the trademark. Upon receipt of the opposition, the applicant has a period of 60 working days within which to file a counterstatement (inclusive of all relevant documentary evidence) should the applicant wish to maintain the application. At that stage, it will be up to the Office to make a decision on the matter (unless the parties plan to settle, or have settled, matters during a cooling-off period that may be requested), and once the decision is issued, it is possible for an aggrieved party to file an appeal to the Court of Appeal within 15 days therefrom. The judgment of the Court of Appeal (Inferior Jurisdiction) is final and unappealable.

In the event of registration of a trademark on the Register of Trademarks of Malta, it is possible for an interested party to proceed judicially (within defined periods) with a request for a declaration of invalidation or revocation of the registered trademark on relative and or absolute grounds. The lawsuit is filed before the competent court of first instance, namely the First Hall of the Civil Court, and the registrant is allowed the right of reply. A contested lawsuit usually extends over a period of between one and three years at first instance, and a further three to four years before the Court of Appeal (in the event of an appeal being filed).
Appeals

Appeals are available:

a to the Court of Appeal (Inferior Jurisdiction), in relation to any appeal against a decision of the Comptroller of Industrial Property (e.g., an appeal against a decision in opposition proceedings); and

b to the Court of Appeal (Superior Jurisdiction), in relation to any appeal against a judgment of the court of first instance in respect of trademark invalidation or trademark revocation proceedings.

IV CIVIL LITIGATION

i Forums

A dispute between an applicant or an interested party and the Office concerning a decision it has made is referred to the Court of Appeal in its Inferior Jurisdiction.

The following forms of dispute are referred to the First Hall of the Civil Court as a court of first instance (with a 'once only' appeal to the Court of Appeal in its superior jurisdiction):

a a dispute between an interested party and a registered trademark proprietor; and

b a dispute between an injured party and a trademark infringer.

ii Pre-action conduct

An interlocutory, pretrial injunction is available either under general law (a warrant of prohibitory injunction) or under a specific law (Article 6 of the Enforcement of Intellectual Property Rights (Regulation) Act).

Furthermore, the applicant may request measures aimed at preserving evidence.

In each case, an application is filed with the court and, if acceded to, it needs to be followed by the filing of a lawsuit within a specific period.

Pretrial discovery is available at the time the lawsuit is filed, or after.

iii Causes of action

Causes of action may range from one to the other of the following:

a trademark invalidation (e.g., a lawsuit based on relative or absolute grounds, for invalidation of a registered trademark);

b trademark revocation (e.g., a lawsuit based on revocation of a registered trademark, for a declaration of non-use of a registered trademark as a ground for revocation);

c trademark infringement (e.g., a lawsuit for damages and a permanent injunction as well as destruction of the infringing goods, as a result of infringement of a registered trademark); and

d unfair competition (e.g., a lawsuit for damages and a permanent injunction as well as destruction of the infringing goods, as a result of an infringement of a registered or unregistered trademark, company name, trade name, business name, geographical indication or domain name).

iv Conduct of proceedings

Pretrial proceedings are initiated by means of an application filed before the First Hall of the Civil Court, and at this stage an interlocutory injunction or a request for preservation of evidence, or both, may be requested. The adversarial party is given an opportunity of reply,
and the Court may, or may not, fix one or more hearings, following which it makes a decision by decree. In the event that the Court accedes to a pretrial request, the applicant is obliged to follow up matters through the filing of a lawsuit within 31 days and, a lawsuit having been filed, discovery may be requested and the trial proper takes place, with each party presenting its own evidence and the Court issuing its judgment after the parties have filed written and verbal observations. These proceedings may take between one and three years in total.

Following the judgment of the court of first instance, an appeal is possible by filing an application before the Court of Appeal in its Superior Jurisdiction within 20 days of the date of judgment. No new evidence may be produced before the Court of Appeal (save for exceptional circumstances), and the parties appear, on average, between one and three times before the Court of Appeal pronounces judgment. These proceedings may take between three and five years in total.

The losing party is normally ordered by the Court to pay the winning party’s judicial costs. The parties are each represented by locally qualified legal counsel. In the case of a non-resident litigant, legal counsel normally acts as the mandatary.

**v Remedies**

Typical remedies requested in a trademark infringement action or in an unfair competition action are as follows:

a. a declaration of infringement;
b. an order for permanent prohibition of the infringing action;
c. a declaration of damage caused;
d. a request for quantification of damage caused;
e. an order for payment of damages thus quantified; or
f. a request for payment of all judicial costs.

In the case of an unfair competition action, the court may be requested to impose a fine (of between €465.87 and €4,658.70) in lieu of damages.

**V OTHER ENFORCEMENT PROCEEDINGS**


In the event of suspect merchandise discovered in the course of checks on goods entering a customs point in Malta (including a free zone), Maltese Customs informs the right holder of a suspicion that the goods may involve an infringing act. If the right holder is a ‘holder of an IP right’, as recorded with Maltese Customs, and in circumstances in which the goods are counterfeit, the right holder is given the opportunity (at the discretion of Maltese Customs) of having the goods destroyed through the ‘simplified procedure’ (or ‘standard procedure’) within 10 working days of the date of notification of detention. Alternatively, the right holder is required to file judicial proceedings within that same period, extendable once only (on good grounds shown to Maltese Customs) by a further period of 10 working days. In any such lawsuit (filed before the First Hall of the Civil Court against the declarant or the holder of the goods), the right holder typically requests a declaration of infringement, followed by a
request for a court order of destruction of the goods and disposal of waste generated thereby, at the defendant's expense, and an order for all relevant costs to be borne by the defendant. In any such court case, a right of appeal to the Court of Appeal in its Superior Jurisdiction is available.

VI RECENT AND PENDING CASES

Malta has been at the forefront of the battle against counterfeit goods, particularly in the case of counterfeit goods in transit; that is to say, goods sent from a non-EU country, transiting Malta en route to another non-EU country.

In this regard, for instance, reference is made to a recent case decided by the First Hall of the Civil Court,2 the facts of which are as follows:

a The plaintiff company, well known in connection to ‘ARIEL’ laundry detergent and washing powder products and owner of EUTM No. 000199976 ‘ARIEL’ in respect of ‘bleaching preparations and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations, soaps’, duly protected as a ‘right holder’ for the purposes of the relevant provisions contained in Regulation (EU) No. 608/2013, was officially notified that the Director General (Customs) of Malta suspended release of the container MAGU5339202 containing a quantity of packing and packaging material for laundry detergent and washing powder bearing ARIEL signs, as well as laundry detergent and washing powder (inside sacks). These goods all arrived at the Malta Customs Freeport Terminal during a transshipment procedure, sent by the first defendant, Yiwu Deshi Imp & Exp Co, and in transit for eventual release in favour of the second defendant Afaq Alhadatha Co. The Director General (Customs) informed the plaintiff company about this discovery in suspect circumstances, for the carrying out of opportune verifications regarding infringements of intellectual property rights.

b After having examined electronic photographs and samples of these goods, the plaintiff company confirmed to the Director General (Customs) that these were counterfeit goods. For his part, the Director General (Customs) passed on to the plaintiff company a copy of relative commercial documentation wherein Yiwu Deshi Imp & Exp Co, a foreign entity that conducted business in China, was indicated in the box relative to the shipper or consignor, whereas the consignee or importer was indicated as being Afaq Alhadatha Co, a foreign entity that conducted business in Libya.

c Judicial action was filed pursuant to Article 9(4) of Regulation (EU) No. 2017/1001 on the European Union trade mark, which provides that: ‘the proprietor of that EU trade mark shall also be entitled to prevent all third parties from bringing goods, in the course of trade, into the Union without being released for free circulation there, where such

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2 Case Ref. 458/2016MCH of 23 November 2016, in the names Advocate Doctor Luigi A Sansone LLB (Hons.), LL.D, as special mandatary of The Procter & Gamble Company, a foreign company incorporated in the State of Ohio in the United States of America with entity number 20677 and with an address of One Procter & Gamble Plaza, Cincinnati, Ohio, United States of America v. Dr Mark M Cutajar and PL Helen Valenzia nominated as appointed curators to represent Yiwu Deshi Imp. & Exp Co., Ltd, a foreign entity with an unknown address, and Dr Joseph Ellis and PL Gillian Muscat nominated as appointed curators to represent Afaq Alhadatha Co., a foreign entity with an unknown address.
goods, including packaging, come from third countries and bear without authorisation a trade mark which is identical to the EU trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.’

In this respect, the Court acceded to the plaintiff company’s requests and accordingly:

• it declared that the entry without release for free circulation in Malta, in the course of trade between the defendants of the goods in question, infringed the plaintiff company’s intellectual property rights;
• it declared the goods in question as counterfeit in nature;
• it ordered the Director General (Customs) to destroy the goods in question within 90 days of the judgment, without any compensation to the defendants and at their expense; and
• it ordered that the defendants pay all expenses, including those for the identification and tallying of the said goods, for their transportation to the storage facility location, for the storage itself, for transportation of the said goods from the storage facility location to the destruction facility location, for attendance during the destruction and for the disposal of waste generated by the said destruction; and with costs against the defendants.

Various cases are pending before the First Hall of the Civil Court, particularly in relation to goods in transit.

VII OUTLOOK

Malta transposed the provisions of Directive (EU) No. 2015/2436 on 14 May 2019. Most notably, the new law has brought about a reintroduction of the trademark opposition procedure at application stage. Also of relevance is the fact that the new law has removed the requirement that a trademark must be capable of being represented graphically, and has introduced the possibility of putting up a trademark as security (a matter as yet not wholly regulated).
OVERVIEW

The Netherlands is generally considered one of the main jurisdictions in Europe for protection of intellectual property (IP), including trademarks. The Dutch courts rank among the best in Europe, and this certainly also holds true for the handling of trademark cases. The District Court of The Hague has exclusive jurisdiction in cases concerning a European Union trademark (EUTM). Litigation based on Benelux trademarks is also handled by a number of other courts in the Netherlands, which all generally have extensive experience in this field.

Since the introduction of the former Benelux Trademark Act in 1971, Dutch judges have dealt with numerous national and international trademark cases. Also, many principles of the EUTM are based on the experiences of the Benelux countries. Apart from the judges, the Netherlands also houses a substantial number of excellent trademark specialist lawyers and very knowledgeable trademark attorneys (agents).

The Dutch procedural system provides for relatively quick and efficient enforcement proceedings, which is another reason that makes the Netherlands a favoured venue for trademark litigation. The Benelux Convention on Intellectual Property Rights (BCIP), which entered into force on 1 September 2006, provides the basis for the enforcement of trademarks in the Netherlands, Belgium and Luxembourg. For each of these jurisdictions, national procedural rules determine the procedures and remedies available. For the Netherlands, these are laid down in the Dutch Code of Civil Procedure. Although, formally, decisions of one court do not serve as binding precedent for other courts, in practice, courts do take account of decisions in the other jurisdictions.

The Netherlands is also a favourable jurisdiction for IP holding companies, and houses a number of regional, European and even global headquarters of renowned international brand owners.

LEGAL FRAMEWORK

i Legislation

Two types of registered trademarks are acknowledged in the Netherlands, namely Benelux trademarks and EUTMs.

Belgium, the Netherlands and Luxembourg, which form the Benelux region, have had a uniform trademark protection law since 1971. On 1 September 2006, the Benelux

1 Steffen Hagen is an attorney at law and Ischa Gobius du Sart is a European trademark attorney at Baker McKenzie.
Trademarks Act and the Benelux Designs Act were merged into the BCIP. The revised BCIP, implementing the Trademark Regulation (Regulation (EU) 2015/2424), entered into force on 1 March 2019.

Further, because the Netherlands is a member of the Madrid Protocol, trademark protection can also be obtained via international registrations designating Benelux.

### ii Authorities

Benelux trademarks are registered at the Benelux Office for Intellectual Property (BOIP). An EUTM is registered at the European Intellectual Property Office (EUIPO). International registrations designating Benelux, registered at the World Intellectual Property Organization (WIPO), are also valid in Benelux.

The Dutch Trade Name Act provides protection to trade names. Trade name rights are established by the actual use of that name in the course of trade. Registration is not required to obtain trade name rights. However, the majority of trade names are registered in the trade register of the Dutch Chamber of Commerce.

The Dutch domain names authority is the Foundation for Internet Domain names registration in the Netherlands (SIDN). Applications for a country code top-level domain (ccTLD) name with the ‘.nl’ extension are made to, and granted by, SIDN.

### iii Substantive trademark law

To obtain trademark protection under the BCIP, a trademark must be registered with the BOIP in The Hague. An EUTM must be applied for at the EUIPO, and an international registration designating Benelux must be carried out through the WIPO. Any individual or legal entity may apply for a trademark registration. Trademarks can be registered in the name of more than one party.

A straightforward trademark registration procedure will take about three to four months (from application to registration). After the application is filed, the BOIP will examine the application on absolute and relative grounds. Once accepted, the application will be published for opposition purposes. Relative grounds for refusals (such as irregularities in the classification of goods or services for which the trademark is sought to be registered) may be remedied by the applicant. The BOIP usually provides a term of one month for this, which may be extended. If, upon examination, there is an absolute ground for refusal, the BOIP will provisionally refuse registration of the trademark. The applicant will be given a three-month period to file a response to this decision. In Benelux, it is also possible to register individual trademarks using the accelerated procedure enabling a trademark registration to be obtained within 24 hours. This registration is immediately granted and published, but still remains open for opposition by third parties or refusal on absolute grounds by the BOIP for the applicable periods. The official fee for filing an application in one class is €244 (the fee for a second class is €27 and an additional fee of €81 is charged per class from the third class onwards). The official fee for trademark registration in one class using the accelerated procedure is €440.²

² All the amounts quoted in this chapter for official fees are effective as of 1 January 2019.

The Benelux trademark regime, like most of its surrounding jurisdictions, is a registration system rather than a first-use system. Therefore, in principle, non-registered trademarks are not protected in Benelux. This may only be different if the trademark is recognised as a well-known trademark within the meaning of Article 6 bis of the Paris Convention.
iv  Collective marks and certification marks

It is possible to register collective trademarks in Benelux. On 1 March 2019, the certification mark was introduced in Benelux. For a clear distinction and to avoid overlap, the old-style Benelux collective mark was replaced by two new variants: the certification mark and the new-style collective mark. Owners of an ‘old’ collective mark need to convert their trademark into either a ‘new’ collective mark or a certification mark. If the owner has not informed the BOIP of its conversion choice by the old collective mark’s renewal date, the registration will expire.

As of 1 March 2019, a (new-style) collective mark must be owned by an association or a legal entity under public law, and serves to inform that the products or services are provided by a business that is a member of that organisation. A collective mark can serve as an indicator of geographical origin (e.g., by a group of farmers from a certain region).

A certification mark, on the other hand, serves to inform that the products or services meet certain requirements and guarantees specific characteristics of certain goods and services. It indicates that the goods and services bearing the mark comply with a given standard set out in the regulations of use and controlled under the responsibility of the certification mark owner, irrespective of the identity of the undertaking that actually produces or provides the goods and services at issue and actually uses the certification mark. The owner of a certification mark is not allowed to use the trademark itself and it cannot serve as an indication of geographical origin.

The registration fee for a collective or certification mark is €379 in one class.

v  Trade names, geographical indications and domain names

The Dutch Trade Name Act prohibits the use of names that are identical or similar to trade names or trademarks already being used by another company if the use creates the risk of confusion among the public, taking into account the nature and location of the businesses. Trade names are usually registered with the trade register of the Dutch Chamber of Commerce. However, this is not required nor is it sufficient to enjoy protection. Dutch trade name law applies if a name is actually used in the course of trade, regardless of whether or not it is registered. A trade name can be transferred, but only as part of the business it is associated with.

If a sign identifies a product as originating from a given place, it may be protected as a geographical indication. To obtain this protection, it is essential that the qualities, characteristics or reputation of the product relate directly to the indicated place of origin. A protected geographical indication enables those who have the right to use the indication to prevent its use by a third party if the product of this third party does not meet the requirements or standards of the geographical indication. However, a protected geographical indication does not give the holder the right to prevent someone from making a product using the same techniques as those set out in the standards for that indication. Protection for a geographical indication is usually obtained by acquiring a right over the sign that constitutes the indication.

An .nl domain name can be obtained by applying for one not already registered with SIDN. When registering a domain name, the applicant will enter into an agreement with a registrar, who will register the domain name with SIDN as intermediary on behalf of the applicant. The domain name holder enters into a direct agreement with SIDN and the domain name is registered for an indefinite period. The agreement and registration may be terminated by SIDN in the event the registrant does not fulfil the obligations set out in the
agreement and fails to remedy this shortcoming within 30 days of being notified to that effect
by SIDN. The obligations of the registrant towards SIDN are set out in the SIDN general
terms and conditions and include a proper use of the domain name.

SIDN provides a dispute resolution procedure for .nl domain names in accordance with
WIPO/ICANN policies. The dispute resolution procedure provides a quick and cost-efficient
way for the owner of a trademark or trade name to order the transfer of a domain name that
is confusingly similar to the owner’s mark or name where that domain name was registered in
bad faith. Disputes relating to domain names may be brought before a Dutch court.

III REGISTRATION OF MARKS

i Inherent registrability

Any sign that is capable of distinguishing goods or services as originating from a certain
company can be registered as a trademark (e.g., words, symbols, colours, three-dimensional
shapes (of a product or packaging) and sounds). The BOIP may refuse registration, in
particular, if the sign:

a is descriptive;
b lacks distinctive character;
c is misleading or in violation of public policy;
d is an official emblem or flag of a state or international organisation; or
e has a shape that overlaps with any other IP right, such as a patent or design right.

A sign is descriptive if, for example, it describes or recommends the product or service for which
the trademark application is filed. A descriptive sign automatically lacks distinctive character.
A non-descriptive trademark can also be non-distinctive; for example, where it is a slogan
or a single colour. These signs may be registerable as a trademark only after having acquired
distinctive character with the relevant sector of the general public through intensive use.

Usually, the BOIP issues a provisional refusal of protection within two months of the
filing of the application. The applicant is granted a three-month period in which to file an
appeal with the BOIP against such a refusal, which may be extended once only up to a total
of six months.

ii Prior rights

The BOIP does not refuse the registration of a trademark because of likelihood of confusion
with earlier registrations. It is up to the holders of earlier registrations to initiate opposition
proceedings before the BOIP to prevent the application from maturing into registration, or
alternatively, after registration, to initiate cancellation proceedings to remove a trademark
from the register.

The owner of a registered trademark that is valid in Benelux has the right to prohibit
others from using a younger sign if the younger sign is:

a identical and used for identical products or services in commerce;
b identical or similar and used for identical or similar products or services, if that use may
cause confusion;
c identical or similar and used for products or services different from those for which the
prior trademark is registered, if the trademark has a reputation in Benelux and the use
of the younger sign, without due cause, takes unfair advantage of, or is detrimental to,
the distinctive character or reputation of the trademark;
a trademark filed for dissimilar goods or services if that mark takes unfair advantage of, or is detrimental to, the reputation or distinctive character of the invoked mark, where that prior mark is well known in Benelux; or

used for purposes other than to distinguish a product or service (i.e., not used as a trademark) if this use, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the reputation of the prior trademark.

### iii Opposition proceedings

Under the BCIP, trademark owners may oppose an application for registration of a conflicting sign before the BOIP. The aim of these administrative opposition proceedings is to establish at an early stage whether the opposed application should be denied for reason of the sign applied for being confusingly similar to the opposing party’s earlier trademark registration. Furthermore, the opposition system is meant to encourage parties to reach an amicable settlement. Oppositions may be lodged against new trademarks filed for goods and services in any classes. Under Benelux trademark law, the applicant or owner of a prior trademark can file an opposition against the application for:

- an identical trademark filed for the same goods or services;
- an identical or similar trademark filed for the same or similar goods or services, where there exists a likelihood of confusion among the public; or
- a trademark that can cause confusion with an existing trademark that is well known within the meaning of Article 6 bis of the Paris Convention.

Third parties have up to two months from the publication to file an opposition to the registration. The opposition proceedings start (once found admissible by the BOIP) with a two-month cooling-off period. This cooling-off period gives the parties an opportunity to seek an amicable solution to the dispute. The cooling-off period may be extended upon mutual request. Once the proceedings start, the opponent has a two-month period to file the explanations of the grounds for the opposition, after which the applicant is given two months to file its observations in response. Also, the applicant may request proof of use of the opposing trademarks. The official fee for filing an opposition is €1,045. This fee includes an opposition based on three trademarks.

### iv Invalidity or revocation proceedings

Cancellation proceedings may be initiated by any interested party. This entails either proceedings before the BOIP or court proceedings on the merits, based on absolute grounds, relative grounds or nullity.

Invalidity or nullity proceedings are aimed at having the trademark against which the action is directed declared invalid or nullified. These are typically court proceedings, initiated by filing a request with the competent Dutch court to declare a trademark invalid (null and void). Following the recent implementation of the Trademark Regulation, these proceedings are now also possible before the BOIP. A nullity action can be based on one of the following reasons:

- conflict with an earlier registration;
- the trademark has not been used genuinely (non usus);
- it lacks distinctive character;
- it is too descriptive;
- it has become a common or generic term;
it has become misleading through use; or
the trademark was registered in bad faith.

v  Appeals
Final decisions by the BOIP (e.g., refusals, as well as decisions in opposition, cancellation or invalidity proceedings) can be appealed at the Benelux Court of Justice. The appeal must be initiated within two months of the final decision.

IV  CIVIL LITIGATION

i  Forums
In the Netherlands, there is no specialised court for trademark disputes as there is in Germany and the United Kingdom, for example. However, most of the district courts and courts of appeal have judges more or less specialised in IP matters, including trademark matters. In addition, the District Court of The Hague has specialised judges because this court has exclusive jurisdiction in EUTM matters.

ii  Pre-action conduct
In the Netherlands, although not required by law, a cease-and-desist letter is usually sent prior to starting court proceedings (except if an ex parte injunction or seizure is requested). The aim of this letter is to immediately end the infringement, or to seek a settlement out of court. Furthermore, a response to the letter may provide insight into the possible counterarguments presented by the alleged infringer, which may help in assessing the strength of the case. Any such counterarguments must be included in the writ of summons served if, ultimately, legal proceedings are started. Failure to do so risks the claims being judged inadmissible.

For the purpose of settlement, the cease-and-desist letter usually contains demands that are similar to or go beyond those that can be obtained in interim relief proceedings, such as:

a  immediately stopping the infringement;

b  recognition of the rights holder’s rights, and desisting from future infringements;

c  provision of an accountant’s statement to calculate damages, such as the number of products purchased and sold, turnover, costs and profit made;

d  contact details of the supplier of the infringing goods; and

e  an undertaking to pay damages and legal costs.

It may often also contain a penalty clause for each violation of the undertakings. In practice, more often than not, a settlement is reached on the basis of the demands in the cease-and-desist letter, which is usually a more cost-effective outcome for the parties than resorting to court proceedings.

iii  Causes of action
Court proceedings in trademark cases will usually be based on an alleged trademark infringement of the types discussed in Section III. Mostly, this will involve action against the use of an identical or similar sign for identical or similar products or services, causing risk of confusion. Less often, an action will be brought based on use infringing on a well-known trademark. The owner of a prior trademark or trade name can also initiate proceedings against the use of a confusingly similar trade name based on the Dutch Trade Name Act. In the case
of a domain name, proceedings can be based on either trademark law or trade name law, depending on the infringed right concerned. Also, with regard to other unlawful acts, such as misleading advertising or unlawful copying of trade dress, an action can also be brought based on unfair trade practice, misleading advertising, unfair competition or unlawful act (tort) in general.

iv Conduct of proceedings

The Dutch legal system does not have a concept of full discovery similar to that in the United States or similar jurisdictions. In any court case, the court will base its judgment only on the facts as presented to it by the parties. In trademark infringement cases, a plaintiff may opt for either summary proceedings or proceedings on the merits. Summary proceedings consist of a writ of summons by the plaintiff, including the claims and their factual and legal grounds, followed by a court hearing during which the case is pleaded by the legal representatives of the parties (or in the case of the defendant, in summary proceedings – this may be the defendant itself). Summary proceedings may take approximately six to 10 weeks from serving the writ until the judgment is rendered. A judgment obtained in summary proceedings based on trademark infringement must be followed by proceedings on the merits within a reasonable period determined by the court (in accordance with the TRIPS Agreement), usually six months, or (often) by the parties reaching a settlement based on the summary judgment.

Main proceedings are more elaborate and require at least one round of written arguments, by both plaintiff and defendant, and possibly a second round, and in most cases, these end with oral pleadings before a judgment is rendered. Main proceedings may also include incidents, in particular interim orders by the court regarding the provision of additional evidence, such as witness hearings or expert reports. Typically, the main proceedings, subject to incidents, may take between six and 12 months until judgment.

v Remedies

A trademark holder may bring several claims, the most obvious claim being an injunction; that is to say, a court order to cease and refrain from any infringing acts. Other possible claims include a recall of infringing products from the market, and surrender or destruction of infringing products. Also, the infringer may be summoned to provide information, usually attested by an accountant’s statement, to enable the plaintiff to calculate the damage sustained as a consequence of the infringement, such as the number and price of products purchased and sold, the turnover, costs and profit made. In addition, it may be ordered to provide contact details of the supplier of the infringing goods. To ensure that the court order awarding any or all of these claims is executed, the court usually determines that an incremental penalty sum is forfeited if the infringer does not execute the court orders within a certain period, set by the court.

A rights holder may also claim compensation of damage, surrender of profit made from the infringement or compensation of legal costs incurred. A rights holder will need to substantiate the actual damage sustained (e.g., loss of profits) and demonstrate that this is attributable to the infringer. It is not possible to claim or obtain punitive damages in the Netherlands. Only the damage actually suffered may qualify for compensation.

In the case of a trademark infringement, a rights holder may bring a separate claim for surrender of profits made by the infringer from the sale of the infringing products. If the
infringement is made in bad faith, both damage compensation and surrender of profit may be awarded cumulatively. A claim for damage compensation or a claim for surrender of profits may be brought in proceedings on the merits.

In both summary and main proceedings, a claim may be brought for (partial) compensation of legal costs incurred. Any party in legal proceedings concerning the enforcement of an IP right may claim compensation of all reasonable and proportionate legal costs and other expenses (such as expert reports and the cost of accountants) actually made. Dutch courts use guidelines for cost awards in IP proceedings (except patent cases), which, depending on the complexity of the case, vary from €6,000 to €15,000 for summary proceedings, to between €8,000 and €25,000 for main proceedings. If the parties have agreed on the cost award, the court usually awards the agreed amount to the prevailing party.

V OTHER ENFORCEMENT PROCEEDINGS

Pursuant to the EU Anti-Piracy Regulation (Regulation (EU) No. 608/2013), it is possible for trademark owners to involve the customs authorities in the Netherlands to prevent counterfeit and other infringing goods from being imported into or exported from the EU market. At the request and instruction of a trademark owner, customs will monitor incoming shipments and involve the rights holder if they come across a shipment that is suspected to be infringing on the right holder’s trademark. Customs will provide photos and sometimes samples for the right holder to assess whether this is indeed the case. If so, the counterfeit goods can be seized and destroyed.

Under Dutch law, trademark infringement is also a criminal offence and, as such, it can be actioned by the public prosecutor as well as through a civil action by the trademark holder. However, it is at the discretion of the prosecutor whether or not to act upon a notification of infringement and, in practice, it will often be the case that priorities are different and the prosecutor does not opt to take action (except, perhaps, in cases of widespread infringements involving a criminal organisation or where public health is at real risk).

VI RECENT AND PENDING CASES

With the introduction of the cancellation procedure (officially known as the invalidation or revocation procedure) at the BOIP, the procedural options for trademark holders to remove third parties’ trademarks from the register have been broadened and simplified. Since this possibility was introduced on 1 June 2018, a number of proceedings have been filed. Recently, the BOIP has rendered its first four decisions. The grounds for these cancellation actions – against trademark registrations for beer, dance events and used cars – included lack of distinctive character, non usus and lack of acquired distinctiveness.

In its first decision, the BOIP rejected the request by Dutch brewing company Heineken for the cancellation of AB InBev’s semi-figurative trademark ‘PURE DRAUGHT’ (registered for beers) because of lack of distinctiveness. Although the word element ‘PURE’ was considered descriptive, the BOIP found that, despite the general knowledge of the English language by the Benelux public, the word ‘DRAUGHT’ is not commonly known by the average consumer in Benelux. Heineken did not sufficiently substantiate that the word

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3 These decisions were rendered by the BOIP on 14 May, 3 June, 27 June and 30 July 2019.
combination ‘PURE DRAUGHT’ consists exclusively of signs designating the characteristics of the relevant goods. Also, the BOIP considered the (limited) figurative elements of the trademark distinctive as well.

The second case regarded the trademark ‘NEVERLAND’ (for outdoor dance festivals). The BOIP agreed to remove it from the register because of non-use. The proof of use submitted by the registrant was, according the BOIP, insufficient to demonstrate normal use of the contested trademark. The mere existence of websites, posters or flyers on which a certain service (in this case, an event) is advertised does not demonstrate that the service in question was actually provided (or, in this case, that the event actually took place in the relevant period). The assertion of the registrant that he had organised festivals under the disputed trademark that had attracted tens of thousands of visitors in recent years was in no way supported by documents (such as turnover figures, numbers of tickets sold or media reports).

The other two proceedings were in fact between the same parties, operating the competing websites wijkopenautos.nl (which translates as ‘we-buy-cars.nl’) and ikwilvanmijaautoaf.nl (which translates as ‘I-want-to-get-rid-of-my-car.nl’), both for the trade of used cars. In the first cancellation proceedings, the BOIP ruled the removal from the register of the trademark ‘IK WIL VAN MIJN AUTO AF’ (‘I WANT TO GET RID OF MY CAR’) because it was found descriptive and lacking distinctiveness. The trademark owner had argued that the trademark had acquired distinctiveness in Benelux through use. To substantiate this, a number of documents were submitted, inter alia, showing that the trademark IK WIL VAN MIJN AUTO AF, followed by the ccTLDs .nl and .be, had been used frequently and for a long time on the Dutch and Flemish markets. Also, market research reports were provided showing an aided brand awareness of 48 per cent in the Netherlands and Belgium. Nevertheless, the BOIP found that (in this present case) such a percentage was not sufficient to conclude that the trademark had acquired distinctiveness through use in a significant part of the Benelux territory (which also includes Luxembourg).

The other cancellation action, filed against the registration of the combined word and figurative mark ‘WIJKOPENAUTOS & DEVICE’ (‘WEBUYCARS’), based on the ground that the trademark would lack distinctiveness, was rejected by the BOIP. The BOIP found that the overall impression given by the trademark is not devoid of any distinctive character, because of the distinctive and dominant figurative elements (in particular, the stylised logo consisting of the front of a car depicted in a shopping cart).

VII OUTLOOK

Looking ahead to 2020, it will be interesting to see further cancellation decisions to be rendered by the BOIP. Particularly given the recent introduction of bad-faith registration as an extra ground in invalidity or cancellation proceedings before the BOIP. This legislative change marks a material change in Dutch trademark law, further redefining the lines of trademark law procedurally, broadening the options for trademark holders.
I OVERVIEW

Ownership of a Portuguese trademark is acquired by registration with the National Institute of Industrial Property (INPI).

The trademark owner has specific means to contest the infringement of its rights: he or she can obtain injunctions (preliminary or on the merits, or both) and other civil remedies, bring criminal charges or apply for customs procedures.

II LEGAL FRAMEWORK

i Legislation

The most significant piece of Portuguese legislation regarding the protection of industrial property (IP) is the Industrial Property Code (IPC), recently approved by Decree-Law No. 110/2018, of 10 December 2018, which revoked the previous IPC.

As a Member State of the European Union, EU legislation is applicable in Portugal on the general terms provided for in EU legal instruments, such as the Regulation on the European Union Trade Mark.

Also, Portugal is a party to many relevant international treaties regarding the protection of trademarks, such as the Paris Convention for the Protection of Industrial Property (the Paris Convention), the Madrid Agreement Concerning the International Registration of Marks, and the Agreement on Trade-Related Aspects of Intellectual Property Rights.2

ii Authorities

The administrative body responsible for overseeing the protection of trademark rights in Portugal is INPI. This entity has competence to assess and decide on the registration of trademark rights as well as on requests for the declaration of nullity or annulment of such registrations, and also opposition proceedings related to any national trademark application. It is also responsible for publishing the Industrial Property Bulletin (the IP Bulletin), which contains the main relevant facts relating to IP rights. INPI also maintains an online freely accessible database, which contains information about all Portugal-related registered trademarks.

The National Legal Entities Registry (RNPC) oversees the registration of company names.

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1 António Andrade is counsel, Sara Nazaré is a managing associate and João Carlos Assunção is an associate at Vieira de Almeida.

2 Also known as the TRIPS Agreement.
Finally, the management, maintenance and registration of domains under the top-level domain (TLD) ‘.pt’ (corresponding to Portugal) is the responsibility of the private non-profit Association DNS.PT, which succeeded the Foundation for National Scientific Computation.

iii Substantive law

Registered trademarks

In Portugal, registration is the key way of obtaining protection and exclusivity rights in relation to a trademark (i.e., the registration is the legal condition for trademark protection) and as a general rule, the first-to-file principle applies. Registration is obtained following an administrative procedure involving both INPI and any interested parties, and which concludes with the decision to grant or refuse the trademark registration.

Upon filing of the trademark application and publication of the notice of application in the national IP Bulletin, registrability is examined on absolute grounds, which relate to the public interest (e.g., protection of consumers), and on relative grounds (both ex officio and based on oppositions filed by third parties).

According to the applicable legal provisions of the IPC, a trademark may consist of a sign or set of signs that can be represented graphically, namely words (including the names of persons), drawings, letters, numbers, sounds, colours and videos (motion mark), the form of a product or its packaging, provided that these can be represented in a manner that enables determination, in a clear and precise manner, of the scope of the protection granted to the owner, and as long as these adequately distinguish the products and services of one company from those of others; this is subject to a case-by-case analysis by INPI, according to an established practice and internal guidelines.

For the sake of distinctiveness and in general terms, trademark protection cannot be conferred on signs that exclusively consist of the form, or another characteristic, imposed by the nature of the product itself or the form, or another characteristic, of the product necessary to obtain a technical result, nor to signs that are exclusively made up of indications that may serve in commerce to designate the type, quality or other inherent characteristics of the product or the service. Moreover, trademarks that exclusively consist of signs or indications that have become common use in modern-day language or in the habitual and constant habits of commerce are also refused.

As of the date of the application, a trademark registration has a duration of 10 years and may be indefinitely renewed for identical periods. During this period, the owner may use the words ‘Registered Trademark’, the initials of those words (‘RT’) or simply the circled ‘R’ symbol (®).

Collective trademarks may be defined as trademarks that are applied for and are capable of distinguishing the goods or services of the members of an association that is the proprietor of the mark from the goods or services of other entities. These may only be registered by legal persons who, for instance, supervise certain economic activities, and who intend to distinguish the products of these activities. Guarantee or certification trademarks are used for products or services subject to the control of a natural or legal person who owns the mark and determines the corresponding standards for the associated products and services.

Unregistered and well-known trademarks

Under Portuguese law, no protection is available for unregistered trademarks.
Nevertheless, whoever uses an unregistered trademark for a period not exceeding six months, and proves that use, has the right of priority, during that grace period, to register the trademark, and can oppose other applications made by third parties.

Trademark applications that constitute a reproduction or imitation of certain unregistered external features, namely packaging or a label, including the form, colouring and layout of wording, and other elements proven to have been used previously by others in their registered trademarks should be refused. However, parties with an interest in the refusal of a trademark under this rule may only intervene in the application process once they have applied for registration of the original trademark themselves, with the relevant external features.

Moreover, registration is also refused for a trademark that is a reproduction or, as a whole or in an essential part, an imitation or translation of another well-known trademark in Portugal, if it is applied to identical or similar products or services and may be mistaken for the other trademark or if an association with the owner of the well-known trademark is possible. Finally, registration will also be refused if a trademark (even one designed for products or services that are not identical or related) is an interpretation of, or is identical or similar to, an earlier trademark that enjoys a prestigious reputation in Portugal or the European Union (if it is registered in the European Union), and whenever use of the later trademark seeks to take undue advantage of the distinctive character or reputation of an earlier trademark or may prejudice it. For this purpose, parties seeking the refusal of trademarks also have to apply for registration of their own trademark to be able to intervene in the procedure, whereby it is understood that, in such cases, registration of the trademark that generated the original reputation for the relevant products or services must also be applied for.

**Logotypes**

Logotypes, which have legally replaced both trade names and insignias since the revision of the IPC in 2003, may consist of a sign or number of signs that can be represented graphically, namely by nominative or figurative elements or a combination of both, or by a sign or combination of signs that can be represented in a manner that enables determination, in a clear and precise manner, of the scope of the protection granted to the owner, and it must be appropriate for distinguishing an entity that provides services or commercialises products. It can be used, for instance, in places of business, advertising, forms and correspondence. The same sign, when it serves to distinguish one and the same entity, may only be the object of one logotype registration. However, the same entity may be distinguished through more than one logotype registration.

Most of the procedural formalities applicable to the registration of trademarks also apply to the registration of logotypes, such as publication of any filed application in the IP Bulletin, which in turn triggers the two-month deadline for submission of oppositions or third-party observations by any interested parties.

**Company names**

According to the relevant provisions of the Portuguese Companies Act, the characteristic elements of a company name may not suggest a different activity than the one effectively pursued by the company or a different legal type of company or legal person (e.g., a non-profit organisation). Moreover, a company’s name cannot be identical or confusingly similar to any other registered company’s name. Also, company names cannot be exclusively composed of geographical indications or common-use words that identify or relate to the corporate activity, products or technique, or contain any words considered immoral or offensive.
Company names are registered with RNPC and there is no public database of company names (as there is for trademarks), thus the search of prior company names is performed ex officio by RNPC and reflected in a certificate issued by that authority, upon request by an interested party.

The prior registration of trademarks, logotypes, designations of origin and geographical indications are grounds for refusal or annulment of company names that may be confused with the prior registrations.

Trade names
Even though trade names are protected in Portugal under Article 8 of the Paris Convention, which may be invoked for the purpose of using a certain trade name, these do not constitute a legal category of IP rights per se within the national legal framework.

Geographical indications
Under Portuguese law, a geographical indication is understood to mean the name of a region or a specific place that serves to designate or identify a product originating from that region (or, exceptionally, country) or whose reputation, specific quality or characteristics can be attributed to that geographical origin and whose production, transformation or development are carried out within that demarcated geographical area.

Designations of origin
Designations of origin are defined as the name of a region, a specific place or, in exceptional cases, of a country that serves to designate or identify a product originating from that region, or whose quality or characteristics are derived, essentially or exclusively, from the geographical environment, including the natural and human factors that compose it, and whose production, processing and development are carried out within that demarcated geographical area. The importance of designations of origin – notably in the wine sector (always of interest in Portugal) – is reflected in the relevant number of disputes between trademarks and prestigious denominations of origin (Port (or Porto) wine being the most eloquent example). Trademark applicants, who often choose signs composed, at least partially, of words such as ‘Porto’, or ‘Madeira’, may thus raise concerns of infringement in the owners of these denominations of origin, even when the trademarks do not intend to distinguish wine products.

Domain names
It is commonly accepted that the trademark owner’s right of property and exclusivity includes the right to use that sign online and as a domain name, as well as the right to prevent others from doing so.

The Portuguese regulations regarding this matter include rules that intend to guarantee the respect of prior rights with a view to preventing the abusive registration of domain names in the .pt domain, in particular prohibiting names that may give rise to confusion or undue association as to their ownership. In this sense, the Regulation on the Registration of .pt Domain Names states that a domain name cannot correspond to words or expressions that are contrary to the law and public order but also cannot correspond to any internet TLD that exists or is in the process of being created, or otherwise to names that may give rise to confusion regarding their ownership.
III REGISTRATION OF MARKS

i Inherent registrability

National trademark applications may be filed, either through the postal service or online by: (1) the owner of the right, if established or resident in Portugal, or a person who is established or resident in Portugal and is duly empowered for the purpose; (2) the owner of the right, if established or domiciled in a foreign country, provided that the owner can provide either a Portuguese address or email address or fax number; (3) an Official Industrial Property Agent (AOPI); and (4) a duly appointed lawyer or solicitor. All representatives require a power of attorney before filing, except AOPIs, who are accredited by INPI.

The applicant has to provide, inter alia, a graphical representation of the sign or other form of representation that allows determination, in a clear and precise manner, of the scope of the protection granted to its owner and must enumerate the goods and services covered by it, grouped in accordance with the categories in the Nice Classification and defined in clear and precise terms.

The charges for a national trademark application at INPI, for one class of goods or services, are €254.73 for a paper-based application, or €127.37 for an online application. There is an additional cost of €32.29 per class if the applicant chooses to apply for more than one class (€64.57 for a paper-based application). Renewal fees are the same as filing fees.

The renewal of Portuguese trademarks must be requested within the six-month period before the expiry of validity and is subject to the payment of a renewal fee. However, the request for renewal can also be made following expiry of validity, within one year of the publication of the expiry in the IP Bulletin, but three times the amount of due fees must be paid in this case. This must be done without prejudice to the rights of third parties acting in good faith.

According to the IPC, once a trademark is granted, it enjoys a presumption of validity, along with all other industrial property rights.

ii Prior rights

The protection of earlier rights is observed by INPI when examining an application.

According to the relevant legal provisions, registration is refused when a trademark consists of a reproduction or imitation of all or part of a trademark previously registered for identical or similar products or services that may mislead or confuse the consumer or present a risk of association with the previously registered trademark (the same applies to logotypes and infringement of other IP rights, mutatis mutandis).

Further grounds of refusal of a trademark are the use of names, portraits or any other expressions without the authorisation of the persons they relate to, or their heirs or relatives or, if authorisation is obtained, if it causes disrespect to those persons; the recognition that the applicant’s intent is one of unfair competition, or that unfair competition is a possible outcome regardless of the applicant’s intention; and the reproduction or imitation of all or part of a denomination of origin or a geographical indication protected under the terms of national or European rules or international agreements that the EU is part of, if the denomination of origin or geographical indication have been applied for before the trademark application.

When cited in opposition proceedings, further grounds of refusal may be the reproduction or imitation of a third party’s company name and other distinctive signs, or merely a characteristic part thereof, if it is likely to mislead or confuse the consumer, and also the infringement of copyrights.
iii  Inter partes proceedings

When a national trademark application is filed, the fact is published in the national IP Bulletin, a daily publication that contains, inter alia, information about trademark applications (including details about the applicant) and their grant or refusal.

An interested party may submit an opposition or third-party observations to an application within two months (which can be extended for one additional month) of publication of the application in the IP Bulletin. This is subject to the payment of a fee of €53.81 (online) or €107.62 (paper). Applicants have the right to reply to an opposition or third-party observations within two months of their notification, and they may defend by requesting that the claimant in the opposition proceedings provides evidence that the trademark serving as the basis was subject to serious use for five consecutive years prior to the date of the request or the priority claimed, if it has been registered for at least five years. Either ex officio or on request by the interested party and with the acquiescence of the opposing party, the study (assessment) of the application may be suspended for no longer than six months.

After these periods of opposition or observations, and reply, the application is subject to examination, and both parties’ allegations are considered by INPI in reaching its decision, which is usually issued within a period of about four to six months. In contrast to the European Union Intellectual Property Office, INPI examines not only absolute grounds for refusal, but also relative grounds based on ex officio searches for previous potentially conflicting trademarks.

In Portugal, the revocation (either through cancellation on expiry grounds or resulting from invalidity grounds) of a registered trademark shall result from a decision of INPI, except when it results from a counterclaim filed in the context of judicial proceedings (however, when a request for the declaration of nullity or annulment has been filed at INPI prior to the counterclaim, the proceedings are stayed until the decision on the application filed at INPI is definitive or the application has been withdrawn). The referred decisions from INPI may be appealed to the Intellectual Property Court (IP Court). The interested party with legal standing for the declaration of nullity or annulment procedure must be represented by an IP agent, lawyer or solicitor. The request for annulment of trademarks and logotypes’ registrations must be filed within five years of the decision of grant.

When an action of annulment of a trademark is filed, this is recorded by INPI and therefore becomes public knowledge.

iv  Appeals

The INPI decisions granting or refusing a trademark, or granting or refusing a revocation of a registered trademark, may be appealed before the IP Court within two months of publication of the decision in the IP Bulletin, by the applicant or owner of the registration, those that filed an opposition, those that filed the revocation or anyone directly harmed by the decision. After the appeal is received by the Court, the opposing party, if any, is summoned to respond within 30 days, if the opposing party so wishes. INPI is not a party to these proceedings.

An appeal against a decision by the IP Court (see previous paragraph), or against any IP Court decision in invalidity proceedings, may be appealed before the Court of Appeal, under the general rules of civil procedure. An appeal to the Supreme Court of Justice (third instance) is only possible in special and rare circumstances.
IV CIVIL LITIGATION

i Forums
Trademark enforcement disputes are typically resolved before the IP Court, a court established in 2012, now with three judges. It hears cases relating to copyright, industrial property, domain names, trade names, company names and unfair competition. Although it should be considered a specialised court, not all the judges are specialised in IP.

The decisions of the IP Court can be appealed to the Lisbon Court of Appeal (second instance court) and, in some cases, to the Supreme Court of Justice (final instance court).

Besides judicial courts, the parties can agree to submit a dispute to an arbitral tribunal. In Portugal, the institutionalised arbitration centre ARBITRARE, created in 2009, has jurisdiction to resolve disputes arising from industrial property rights, .pt domain names, trade names and corporate names.

ii Pre-action conduct
There are no mandatory pretrial formalities that need to be undertaken (such as warning letters). Although they have no procedural effects, it is customary to send out cease-and-desist letters before filing a civil action.

The parties can also agree to submit the dispute to mediation prior to the judicial dispute, although this is not common practice.

iii Causes of action
Trademark infringement
Any proprietor can react against the use (wholly or in part) of his or her registered trademark or a similar trademark by a third party, when: (1) the proprietor has an earlier registered trademark; (2) both trademarks are used for identical or similar products or services; and (3) the trademarks are graphically, figuratively, phonetically or in any other way so similar that the consumer can be easily misled or confused, or if it entails a risk of the later trademark being associated with the earlier registered trademark, in such a way that the consumer can only distinguish them after careful examination or comparison.

The IPC distinguishes between well-known and famous (‘prestigious’ in Portuguese law) trademarks, which are both specially protected. According to Portuguese case law and doctrine, only a significant difference between contested trademarks could preclude an imitation judgment for well-known trademarks. For famous or prestigious trademarks, the goods and services covered by the trademark do not have to be similar or identical for infringement to be recognised.

Company names
Civil actions concerning company names must be filed with the IP Court. In these cases, company names can, as distinctive signs, be protected against other similar company names or even other trademarks.

Unfair competition
Unfair competition can also be grounds for a civil claim (alone or together with trademark infringement). Any act that contravenes business rules and honest commercial practices should be considered an act of unfair competition.
**iv  Conduct of proceedings**

**Preliminary injunctions**

The IPC allows for preliminary injunctions (PI) to be granted on the basis of the threat or actual infringement of any industrial property rights. If actual infringement is already being committed, the applicant only has to demonstrate the ownership of a right and that it is being infringed (irreparable harm only needs to be proven if the PI is requested on the basis of the threat of infringement).

If the PI turns out to be unjustified, the applicant may be liable for damages.

**Ordinary proceedings**

Civil main action follows the general regime provided for in the Portuguese Civil Procedural Code (CPC). It includes three written pleadings: the initial claim or claims, the defence and, whenever a counterclaim is formulated by the defendant in the defence, a reply.

However, the courts have, under the general adversarial principle, been accepting a reply by the claimant to the objections raised by the defendant in its defence. This reply may be admitted in writing, to be submitted within 10 days (which corresponds to the general deadline prescribed in the CPC), or orally during the preliminary hearing or prior to the final hearing. The same rule will apply if the claimant raises an objection to the counterclaim formulated by the defendant in its reply, whereby the court may admit the submission by the defendant of its counter-reply to the reply filed by the claimant, on the same terms as those outlined above.

The parties must indicate, in the initial claim and in the defence, the types of evidence intended to be used during the proceedings (the ‘evidentiary application’). Despite this apparently tight timeline for submission of types of evidence, it is possible to modify or include new witnesses until the 20th day prior to the final hearing date (with the counterparty allowed to do the same) and, should the court decide to schedule a preliminary hearing, it is also possible to modify the entire evidentiary application during this preliminary hearing. The CPC foresees the following types of evidence: the testimony (by means of the declaration by the parties or witnesses in the presence of the court), documentary evidence, technical expertise and judicial inspection.

This phase may last up to four months, should all the pleadings identified above be presented. The defendant is usually served with the claim within one or two weeks of the submission of the initial claim; the deadline to file a defence can vary between 30, 35, 45 and 60 days (depending on whether the defendant’s address is in the same district as the court or, ultimately, outside Portugal); the claimant will have a 30-day deadline to reply to the counterclaim, or a 10-day deadline to submit an application regarding the objections raised in the defence (subject to the procedural constraints identified above).

The hearing phase may be divided into two different periods: the preliminary hearing and the final hearing.

The preliminary hearing, which is not mandatory and, in some cases, may even be omitted, mainly serves the purpose of conciliating the parties or preparing for the hearing.

During the final hearing, which is practically impossible to postpone and is always recorded, the court, presided over by a single judge, hears the testimonies of both the parties and the witnesses, and the legal counsels during their final oral arguments. The decision should then be rendered within 30 days of the conclusion of the hearing.

Depending on the length and the technical complexity of the pleadings, on the amount of evidence submitted and, finally, on the amount of cases pending before the IP Court at that time, the hearing phase may last up to seven months.
The decision of the IP Court may, in principle, be subject to appeal before the Lisbon Court of Appeal, which as a rule will have no suspensive effect. The appellant has to file the appeal within 30 days of the notification of the decision (or 40 if the record of the hearing and testimonies contained therein are reappraised) and the respondent is granted another 30 or 40-day period to submit its counter-appeal arguments, with the option to extend the subject of the appeal. The respondent may also decide to submit a cross-appeal if one or more of the claims filed was rejected (at least in part), which must be filed within the 30-day period for the presentation of counter-appeal arguments. The Lisbon Court of Appeal, composed of a panel of three judges, has some powers to modify the decision on the facts.

The Lisbon Court of Appeal is currently delivering decisions in around six months.

An appeal to the Supreme Court of Justice is possible, although the requirements are stricter and the subject of the appeal is limited to legal matters and interpretation.

The court fees may vary depending on the value fixed to the claim and the complexity of the matter (the degree of complexity is assessed by the court at the end of the proceedings), but they can amount to around €50,000.

**Remedies**

The remedies set out in the IPC are mostly in line with Directive 2004/48/EC on the enforcement of intellectual property rights. Accordingly, as well as injunctions (preliminary or otherwise, and those associated with a penalty payment in cases of non-compliance) and orders for compensation for damage and loss, the court may order three further types of measure, subject to a standard of necessity and proportionality: (1) recall, (2) removal from the channels of commerce, or (3) destruction of the goods that infringe the industrial property rights. When applying these remedies, the judge has to consider the interests of the parties involved, the interests of third parties and, in particular, those of consumers.

The Court’s decision may also include inhibitory measures, notably a temporary prohibition to perform certain professional activities, or to participate in fairs or markets, and a temporary or definitive closure of the business.

**OTHER ENFORCEMENT PROCEEDINGS**

**Criminal proceedings and misdemeanours**

Some specific criminal procedures and misdemeanours are also set out in the IPC.

The following types of conduct are considered a criminal offence:

- using counterfeit or imitated trademarks in products or packages;
- using, counterfeiting or imitating well-known trademarks for which registration has already been applied for in Portugal;
- using (even if in products or services without identity or affinity), trademarks that are a translation of, or are identical or similar to, existing trademarks for which registration has been applied for and that enjoy prestige in Portugal or the EU, if they are EU trademarks, if the use of the later trademarks seeks to unjustly obtain undue benefit from the distinctive or prestigious character of the earlier trademarks or may be detrimental to them; and
- using a registered trademark belonging to another person in products, services or an establishment or company.
These crimes are punishable with imprisonment for up to three years or a fine of between €50 and €180,000.

Criminal procedure demands that the injured party lodge a complaint (within six months of the date the crime was committed). The right to lodge a criminal complaint ceases if a civil claim based on the same facts as the prospective criminal complaint has been brought previously.

Criminal procedures for infringement of industrial property rights are not common (the most common being in relation to counterfeiting).

Regarding misdemeanours, fines of between €3,000 and €30,000 (for legal persons) and between €750 and €7,500 (for natural persons) are applicable in cases of use of prohibited trademarks, as well as misuse of names, insignias or logotypes, and preparatory acts regarding the criminal offences set out in the IPC.

ii Customs procedures


The Portuguese customs authority tends to be quite efficient in relation to trademarks and designs.

VI RECENT AND PENDING CASES

i Unregistered trademarks

Although the ruling of the Supreme Court of Justice in a recent case does not consider the use of an unregistered trademark to be juridically irrelevant, it does reinforce the position that, in Portugal, the mere use of an unregistered trademark does not grant its holder an exclusive right. Furthermore, the Court stated that it should be borne in mind that unfair competition is complementary to the protection of exclusive industrial property rights and that it should be seen as a secondary defence and only provide a ground for revocation of a registered trademark in serious cases.

ii Liability for ungrounded preliminary injunctions

The civil liability of IP holders for ungrounded PIs is currently enshrined in Portugal in Article 343(3) of the IPC (previously Article 338-G(3)), which is heavily based on Article 9(7) of Directive 2004/48/EC. The IP Court issued its first decision on the matter of an IP holder’s liability for ungrounded PI on 1 March 2018, holding that the liability arising from said previous Article 338-G(3) of the IPC should be considered a strict liability, and ordered the PI applicant to pay damages to the generic company that had been ordered to stay out of the market while the IP rights asserted were in force.

On 19 February 2019, the Lisbon Court of Appeal overturned this decision and clarified that the liability provided for in Article 338-G(3) of the IPC demands the allegation and demonstration of the fault or negligence of the IP holder that applied for the PI. In a situation where the IP holder files for a PI on the basis of the public record that attested a

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3 Case No. 143/16.9YHLSB.L1.S1, dated 5 June 2018.
4 Case No. 236/16.2YHLSB.

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certain expiry date of its IP right, which is published in the IP Bulletin, the Lisbon Court of Appeal concludes that the IP holder acted in good faith and with the required prudence, in view of the official elements available at the time.

This decision has been appealed to the Supreme Court of Justice.

VII OUTLOOK

A new Industrial Property Code was approved in 2018 and entered into force in 2019. As expected, this new law transposed the content of Directive (EU) 2015/2436\(^5\) and Directive (EU) 2016/943\(^6\) to the national legal framework.

The new IPC foresees new criminal and civil offences and new means of reaction against infringement that, in principle, confer a greater protection to trademarks owners. It will be interesting to see whether such measures will grant a more effective protection to trademark owners, in practice.

The Portuguese IP Court certainly needs improvements, notably in the number of judges allocated to the Court, their specialisation in IP law and the logistical means for a better and more expeditious delivery of justice.

There has been a significant increase of infringement of IP rights on the internet and, accordingly, the IP Court has dealt more with this type of case. Social networks have also contributed to the increase in the number of cases of infringement of rights; however, these are related more to personality rights and privacy.

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6 Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.
I OVERVIEW

The Russian Civil Code defines a trademark as a sign that serves to individualise goods and services of legal entities and entrepreneurs. In other words, a trademark is a sign that is capable of distinguishing goods and services of one legal entity or entrepreneur from another legal entity or entrepreneur. Russian legislature provides that any designations – including but not limited to verbal, pictorial, combined, three-dimensional signs and other designations or their combinations – may be registered as trademarks. A trademark may be registered in any colour or colour combination, or just black-and-white. Sound and animation marks can also be registered. There is no relevant legislation nor sufficient practice regarding olfactory marks.

Registration of marks that are lacking in distinctiveness is not allowed. Despite the fact that the Civil Code indicates the designations that should be recognised as lacking in distinctiveness, in some situations the criteria of distinctiveness are arguable and remain at the discretion of the trademark office. Moreover, the Civil Code provides for the possibility of registration of marks based on their acquired distinctiveness through intensive pre-filing use in Russia.

Colour marks (either colours per se or colour combinations), sound marks, texture marks, olfactory marks, position marks, hologram marks, motion marks, taste marks, etc., may be registered in Russia but their inherent registrability depends on distinctiveness: either distinctive features of the mark itself or acquired distinctiveness through intensive use in Russia.

It should be noted that Russia is a first-to-file country. Legal entities or entrepreneurs who first apply for registration of a trademark enjoy a priority right to obtain trademark registration. According to Russian legislation, rights for a trademark appear from the moment of state registration and no rights derive from the use of an unregistered trademark. Therefore, it is essential to file trademark applications without delay even if the trademark owner does not yet intend to use its trademark on the Russian market.

The examination of trademark applications consists of a formal examination and thereafter a substantive examination allowing an examiner to determine whether the filed designation is inherently registrable and whether it is confusingly similar to any pending third-party applications or registered marks.
A national trademark application has to be filed with the Federal Service of Intellectual Property (PTO), also known in Russia as Rospatent, which is an administrative body responsible for the examination of applications and issuance of decisions once the results of the examinations are known.

Under Russian legislation, foreign applicants should be represented by Russian trademark attorneys registered at the PTO. Therefore, for an application to be filed in the name of an entity residing outside Russia, this entity has to appoint its Russian agent as its representative before the PTO in all proceedings.

II LEGAL FRAMEWORK
i Legislation

Russian domestic trademark legislation includes:

- the Constitution of the Russian Federation, which names protection of intellectual property (IP) in the provisions on rights and freedoms;
- the Russian Civil Code, in particular Part IV, which is a codified set of legal norms for prosecution, enforcement and transactions for trademarks;
- Federal Law No. 135-FZ of 26 July 2006 ‘On competition protection’, which has provisions on unfair competition issues involving trademarks;
- Federal Law No. 38-FZ of 13 March 2006 ‘On advertising’, dealing with certain aspects of using trademarks in advertising;
- Resolution of the Government of Russia No. 1151 of 23 September 2017, which provides for the amount of state duties paid during trademark prosecution;
- Resolution of the Government of Russia No. 1416 of 24 December 2015, which provides general rules for recording trademark-related transactions. Detailed procedural issues relating to such records are approved in Order of the Russian Ministry of Economic Development No. 371 of 10 June 2016; and
- Orders of the Russian Ministry of Economic Development Nos. 482 and 483 of 20 July 2015, which regulate the detail of all trademark prosecution procedures.

The most relevant international treaties of Russia for trademark matters are:

- the Madrid Agreement concerning the International Registration of Marks 1891–1967;
- the Protocol relating to the Madrid Agreement concerning the International Registration of Marks of 1989;
- the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Union) 1957–1977;
- the Paris Convention for the Protection of Industrial Property;
- the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (the TRIPS Agreement);
- the Nairobi Treaty on the Protection of the Olympic Symbol 1981;
- the Trademark Law Treaty 1994; and

ii Authorities

Trademark prosecution is dealt with by the PTO, which also renders decisions on trademark invalidation actions. The PTO comes under the jurisdiction of the Russian Ministry of Economic Development.
Decisions by the PTO on trademark matters are reviewed by the Intellectual Property Rights Court (the IP Court), which also hears cassation appeals on trademark infringement cases, rendered by lower commercial courts. Decisions by the IP Court may be further appealed to the Russian Supreme Court.

The Federal Antimonopoly Service (FAS) fights unfair competition and unfair advertising cases that might also involve trademarks. In particular, a decision by the Service on unfair competition relating to trademark registration and use is a ground for the PTO to invalidate a trademark.

The Russian police and the Russian customs authorities are competent in various types of trademark infringements.

### iii. Substantive law

The law provides for registration of collective marks. A collective mark is defined as a mark of a union, business association, concern or other voluntary association of enterprises being capable of distinguishing goods manufactured or commercialised by it having common characteristics as to quality or otherwise. When filing an application for registration of a collective mark, it is imperative to submit a by-law of the collective mark containing the rules concerning use of the mark. These rules must indicate:

- **a** the name of the association entitled to register the mark in its name;
- **b** the list of enterprises entitled to use the mark;
- **c** the purpose of registration of the mark;
- **d** a list of goods and a description of their common characteristics (relating to quality or otherwise);
- **e** the conditions for use of the mark;
- **f** the principles by which use of the mark will be controlled; and
- **g** the sanctions for violation of the rules.

The names of the enterprises entitled to use the mark and an extract from the rules relating to the common characteristics of the goods for which the mark is registered will be mentioned in the publication of the registration of the collective mark in the official bulletin. The owner of the registration must inform the PTO of any amendment to the rules.

Any interested person may apply to the IP Court for the (total or partial) cancellation of registration of the collective mark if it is used in relation to goods not having common qualitative or other common characteristics. Collective marks cannot be assigned or licensed to third parties.

Collective marks and applications for registration of collective marks may be transformed respectively into trademarks or trademark applications.

### Well-known marks

A trademark can enjoy protection as a well-known mark that may not necessarily be a registered designation. Russian legislation foresees the procedure of recognition of a well-known trademark.

As well as the usual trademark filing procedures through the PTO or registration via the Madrid System, legal protection for a well-known trademark can also be obtained through a special recognition procedure. In Russia, unlike in many other countries, a trademark is not
Russia

granted well-known status as a result of court proceedings or litigation. According to Russian trademark legislation, for a trademark to be recognised as well known, the appropriate request should be filed with the PTO.

A well-known trademark shall be granted the same legal protection as is provided for an ordinary trademark. Nonetheless, a well-known trademark provides its owner with certain important advantages:

a. the legal protection of a well-known trademark is not time-limited;
b. protection extends to goods or services of a different kind from those for which it is recognised as well known, if use of the mark by another person is likely to be associated by consumers with the owner of the well-known trademark and may impair its lawful interests;
c. protection of a well-known mark may start at the period that predates the filing date of the respective request to recognise the trademark as well known; and
d. the commercial value of a well-known trademark is higher than that of an ordinary trademark.

For it to be recognised as well known and associated with the trademark owner, the well-known status should be evidenced by numerous documents and materials confirming intensive use of the mark and its reputation among consumers in association with the goods or services for which the request is being made. In seeking to have its trademark recognised as well known, the applicant should indicate the goods or services for which the mark has become well known and the date from which the trademark became well known.

The following information may be submitted with the petition for the recognition of a well-known trademark:

a. the results of a consumer survey regarding the goods in question, revealing consumer knowledge of the trademark and performed by a specialist organisation;
b. examples of intensive use of the trademark, especially in Russia;
c. a list of countries where the trademark has acquired a well-known reputation;
d. examples of advertising costs incurred relating to the trademark and examples of advertising;
e. details of the value of the trademark;
f. publications in Russian periodicals; and
g. documents containing information about supplies of goods to Russia, etc.

It is not compulsory to submit all the above-listed evidence. Trademark legislation does not contain a list of obligatory documents that must be submitted with the petition for the recognition of a trademark as well known.

Practice shows that it is recommended that evidence of use of the trademark in Russia be submitted in support of the petition. Special attention should be paid to the results of consumer surveys. Such surveys must be carried out in at least six of Russia’s largest cities, including Moscow and St Petersburg. Other cities may be chosen by the applicant, depending on the sphere of activity and the regions of trademark use.

Determining the date from which the trademark became well known is also crucial, and a careful review of all available materials is required. The date from which the trademark became well known should be indicated precisely.

The PTO has a strict approach to petitions for the recognition of marks as well known, and they are often denied. The main difficulty encountered during proceedings is
demonstrating that consumers have a strong association between the trademark and the goods or services for which the trademark is used, and with the trademark owner. Often consumers recognise the trademark, but have little knowledge about its owner. Formally a trademark may belong to an IP-rights holding company, the name of which is not known to consumers. Furthermore, if the date from which the applicant would like to have its trademark recognised as well known refers to a period in the past, the supporting evidence should predate the date mentioned in the request.

As of July 2019, 207 well-known trademarks have been published in Russia, including Nike, Coca-Cola, Disney, Tiffany, Intel, Adidas, Gillette, Nikon, Elle, Heinz, Nissan, Pepsi, CAT, Braun and Casio.

Certification marks
It is possible to have a certification mark registered in Russia. However, the registration procedure is quite different from that used in relation to trademarks.

In particular, a legal entity that created its own voluntary system of certification is entitled to get both the system and the certification mark identifying it registered. The registration can be implemented by filing an application with the Russian Federal Service for State Standardisation. According to the current rules, the certification mark has to be distinctive and visually perceivable. The rules make it very clear that trademarks cannot be used as certification marks. The registered certification marks are entered into a special state register, which is separate from the Register of Trademarks.

Certification marks have nothing to do with IP objects. However, a certification mark can be registered as a trademark if it meets registrability requirements and is not in conflict with third-party rights.

Geographical indication
Currently, a trademark that has a geographical indication as a part of its designation can be registered in Russia subject to the disclaimer of the geographical indication, provided that the registration will not mislead consumers in respect of the geographical origin of the goods or the whereabouts of the manufacturer.

However, on 11 July 2019, a draft law was passed in the second reading: ‘On Amendments to Part Four of the Civil Code of the Russian Federation’, proposing to recognise a new intellectual property right item – a geographical indication – a designation that makes it possible to identify a product as originating from the territory of a geographical area, with a certain quality, reputation or any other features of the product being largely determined by its geographical origin. The possibility to register a geographical indication will be provided to one or more individuals, a legal entity or an association.

III REGISTRATION OF MARKS

i Inherent registrability
Approximate time frames for trademark registration procedure in Russia are as follows:

a the official filing receipt is issued within one month of the date of filing an application or sooner;
b the official action is issued within six to seven months of the date of filing the application (an examiner’s objections, if any, may increase the term to between two and three years, depending on the circumstances of the case, number of appeal stages, etc.); and
where the trademark is successfully registered, the registration certificate is issued within two months of the date of payment of the official fee for registration.

There are no specific additional documents that should be filed with the trademark application except power of attorney. Filing power of attorney is optional but if it is absent from the application materials, the examiner may request submission of this document and that may have a negative impact on the registration terms. It should be issued by the applicant and signed by the authorised person with an indication of that person’s name and position in the company. The date and place of the signature should be indicated as well. Neither notarisation nor legalisation is required. The power of attorney can be submitted after filing the application.

In cases of a priority claim under the Paris Convention, it is necessary to submit a certified copy of the first (home) application. The filing particulars should correspond to those in the home application. The home application can be submitted after filing an application under the Convention, but within three months of the date of filing the Convention application with the PTO. This term cannot be extended. Split priority is not foreseen in Russia.

Formal examination (in one class) is 2,450 roubles and 700 roubles for each additional class over five. Substantive examination (in one class) is 8,050 roubles and 1,750 roubles for each additional class after the first. In the case of non-electronic filing, the official fees increase by 30 per cent. The official fee for registration is 11,200 roubles and 700 roubles for each additional class over five, and the official fee for issuance of the certificate is 1,400 roubles.

Currently, the PTO is working very hard towards minimisation of the term of the examination procedure; this can take about six to seven months from the filing date, but it is now possible to expedite the procedure by up to two months. For an expedited examination, it is necessary to arrange for a trademark search in all 45 ICGS classes, even if the application does not cover all these classes, and to file the search result either together with the application request or afterwards with the expedited request. The cost of the expedited process is 94,400 roubles.

Examination in Russia consists of a formal and a substantive stage. A formal examination of a trademark application is conducted within one month of the application being filed. During the formal expert examination, the necessary application documents and their compliance with established requirements are verified. The outcome of the formal examination will be that either the application is accepted for consideration or a decision is taken to refuse acceptance for consideration.

The aim of the substantive examination stage is to determine whether the filed designation conforms to the registrability requirements. A trademark application may be rejected on either absolute or relative grounds, or both.

Absolute grounds are those that relate to the substance of the mark itself and include:
lack of distinctiveness; risk of misleading and capability of confusing; similarity to or identity with state symbols and marks; reproduction of full or abbreviated names of international or intergovernmental organisations or their symbols; and reproduction of the official names or images of the most valuable objects of Russia’s and worldwide cultural heritage.

Relative grounds for refusal include:

- identity with or similarity to the extent of confusion with prior trademarks (both registrations and applications) owned by third parties in relation to similar goods or services;
- identity with or similarity to the extent of confusion with well-known marks; and
identity with or similarity to the extent of confusion with third parties’ industrial designs, appellations of origin, company names or commercial designations.

A trademark may also be refused protection if it incorporates protected means of individualisation of other persons (and confusingly similar signs) as well as copyrighted objects owned by third parties, names, pseudonyms (or derivatives thereof), pictures, facsimiles of famous persons, or industrial designs owned by third parties as elements of the trademark.

Before making a decision about the results of the examination of an application, notification of the results of the checks for compliance of the applied designation with the requirements is sent to the applicant. The applicant may then submit arguments in response. Those arguments shall be taken into account when a decision is made on the results of the examination, provided they are submitted within six months of the notification being issued.

If a prior trademark is considered similar to a pending application and cited by the examiner as an obstacle, a letter of consent provided by the prior trademark right holder may be taken into consideration by the examiner during the examination procedure.

Article 1483.6 provides that registration of a trademark in respect of similar goods or services may be allowed if the prior trademark right holder grants consent, and provided that registration of the trademark would not result in consumers being misled. However, if a letter of consent is granted by the prior trademark right holder, the examiner has no any obligation to accept it unconditionally; acceptance would depend on the degree of similarity between the trademarks, which means that, in cases of very close similarity between trademarks, the consent could not be taken into consideration, even if provided.

The PTO has strict requirements regarding letters of consent, one of which is for an indication in the body of the letter that once granted consent cannot be revoked and is not limited in time. An additional provision in letters of consent to the effect that the prior trademark right holder believes that registration of the trademark would not result in confusion on the market nor in consumers being misled is also now required.

The substantive examination is followed by the examiner’s decision, which may be in the form of a registration decision in full, a registration decision for a part of the applied goods or services (and, consequently, refusal for the rest of the goods) or a refusal decision affecting all the goods or services.

Provided the applicant agrees with the decision, the registration fee should be paid within the prescribed period.

ii Prior rights

Russia is a first-to-file jurisdiction. Legal entities or entrepreneurs who first apply for registration of a trademark have a priority right to obtain trademark registration. Russian trademark legislation does not recognise prior use rights (as a general rule, the exclusive right to use a trademark in Russia arises as a result of state registration).

iii Inter partes proceedings

There is no opposition system with respect to pending applications; however, recent amendments to the Civil Code provide that:

- the PTO should publish information on filed trademark applications;
- third persons have the right to review all trademark documents on file, and not only those comprising the filing of original trademark applications; and
third persons have the right to submit in writing to the PTO their observations against pending trademark applications before official action is taken. Such written observations may be taken into account by the examiner during the examination. Observation letters may be used as an effective tool to ensure that prior rights are taken into consideration by the examiners.

Russian legislation foresees another instrument for raising objections based on prior rights against a trademark. Within five years of information on a registration being published in the official bulletin of the PTO (after a trademark is registered), the owners of the prior trademark rights have an opportunity to file an invalidation action against the trademark registration with the Chamber of Patent Disputes of the PTO. In the event of an invalidation action, the trademark owner is notified and both parties are invited to a hearing for the matter to be discussed. The PTO then makes a decision to reject the invalidation action and leave the trademark in force, to invalidate the mark in full, or to partially invalidate the mark.

An invalidation action or a cancellation action against a trademark registration on other grounds already provided for by legislation may be filed during the entire term of validity of the trademark.

iv Appeals
If a decision is not acceptable, the applicant may appeal to the Chamber of Patent Disputes of the PTO within four months of the date the decision is issued. The decision that results from consideration of the appeal by the Chamber of Patent Disputes may be further appealed to the IP Court.

IV CIVIL LITIGATION
i Forums
Trademark infringement disputes are heard by commercial courts of first instance located in constituent parts of Russia. Their decisions may be appealed to the appellate commercial courts. Further appeals (on current cases) go through the IP Court and the Russian Supreme Court. Finally, a supervision appeal may be filed with the Russian Supreme Court.

In the case of a defendant not being a business entity or an individual entrepreneur, a court of general jurisdiction may also establish competence.

Trademark non-use disputes come under the exclusive jurisdiction of the IP Court, which hears these disputes on the merits in the first instance, and the Presidium of the Court hears cassation appeals on current cases. A supervision appeal may be filed with the Supreme Court.

ii Pre-action conduct
Pre-action cease-and-desist letters are not required. The exception is for claims for damages or compensation for IP infringement, where there may be a cause for action if there is a total or partial refusal of payment, or in the case of no response within 30 days.

Cease-and-desist or demand letters are now mandatory to a certain extent. In other words, it is not possible to sue an infringer in court by claiming damages or monetary compensation, if the demand letter is not dispatched in advance of the civil action. In accordance with the relevant law, the infringer has 30 days to respond to the cease-and-desist letter. Failure to respond, or receipt of a negative reply, provides the trademark owner (or its
registered or exclusive licensee) with a legal standing to claim monetary relief. The easiest and most effective out-of-court enforcement option is to send a demand letter to the alleged infringer requesting a voluntary cessation of the trademark infringement.

iii Causes of action

The following causes of action are applied in terms of trademark enforcement:

a trademark infringement – use of the designation, similar to the trademark, to individualise goods or services for which the trademark is registered, or for homogeneous goods or services, if as a result of such use, likelihood of confusion arises; and

b trademark infringement that may be a matter of unfair competition, which is prohibited in Russia. Unfair acquisition and use of trademark rights are not permitted. Passing-off and imitation of trade dress are also treated as unfair behaviour, which may be prosecuted. The FAS is empowered to consider disputes related to unfair competition through a special quasi-judicial procedure. This starts on the basis of a complaint to be filed by the injured party (e.g., a trademark owner or local distributor). Should the action on unfair competition be successful, the respondent (infringer) would be forced to cease the established illegal activities and pay the administrative fine in favour of the state budget (which may be up to 0.15 per cent of the corresponding infringer’s profits). This procedure usually lasts about six to 10 months, although it can take longer if the binding order from the FAS is appealed in court.

Company names are protected against unauthorised use for the same activity by companies whose company name was included in the state company register later than the name of the plaintiff.

As regards commercial designations, it is not permitted to use a designation that may create confusion regarding ownership of the enterprise by a specific person, in particular a designation that is confusingly similar to the company name, trademark or a commercial designation owned by another person.

Domain names are not treated as IP subject matter. However, good-faith senior users of domain names may bring a charge of bad faith if a lawsuit is filed by persons who register the senior users’ designation as a trademark (in certain cases, a trademark invalidation action may be also appropriate).

iv Conduct of proceedings

Proceedings are initiated when all procedural requirements are met (i.e., payment of state duty, notification of the defendant, etc.). A representative needs to have a duly executed power of attorney.

The court schedules a preliminary hearing during which it considers whether the case is ready for a main hearing on the merits. The defendant is obliged to provide a response (objections) to the lawsuit.

Each party is obliged to prove the asserted facts: the plaintiff must prove that the defendant uses the trademark; and the defendant must prove whether there are legitimate grounds for use, or the defendant is in breach.

Various types of evidence may be used during the proceedings – documents (e.g., bills of lading and other sale confirmation documents), physical evidence (such as samples of
counterfeit products, expert opinions, social poll results, private detective reports, witness statements and audio and video tapes. All evidence must meet the requirement of relevance to the case and admissibility.

At the appeal stage, new evidence is submitted only as a means of explaining why the evidence was not submitted in the first instance.

Typically, proceedings in the first instance court last for three to six months, unless there are notification issues. The decision is made (announced) upon conclusion of the proceedings, and adopted (issued) within five days of the announcement.

The winning party has the right to recover court expenses (including legal fees), the amount of which is determined by the court, based on the submitted documents.

**v Remedies**

The remedies available for trademark infringement include:

- **a** permanent injunction;
- **b** damages or monetary compensation (in one of three determinations: (1) between 10,000 and 5 million roubles; (2) twice the cost of the counterfeit products; or (3) twice the cost of the licence);
- **c** seizure and destruction of the counterfeit products; and
- **d** publication of the court order.

The plaintiff may also claim a preliminary (temporary) injunction, such as the arrest of the allegedly counterfeit goods pending adjudication.

**V OTHER ENFORCEMENT PROCEEDINGS**

**i Administrative proceedings**

Unlawful use of a trademark shall incur an administrative fine (which has to be paid in favour of the state budget) and confiscation of the counterfeit goods for the purpose of destruction.

Administrative proceedings usually begin with a complaint, which the trademark owner has to file with the police or customs authority, so that the latter can take action. Administrative action may take about three to five months to complete, unless the decision of the first instance court is appealed by the infringer. Practically, an administrative procedure proves to be the most efficient enforcement option to cease trademark infringement at the border in the context of importation of counterfeit goods into Russia. This measure is also applicable when small shops offer for sale and sell counterfeit products on the domestic market.

**ii Criminal proceedings**

Illegal use of a trademark may also lead to criminal proceedings, but only in the event of substantial damage being caused to the trademark owner, or if the trademark infringement is repeated. The typical statutory criminal sanctions are (1) a criminal fine; (2) forced labour; (3) correctional work; or (4) imprisonment. In the course of criminal procedures, the trademark owner is also entitled to file a civil lawsuit to recover damages. The total duration of criminal proceedings is usually hard to predict, although the approximate timing is one to two years, unless the decision of the first instance court is appealed by the infringer. In practice, criminal procedures are applied against large-scale or gross infringers who are manufacturing and distributing counterfeit goods in large quantities all over the country.
VI RECENT AND PENDING CASES

The Russian legal system does not include precedents as sources of law. However, courts take into account legal positions in the decisions of the High Court (the Russian Supreme Court and the previously effective Supreme Commercial Court) and, mandatorily, the position adopted by the Russian Constitutional Court.

In Resolution No. 8-Π of the Russian Constitutional Court, of 13 February 2018, the Court clarified options relating to trademark enforcement against parallel imports. The Court confirmed prohibition of parallel imports by confirming the principle of regional exhaustion of rights. Further, the Constitutional Court has indicated that the abuse of trademark rights to restrict importation of selected goods of public interest (such as drugs and life-support equipment), or to produce an overpricing policy in terms of claiming damages, is not allowed.

In Resolution No. 305-КГ18-2488 of the Russian Supreme Court, of 3 July 2018, in Case No. A40-210165/2016, the Court clarified that under the domestic legislation a national trademark registration cannot be filed and registered in the name of more than one applicant or registrant; where several persons plan to use one trademark, they may proceed with a collective trademark registration.

Another example of a notable case is the ruling of the Russian Supreme Court of 10 January 2019 in Case No. 305-ЭС18-17030. The ruling indicates that courts cannot decrease the amount of compensation claimed for infringement at courts’ own discretion below the limit set by the law; such decrease will require a justified motion filed by the defendant.

In terms of practice, attention should be paid to decisions by the IP Court, which acts as the cassation court for current cases.

The IP Court has considered many notable cases in recent years, including a trademark invalidation dispute filed by the heir of the first man in space, Yuri Gagarin, against alleged use of the surname in a trademark,2 and an unfair competition case involving trademark registration of a popular soft drink.3

One example of a significant award for trademark infringement is a case involving the grey import of supplies of medical devices,4 where the trademark owner was awarded 45 million roubles.

VII OUTLOOK

The Plenum of the Russian Supreme Court with its Resolution No. 10 of 23 April 2019 set new clarifications on enforcement of the Russian Civil Code Part IV. The new clarifications are consolidation of the most important positions in judicial practice. Trademark law provisions are also analysed in the clarifications. The new judicial practice of lower courts is expected to reflect the clarifications of the Supreme Court.

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2 Case No. SIP-238/2016.
3 Case No. SIP-744/2014.
4 Resolution of the Commercial Court of Saint-Petersburg and Leningrad Region of 6 June 2016, Case No. 56-709/2016.
Discussions are ongoing with the aim of reconsidering the parallel import prohibition within the Eurasian Economic Union. Currently, the regional principle of trademark exhaustion is applied.

Trademark infringements on the internet have also been in the limelight during the past few years. Amendments on information intermediary liability now enable host providers to effectively shut down infringing websites at the trademark owner's request.
Chapter 15

TAIWAN

Yu-Li Tsai and Lu-Fa Tsai¹

I  OVERVIEW

The Taiwan Intellectual Property Office (TIPO) accepts any registration application for those marks that have distinctiveness. A trademark may consist of words, devices, symbols, colours, three-dimensional shapes, motions, holograms, sounds or any combination thereof. After the application has been allowed, there is a statutory period for opposition. If there is no opposition, the applicant may get registration and obtain the trademark rights. Thereafter, however, there are still invalidation or revocation proceedings that can be instituted at the TIPO to challenge the registration. Administrative or civil litigation may be pursued through the Intellectual Property Court (the IP Court). Criminal litigation may be undertaken at any district court and an appeal may be made to the IP Court. The owner of a registered trademark may submit an application to the Customs Administration (Customs) for retention of articles suspected of infringing the owner’s trademark rights.

According to the TIPO, the statistics for applications, allowance, rejection and registration of trademarks are as follows:

- 2014: 75,933 applications, 67,433 allowances, 7,639 rejections and 66,257 registrations;
- 2015: 78,523 applications, 64,225 allowances, 7,768 rejections and 62,993 registrations;
- 2016: 79,300 applications, 71,396 allowances, 9,275 rejections and 68,177 registrations; and
- 2017: 83,802 applications, 76,449 allowances, 8,709 rejections and 74,226 registrations.

One may infer from the above statistics that the numbers of applications and registrations have been steadily increasing year on year from 2014 to 2017 despite the economic climate.

According to the Department of Statistics of the Taiwan Judicial Yuan, the statistics for civil cases decided through the first instance of the IP Court are as follows:

- 2014: 49 trademark civil cases, of which 30 cases (61 per cent) were either withdrawn or dismissed, 19 cases (39 per cent) were won, partly won or partly dismissed, settled, or mediated;
- 2015: 52 trademark civil cases, of which 24 cases (46 per cent) were either withdrawn or dismissed, 28 cases (54 per cent) were won, partly won or partly dismissed, settled, or mediated;
- 2016: 48 trademark civil cases, of which 26 cases (54 per cent) were either withdrawn or dismissed, 22 cases (46 per cent) were won, partly won or partly dismissed, settled, or mediated; and

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2017: 47 trademark civil cases, of which 22 cases (47 per cent) were either withdrawn or dismissed, 25 cases (53 per cent) were won, partly won or partly dismissed, settled, or mediated.

One may infer from the above statistics that the rate of favourable results for trademark civil cases is comparable to that of the unfavourable results.

II LEGAL FRAMEWORK

i Legislation
The most significant domestic legislation related to trademarks includes the Trademark Act and the Fair Trade Act.

Because of its special relationship with Mainland China, Taiwan can only be a member of a few international organisations, such as the World Trade Organization (WTO), and accordingly it has ratified the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994. Nevertheless, to harmonise with international trademark practices, Taiwan has basically adopted the registration application procedure and standard classification rules for goods or services with reference to the Singapore Treaty on the Law of Trademarks, and the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks.

ii Authorities
The TIPO is responsible for trademark applications, examinations, oppositions, registrations, maintenance, cancellations and revocations.

The Appeal Review Committee of the Ministry of Economic Affairs is responsible for any appeal regarding dispositions made by the TIPO.

The Department of Commerce of the Ministry of Economic Affairs is responsible for company name applications, verifications and registrations.

The Taiwan Network Information Center, a public interest group, is responsible for domain name applications, examinations, registrations, maintenance and dispute resolution.

The Fair Trade Commission is responsible for petitions or complaints about redressing the conduct of infringing unregistered famous trademarks.

The IP Court is responsible for administrative proceedings regarding dispositions made by the TIPO and the Appeal Review Committee, civil proceedings regarding infringements of registered trademarks, and criminal proceedings regarding appeals against the judgments made by district courts.

iii Substantive law
The following pieces of legislation constitute the substantive trademark law in Taiwan:

a registered trademarks (including collective or certification marks) are governed by the Trademark Act;

b unregistered well-known marks are governed by the Fair Trade Act, and registered well-known marks are governed by the Trademark Act;

c company names are governed by the Fair Trade Act and Company Act;

d trade names or business names are governed by the Fair Trade Act and the Business Registration Act;
geographical indications can be protected by applying for registration for certification marks under the Trademark Act, and misleading geographical indications cannot be protected and the use of them may violate the Fair Trade Act; and

the legal owners of domain names can find protection under the Domain Name Dispute Resolution Rules governed by the Taiwan Network Information Center. According to the Rules, petitioners may file their written petitions at either the Science and Technology Law Institute or the Taipei Bar Association to request the transfer or cancellation of domain names. In addition, legal owners of domain names can directly file a lawsuit at the IP Court or at the district courts.

III REGISTRATION OF MARKS

i Inherent registrability

Filing

The TIPO accepts any registration application for a mark having distinctiveness. A trademark may consist of words, devices, symbols, colours, three-dimensional shapes, motions, holograms, sounds or any combination thereof.

The registration procedure is summarised as follows: (1) the applicant submits the application to the TIPO; (2) the TIPO formally examines the application; (3) if the TIPO provides an official response (known as an ‘office action’) objecting to the registration, the applicant must file a written response or submit evidence to overcome the objection; and (4) if the trademark application is allowed, the trademark will be published in the Trademark Gazette. If there are no oppositions within three months of the date of publication, the trademark registration certificate will be issued.

For filing a single trademark application, the service fee is generally NT$10,000 for the first class and NT$6,000 per class for subsequent classes. To claim priority, the service charge is about NT$2,000. For belated filing of the required documents, the service fee is NT$1,500. For filing a single trademark application so far as the goods in any of Classes 1 to 34 are concerned, the official fee will be NT$3,000 for under 20 items of the designated goods for each class, with a NT$300 discount for e-filing. For any item above 20 for each class, the official fee will be NT$200 per item. So far as the services in any of Classes 35 to 45 are concerned, the official fee will be fixed at NT$3,000 per class, except in cases designated as having a ‘retail’ connection, for which the basic item number is five and the excess official fee thereafter is NT$500 per item.

Official correspondence fees

After submitting the application, the fee for serving notice that the application has been allowed is NT$2,000, although there are various other possible responses, the fees for which vary from NT$8,000 to NT$20,000 at each instance.

Registration fees

For the first phase registration, the official fee will be a multiple of NT$1,000 based on the number (1 to 45) of the designated classes even though this registration is a single multiple-class registration. The service fee rendered for paying the registration fees and forwarding the Certificate of Trademark is therefore NT$6,000 for the first class and NT$3,600 per class from the second class, or classes, onwards.
**Disbursement**

The disbursement is generally around NT$2,000.

**Time frame**

There is no standard examination period for an application. The examiner might issue an office action shortly after the filing date, but it is equally legal for him or her to issue the office action as much as one year after the filing date. The TIPO will only take action automatically to notify the examiner to speed up the examination 18 months after the filing date. Nevertheless, a range of eight months to one year is a fairly accurate prediction.

Upon receiving notice that the application has been allowed, the registration fees must be paid within two months to obtain the certificate of registration and secure its publication in the Trademark Gazette. In addition, following publication. There is a three-month period in which to register oppositions.

ii **Prior rights**

A trademark shall not be registered if it is identical or similar to another person’s earlier-used trademark and if it is to be applied to goods or services identical or similar to those to which the earlier-used trademark is applied; and if the applicant is aware of the existence of the earlier-used trademark because of contractual, regional or business connections or any other relationship with the owner of the earlier-used trademark, and files the application for registration with intent to imitate the earlier-used trademark. This rule, however, does not apply if the owner of the earlier-used trademark consents to the registration application.

A registered trademark shall not entitle the proprietor to prohibit a third party from using *bona fide* an identical or similar trademark on goods or services identical with or similar to those for which the registered trademark is protected if the third party had already been a user prior to the filing date of the registered trademark, but the third party’s use should be limited to the original goods or services used by the third party. In addition, the owner of the registered trademark is entitled to request the party who uses the trademark to add an appropriate and distinguishing indication.

iii **Inter partes proceedings**

Anyone may file an opposition to the registration of a trademark with the TIPO within three months of the day following the date of publication of the registration. The petitioner can file the opposition when the mark is (1) descriptive, (2) generic, (3) functional, (4) contrary to public policy or morality, (5) likely to mislead the public as to the nature, quality or place of origin of the goods or services, (6) identical or similar to a geographical indication for wines or spirits, and designated goods that are identical or similar to wines or spirits under the geographical indication, (7) likely to cause confusion, (8) likely to cause confusion and dilution of the distinctiveness or reputation of a well-known trademark or mark, or (9) the applicant intends to imitate an earlier-used trademark.

An interested party may file for cancellation with the TIPO, or a trademark examiner may submit a proposal to the TIPO for cancellation, of a trademark registration on the basis of, at least, the grounds set out in Article 57(1) of the Trademark Act, which are almost the same as the grounds for filing an opposition.

Anyone may file for a revocation of a registration of a trademark with the TIPO, (1) where the trademark has been altered by the proprietor such that it is different from...
its original registration and supplementary notes, and whereby the trademark is identical or similar to another person's registered trademark in relation to goods or services that are identical or similar to those for which another person's registered trademark is designated, and hence there is a likelihood of confusion for relevant consumers; (2) where the trademark has not yet been put to use or this use has been suspended for a continuous period of not less than three years without proper reasons for non-use, unless the trademark has been put to use by a licensee; (3) where no appropriate and distinguishing indication has been added (unless the indication is subsequently added before the disposition of revocation rendered by the TIPO, eliminating any likelihood of confusion); (4) where the trademark has become a generic mark or term, or common shape for the designated goods or services; or (5) where, in consequence of the actual use of the trademark, the trademark is likely to mislead the public as to the nature, quality or place of origin of the goods or services.

iv Appeals
The applicant may first appeal the refusal decision to the Appeal Review Committee of the Ministry of Economic Affairs. If the applicant is dissatisfied with the Committee's decision, it may further appeal to the IP Court, where there are two possible outcomes. If the applicant is dissatisfied with the IP Court's decision, it may appeal the matter further to the Supreme Administrative Court to pursue a final decision.

IV CIVIL LITIGATION
i Forums
It can be assumed that the judges presiding over the IP Court are competent and knowledgeable in the area of IP. Accordingly, a trademark owner normally institutes infringement proceedings before the IP Court (see Article 3(1), Intellectual Property Court Organization Act). Nevertheless, a common court (i.e., a district court) may also try a trademark infringement case if the trademark owner (as plaintiff) and the alleged infringer (as defendant) designate a common court as exercising jurisdiction, by a written agreement (see Article 24, Code of Civil Procedure).

Courts having jurisdiction to hear trademark infringement matters are specifically as follows:
\(a\) first instance: the IP Court (see Article 3(1), Intellectual Property Court Organization Act) or a mutually agreed district court (see Article 24, Code of Civil Procedure);
\(b\) second instance: the IP Court (see Article 3(1), Intellectual Property Court Organization Act), no matter whether the court of first instance is the IP Court or a district court; and
\(c\) third instance: Supreme Court (see Article 20, Intellectual Property Case Adjudication Act).

ii Pre-action conduct
There are no special pretrial formalities with respect to civil proceedings on trademark matters. If, however, the price or value of the subject matter is less than NT$500,000 (e.g., the claimed damages are less than NT$500,000), the court will institute a mediation proceeding before commencing litigation (see Article 403(1)(xi), Code of Civil Procedure). Formal demand letters or warning letters are popular although not required.
ii Causes of action

Causes of action regarding trademarks, company names, trade or business names, domain names and other trade dresses include primarily the following categories:

a violations of the Trademark Act (e.g., infringement of registered trademarks – see Article 69);

b violations of the Company Act (e.g., Articles 10, 18 and 19);

c violations of the Business Registration Act (e.g., Articles 28 and 29); and

d violations of the Fair Trade Act (e.g., Articles 22 and 29).

iv Conduct of proceedings

Civil proceedings generally proceed as follows.

First instance

The first instance generally includes the following procedures: initiation of litigation, preparation for oral argument (finished ordinarily with two court appearances), oral argument (finished ordinarily with one court appearance) and judgment. Both factual and legal examinations will be conducted in the first instance. That is, the court will examine any legal, factual or evidentiary issues during the preparation for oral argument and oral argument proceedings. In the first instance, the parties need not be represented by a litigation agent who has to be a lawyer in principle (see Article 68, Code of Civil Procedure). For court fees, the losing party is responsible for paying the court fees of the first instance (see Article 78, Code of Civil Procedure). As to attorney fees, the parties are responsible for paying their own attorney fees. Specifically, the losing party is not required to reimburse the prevailing party for attorney fees. The time frame for the first instance is from about six to 12 months.

Second instance (first appeal)

The second instance generally includes the following procedures: filing of appeal, preparation for oral argument (finished ordinarily with two court appearances), oral argument (finished ordinarily with one court appearance) and judgment. Both factual and legal examination will be conducted in the second instance. The appellate court, however, will not examine additional or new means of attack or defence (including laws, facts and evidence) presented by the parties during the preparation for oral argument and oral argument proceedings in principle, while many exceptions exist (see Article 447(1), Code of Civil Procedure). That is, the second instance adopts the system of successive examination rather than the system of repetitive examination. In the second instance, the parties need not be represented by a litigation agent who has to be a lawyer in principle (see Article 68, Code of Civil Procedure). For court fees, the losing party is responsible for paying the court fees of the first and second instance (see Article 78, Code of Civil Procedure). As to attorney fees, the parties are responsible for paying their own attorney fees. Specifically, the losing party is not required to reimburse the prevailing party for attorney fees. The time frame for the second instance is from about six to 12 months.

Third instance (second appeal)

The third instance generally includes the following procedures: filing of appeal, written review and judgment. Only legal examination will be conducted in the third instance. That is, the appellate court will only examine any legal issues during the written review proceedings. In the third instance, the appellant must be represented by a litigation agent, unless the appellant,
one of its specific relatives or a member of its staff is a lawyer (see Article 466 bis (1), Code of Civil Procedure); however, the appellee need not be represented by a litigation agent who has to be a lawyer in principle (see Article 68, Code of Civil Procedure). For court fees, the losing party is responsible for paying the court fees of the first, second and third instance (see Article 78, Code of Civil Procedure). As to attorney fees, the parties are responsible for paying their own attorney fees in theory, and only a small part thereof is bearable by the losing party (see Articles 77-25(2) and 466 quater (1)). Specifically, the losing party is not required to reimburse the prevailing party for attorney fees or need only reimburse the prevailing party for a small part of the attorney fees. The time frame for the third instance is from about one to two years.

v Remedies

Remedies existing for the trademark owner are as follows.

For owners of registered trademarks

a To stop the infringement: to demand a person who infringes on the trademark rights to stop the infringement (see Article 69(1), Trademark Act);
b prevention of infringement: to demand a person who is likely to infringe on its trademark rights to prevent the infringement (see Article 69(1), Trademark Act);
c destruction of infringing articles: to demand a person who infringes on its trademark rights to destroy the infringing articles and the materials or implements used in infringing on the trademark rights (see Article 69(2), Trademark Act); and
d damages: to demand that a person who infringes on its trademark rights intentionally or negligently pay damages (see Articles 69(3) and 71, Trademark Act).

For owners of unregistered well-known trademarks

a To stop the infringement: to demand a person who infringes on its trademark rights to stop the infringement (see Article 29, Fair Trade Act);
b prevention of infringement: to demand a person who is likely to infringe on its trademark rights to prevent the infringement (see Article 29, Fair Trade Act);
c damages: to demand that a person who infringes on its trademark rights pay damages (see Articles 30 and 31(2), Fair Trade Act);
d punitive damages: to demand that a person who infringes on its trademark rights intentionally pay punitive damages of up to three times the proven amount of damage (see Article 31(1), Fair Trade Act); and
e publication of the judgment: to demand that a person who infringes on its trademark rights publish the content of the judgment in a newspaper at the infringer’s expense (see Article 33, Fair Trade Act).

V OTHER ENFORCEMENT PROCEEDINGS

Trademark infringement constitutes a criminal offence in Taiwan (see Articles 95 to 97, Trademark Act). A criminal procedure for a trademark infringement offence is typically as follows:
a The trademark owner files a complaint with a judicial police officer.
b The judicial police officer sends the result of his or her investigation to a public prosecutor.
Taiwan

c The public prosecutor indicted the alleged infringer in a public prosecution before a district court.

d The district court hands down a guilty judgment.

e The accused (alleged infringer) appeals to the IP Court.

f The IP Court dismisses the appeal of the accused.

g The accused appeals to the Supreme Court.

h The Supreme Court dismisses the appeal of the accused.

In addition, our legal system provides for Customs seizure of counterfeit goods, but not for Customs seizure of parallel imports. The reason is that import or export of counterfeit goods is illegal anyway under Taiwanese trademark law, but parallel imports are legal because of international exhaustion of trademark rights under Taiwanese trademark law (see Article 36(2), Trademark Act). A Customs seizure procedure for counterfeit goods is typically as follows:

a Customs find that the imported or exported articles are obviously likely to be counterfeit (infringing articles).

b Customs gives notice to the trademark owner or its representative or agent in Taiwan and requires it to travel to the Customs office for identification, generally within 24 hours. Customs gives notice to the importer or exporter at the same time and requires its provision of relevant evidence of non-infringement.

c The trademark owner identifies the articles as counterfeit and provides relevant evidence of infringement.

d The importer or exporter provides relevant evidence of non-infringement.

e The trademark owner files an application for seizure of the articles with Customs.

f Customs seizes the articles.

g The trademark owner brings a trademark infringement action before the IP Court and gives notice to Customs.

VI RECENT AND PENDING CASES

On 27 June 2019, the IP Court decided an important case, Jhu, Jyun-Wei v. Disney Enterprises, Inc., finding in Disney’s favour. In this case, Jhu, Jyun-Wei argued that Disney Enterprises, Inc. (Disney) applied to TIPO for, and eventually received, registration of the trademark and device ‘Disney小公主蘇菲亞’ (disputed trademark), infringing the trademark rights that Jhu, Jyun-Wei had obtained for the trademark ‘蘇菲亞 Sophia’ (cited trademark). The IP Court found as follows:

a The trademarks of both parties are highly similar. The size of the English word ‘Disney’ in the disputed trademark is relatively small and placed in the crown image, which makes it difficult for consumers to recognise. The most prominent parts of the two trademarks are the Chinese characters ‘蘇菲亞’. After comparing the two trademarks in their entirety, it can be found that they are similar trademarks. If the goods sold using the two trademarks have common or related features, it is easy for relevant consumers to mistake them as coming from the same source based on general social awareness and market transaction practices.

b The designated goods of both parties’ trademarks are identical or highly similar.

c The trademarks of both parties have certain distinctiveness. The cited trademark and the disputed trademark are not related to the designated goods so they both have a certain distinctiveness.
The relevant consumers are more familiar with the disputed trademark. As ‘Disney小公主蘇菲亞’ is a programme on the Disney Channel, the relevant consumers should be more familiar with the disputed trademark than with the cited trademark.

Disney did not apply for registration of the disputed trademark in good faith. Jhu, Jyun-Wei even negotiated with Disney and suggested that they enlarge the English word ‘Disney’ in the disputed trademark and reduce the Chinese characters ‘蘇菲亞’ therein to avoid confusion of the relevant consumers. Disney, however, refused to do so. Therefore, Disney did not apply for registration of the disputed trademark in good faith.

Jhu, Jyun-Wei applied for registration of the cited trademark first. Taiwan trademark laws adopt the first-to-file principle. Under this principle, even though the owner of the later-registered trademark does not intend to exploit the reputation of the owner of the earlier-registered trademark, if the later-registered trademark has affected the relevant consumers’ ability to identify the source of the goods or services of the earlier-registered trademark, and the two trademarks are in conflict with each other, in order to avoid the later-registered trademark owner using its market dominance and infringing the value and development opportunity of the owner of the earlier-registered trademark, the earlier-registered trademark shall be protected. In this case, even though Disney did not intend to exploit Jhu, Jyun-Wei’s reputation, in order to avoid Disney using its market dominance and infringing Jhu, Jyun-Wei’s value and development opportunity, the cited trademark shall be protected according to the first-to-file principle.

In view of the above, the opposition decision of the TIPO and the administrative appeal decision of the Ministry of Economic Affairs should be revoked, and the TIPO should revoke the registration of the disputed trademark.

VII OUTLOOK

The impression conveyed to consumers by a design’s criss-cross pattern depends on the different design patterns, colours, words or other components combined with the pattern, and affects the result of determining whether or not a trademark is registrable. Considering that examination of trademark applications should not be rigid and indiscriminate, and therefore cause excessive restrictions on the design and selection of trademarks by market practitioners, on 30 July 2019, the TIPO promulgated the Examination Principles on Trademarks containing Criss-cross Patterns, which is designed to avoid discrepancies in determination standards during examination of trademark cases, and to make examination standards clearer to follow. However, the Examination Principles do not apply to criss-cross patterns composed of lines and graphics of unequal lengths, or with special designs in their margins.

The Examination Principles symbolise that criss-cross patterns are often used to represent and describe ‘healthcare’, ‘first aid’ and other similar concepts, so as to convey the characteristics of the goods or services provided to the relevant consumers. From the relevant consumers’ perspective, where a trademark is designated to be used for goods or services related to drugs or medical devices, or services related to retail or wholesale of drugs or medical devices, if the trademark pattern contains a criss-cross pattern, it might only convey that the goods or services using the trademark have medical efficiency or they are related to healthcare or first aid. In this case, the trademark is a descriptive mark and lacks distinctiveness. Criss-cross patterns have become a generic pattern in the medical industry so there is no need to disclaim...
such a pattern. In addition to conveying the meaning of healthcare or first aid, criss-cross patterns may also convey different meanings in combination with different words or patterns. Therefore, it is still necessary to consider the overall impression presented by the trademark in the specific case and the factors that may exist between the trademark and the designated goods or services to determine whether trademark registration can be obtained or not.
Chapter 16

TURKEY

Hatice Ekici Tağa and Burak Özdağistanlı

I OVERVIEW

Turkish trademark law is closely aligned with EU law and international norms. Therefore, Turkey is well positioned for protection of trademark rights in terms of both modern and EU-aligned legislation and trademark litigation.

Furthermore, trademark cases are handled by specific intellectual property (IP) courts (the Intellectual Property Civil Court and the Intellectual Property Criminal Court) in Turkey, with judges in these courts handling IP cases only, including trademark cases. Therefore, this creates a more predictable litigation and enforcement environment in Turkey.

As Turkey is a transportation hub between Europe and Asia, and many global companies have manufacturing facilities in Turkey, protection of trademark rights in Turkey is very important, and foreign companies, in particular, should ensure their trademarks remain secure in Turkey.

II LEGAL FRAMEWORK

i Legislation

In Turkey, the Industrial Property Code (Law No. 6769) governs the principles, rules and conditions relating to the protection of trademarks, as well as patents, industrial designs and geographical indications.

The Industrial Property Code entered into force on 10 January 2017, replacing Decree Law No. 556 for the Protection of Trademarks.

Turkey is a party to most major international treaties relating to trademarks, including the following agreements:

a the Paris Convention for the Protection of Industrial Property 1883;
b the Treaty of Sèvres 1920;
c the Trade-Related Aspects of IP Rights Agreement;
d the Madrid Agreement concerning the International Registration of Marks;
e the Protocol relating to the Madrid Agreement concerning the International Registration of Marks;
f the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks;

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the Vienna Agreement establishing an International Classification of the Figurative Elements of Marks; and

the Trademark Law Treaty.

ii Authorities

The Turkish Patent and Trademark Office is the body responsible for managing national trademark applications. The decisions made by the Turkish Patent and Trademark Office can be challenged before specialised civil IP courts.

Domain names with the `.tr` top-level domains are handled by Nic.tr Administration within the body of the Middle East Technical University. Nic.tr Administration performs the administrative, financial and technical services needed or required for .tr domain names.

Company names are not required to be registered as trademarks in Turkey; they come into effect by commencement of their use in commerce. However, trademarks, company names, domain names and any other sign that may be the subject of a dispute, are all enforced before the Turkish civil courts in civil litigation proceedings.

iii Substantive law

In Turkey, as a rule, to obtain protection under the Industrial Property Code, a trademark must be registered with the Turkish Patent and Trademark Office. The exclusive right on a trademark is acquired through its registration with the Office. The registration of a trademark grants the holder of the trademark the right of its sole use and protects unauthorised use of the trademark.

The Industrial Property Code provides an exception to the registration requirement for prior and ‘genuine’ ownership of unregistered trademarks and for unregistered well-known marks within the meaning of Article 6 bis of the Paris Convention. However, the genuine ownership and well-known status exceptions mainly apply in cancellation or opposition proceedings, and do not extend to trademark infringement claims.

The protection for registered and unregistered trademarks is not limited to the Industrial Property Code. Unregistered trademarks, company names, trade names and domain names are generally protected by unfair competition provisions in the Turkish Commercial Code.

III REGISTRATION OF MARKS

i Inherent registrability

In Turkey, trademark applications are filed with the Turkish Patent and Trademark Office. The application may be filed by one or more legal or natural persons. The application can be made by the applicant him or herself, or by a qualified trademark attorney. However, the applicants whose domiciles are situated abroad must be represented by a trademark attorney who is registered before the Turkish Patent and Trademark Office.

Trademarks can consist of any symbols, such as words, shapes, sounds, colours or letters. In order to be registered as a trademark, a sign must have a distinctive character that makes it possible to distinguish the goods and services it represents from others, and must represent the subject matter of the trademark in a clear and precise manner.

In priority claims under the Paris Convention, it is necessary to state the priority right on the application form. The certified copy of the first application should be submitted to the Turkish Patent and Trademark Office within three months of the date of application.
Once an application is filed, the Turkish Patent and Trademark Office examines whether the classification is correct and accurate, and whether the formal requirements are satisfied. The Office then examines whether there are any absolute grounds for refusing the application. The absolute grounds for refusal are:

- non-compliance with the legal requirements of the Industrial Property Code;
- existence of an identical, or indistinguishably similar, earlier trademark or trademark application, covering the same, or same type of, goods or services;
- descriptiveness;
- if the mark has become customary in current and established trade practices;
- if the mark consists of a shape resulting from the nature of the goods, or that is necessary to obtain a technical result or that gives substantial value to the goods;
- deceptiveness;
- no authorisation from the relevant authorities for the use of the mark;
- the mark includes armorial bearings, emblems or hallmarks with historical and cultural value that are of concern to the public, and the registration of which is not authorised by the relevant authorities;
- the mark involves religious values or symbols;
- the mark is contrary to public policy and public morals; and
- the mark is composed of, or contains, a registered geographical indication.

If there is any absolute ground for refusing the application, the Turkish Patent and Trademark Office issues a provisional refusal of protection. If no absolute grounds are identified, the Office publishes the application in the Official Trademark Bulletin, and the term for filing third-party oppositions begins.

The application fee to be paid to the Turkish Patent and Trademark Office is 205 Turkish lira for one application with one class. For each additional class, the amount will increase by 205 Turkish lira. Once the Turkish Patent and Trademark Office has decided on the registration of the trademark, the applicant must pay a registration fee of 550 Turkish lira to complete the registration process.

ii Prior rights

A trademark application may be refused if the trademark is considered substantially identical or deceptively similar to an earlier registered or pending trademark that covers identical or similar goods or services. However, the Industrial Property Code allows later trademark applicants to overcome a provisional refusal decision from the Turkish Patent and Trademark Office by submitting a notarised consent letter from the earlier right holder.

iii Inter partes proceedings

Any interested party may submit an opposition to an application on the basis of absolute or relative grounds, or both, for refusal. The absolute grounds are discussed in Section III.i, and the relative grounds for refusal are as follows:

- the application is identical or similar to an earlier trademark registration or application and covers identical or similar goods or services, and there is a likelihood of confusion between them;
- unauthorised application for an identical or indistinguishably similar trademark by the agent or representative of the trademark owner in its own name, without valid justification;
- prior and genuine ownership of the mark applied for by a third party;
d  the application is identical or similar to:
   •  a well-known mark under Article 6 bis of the Paris Convention; or
   •  an earlier trademark registration or application that is well-known in Turkey;

e  the application contains the name, trade name, photograph, copyright or industrial property right of a third party;

f  the application is identical or similar to a trademark registration, the protection period of which has ended due to non-renewal, and covers identical or similar goods or services, if the application is filed within two years of the end of the protection period of the earlier registration and the earlier registration is put to use within this two-year period; and

g  the application is filed in bad faith.

The opposition should be filed within two months of the publication of the application in the Official Trademark Bulletin. The two-month period is not extendable. The opposition fee of 130 Turkish lira should be paid by the opponent party. The applicants are entitled to submit a response within one month of the notification of the opposition.

In Turkey, the invalidation or revocation of a registered trademark may only result from a judicial decision. Any interested party may file a lawsuit before the Turkish IP courts by requesting invalidation or revocation of a registered trademark.

With respect to invalidation actions, there is a time limit for the filing of an action. The owner of the prior trademark (registered or unregistered) cannot claim invalidity of the later trademark if he or she knew of the use of the later trademark and had stayed silent on this for five years. However, if the later trademark use is in bad faith, this time limit is not applicable.

With respect to revocation actions based on non-use, if the trademark has not been used without a justifiable reason in Turkey, or if the use has been suspended during an uninterrupted period of five years, the trademark will be revoked. Article 9 of the Industrial Property Code considers use as follows:

   a  use of the trademark with different elements that do not alter the distinctive character of the trademark;

   b  use of the trademark on goods or on packaging solely for export purposes; and

   c  use of the trademark by third parties with the consent of the proprietor.

iv  Appeals

If there is any absolute ground for refusing the application, the Turkish Patent and Trademark Office issues a provisional refusal of protection and the applicant is granted a two-month period in which to file an appeal to the Re-examination and Evaluation Board of the Office against such a refusal. This period is not extendable.

If an opposition is filed, the Turkish Patent and Trademark Office can accept or refuse the opposition and its decision can be appealed in writing within two months to the Re-examination and Evaluation Board of the Office.

Any decisions rendered by the Re-examination and Evaluation Board of the Turkish Patent and Trademark Office may be appealed before the Turkish IP Courts within two months of notification of the decision.

Furthermore, the final decisions of the Turkish IP courts, which are the courts of first instance, can be appealed before the district courts, and the decisions of the district courts can be appealed before the courts of appeal. An appeal does not automatically stop the execution of the decision, and the suspension of the execution should be requested together with the appeal.
IV CIVIL LITIGATION

i Forums
Under Turkish law, it is possible to enforce trademark rights before the criminal law courts and civil law courts.

In terms of civil law protection, trademark infringement actions are filed before the specialised Civil Courts of Industrial and Intellectual Property Rights in Istanbul, Ankara and Izmir. In other cities, one of the regular civil courts (if there are more than two courts, the third civil court, otherwise the first civil court) is assigned as a specialised IP court.

Turkish courts have jurisdiction in trademark infringement cases if the trademark right is registered in Turkey, if the defendant resides in Turkey or if the tortious act is committed in Turkey. According to Turkish law, if the place in which the tortious act is committed is not the place where the damage has occurred, the law of the state where the damage has occurred shall govern.

Turkey is the applicable jurisdiction if the country is:

a the regular domicile of the trademark right holder;
b the place where the infringement was committed; or
c the place where the act of infringement produced consequences.

ii Pre-action conduct
As of 1 January 2019, mediation is mandatory for trademark disputes brought by legal entities or natural persons regarding receivables and compensation claims. However, there is no restriction on applying mediation for other disputes as well.

Trademark-related disputes can also be resolved by arbitration. Under the Turkish Civil Procedure Law, arbitral decisions are executable without the need for any judicial approval or decision.

Alternative dispute resolution methods have significant advantages, such as the arbitrator’s expertise, confidentiality of proceedings and the flexibility to adapt the proceedings to different situations.

In Turkey, although not required by law, a cease-and-desist letter is usually sent to the counterparty prior to the filing of a lawsuit, with the exception of lawsuits requesting injunction or seizure. The aim of sending a letter is to find an immediate solution without the need for a court process, which would take a significant amount of time.

iii Causes of action
Trademark infringement is the most common cause of action, and the following situations are considered as infringement:

a use of the trademark without the permission of the owner;
b use of an identical or confusingly similar trademark without the consent of the trademark owner;
c intention to form a contract for, or sale, distribution, commercial use, import, export or possession for commercial purposes of, goods bearing an identical or confusingly similar trademark that is known or should be known to be an unlawful imitation; and
d transfer to third parties or extension of rights acquired under a licensing contract.

In these cases, the similarities must be sufficient to create confusion or at least the likelihood of confusion to the average consumer.
Further, the invalidation and revocation of a registered trademark may only result from a judicial decision. Therefore, invalidation and revocation lawsuits are also commonly filed in Turkey. These actions are mainly based on relative or absolute grounds for invalidation of a registered trademark, and based on non-use of a registered trademark for revocation of a registered trademark.

Additionally, unfair competition, which is regulated by civil liability provisions, is often used as an additional claim in action related to trademarks. Unfair competition provisions prohibit generating confusion between companies or their products. The actions related to domain names or company names are mostly based on unfair competition provisions.

iv Conduct of proceedings

The procedure of civil cases in Turkey is mainly based on writing. Therefore, the briefs of the parties and the written expert report are the most significant documents. The language of proceedings is Turkish. Documents in another language must be translated by the parties, and it is open to the judge to order a retranslation.

Before the trial, the claimant provides his or her claim petition to the court and the defendant responds to such with a response petition. Afterwards, secondary petitions are provided to the court by the claimant and defendant in that order. All evidence, claims and defences of parties must be submitted to the court at this stage with their respective petitions.

In principle, admission of additional evidence or bringing new claims or defences is not allowed in line with the procedural law after the completion of this stage.

During the hearings, the judge will listen to the parties; however, the trial is based on the written documents submitted to the court. Therefore, the hearing may be used as a tool to point out some of the critical issues for the judge to concentrate on.

Trademark litigation relies on documentary evidence, which is evidence provided by the parties or the expert report obtained by the court. While it is possible to take witness statements, it is not the usual practice in trademark litigation, and the witness statements rarely preclude documentary evidence.

There are certain minimum requirements for a document to be accepted as proof before the court (e.g., all agreements related to transfer of copyright must be made in writing).

In most cases, it is possible to obtain a first-level decision in a trademark infringement case or other trademark dispute within 12 to 18 months. This term also includes expert examination.

v Remedies

In civil proceedings, the remedies available in Turkey include:

a cessation of the infringing acts;
b confiscation or destruction, or both, of the infringing products or the equipment and machinery used to produce the products;
c compensation for material and moral damages; and
d publication of the court’s decision.

Preliminary injunction is also possible in Turkey before or during the substantive proceedings. The claimant must prove that:

a it is the rights holder;
b its rights are being infringed or there is a high likelihood of infringement; and
c it may suffer irreparable harm or damages.
Rights owners may apply for a preliminary injunction for cessation or prevention of the infringing activities, as well as for seizure of the infringing goods.

V OTHER ENFORCEMENT PROCEEDINGS

In Turkey, it is also possible to enforce trademark rights before specific criminal courts. Before initiating a criminal action, the plaintiff first files a criminal complaint before the Prosecution Office. The criminal action then starts before the Criminal Courts of Industrial and Intellectual Property Rights in Istanbul, Ankara and Izmir for cases where the legislation stipulates imprisonment or judicial monetary penalty for infringement of a trademark right. In other cities, one of the regular criminal courts (if there are more than two courts, the third criminal court, otherwise the first criminal court) is assigned as a specialised IP court. In criminal proceedings, penalties including imprisonment and fines are available for trademark infringement cases.

Additionally, it is possible that any goods or products infringing trademark rights may be confiscated by the Customs Authority during import, export or transit. The Customs Authority, without the need for a court or public prosecutor order, may confiscate any goods that breach trademark rights. They must then notify the trademark right owner, who will follow the subsequent standard procedure, such as initiation of a civil case or obtaining an injunction.

VI RECENT AND PENDING CASES

The Industrial Property Code entered into force on 10 January 2017, replacing Decree Law No. 556 for the Protection of Trademarks. However, on 6 January 2017, the Turkish Constitutional Court ruled the annulment of Article 14 of Decree Law No. 556 on grounds that the provision was unconstitutional since it had to be regulated through a parliamentary act rather than a decree law. Article 14 of Decree Law No. 556 related to revocation of a trademark registration due to non-use.

There is a four-day gap between the effective dates of the Turkish Constitutional Court's decision and the Industrial Property Code. In certain cases, the IP courts stated that the Turkish Constitutional Court's decision is retroactive; therefore, the use requirement did not exist before the effective date of the Industrial Property Code.

However, the Supreme Court recently declared its decision on this matter. The 11th Civil Chamber of the Supreme Court's decision of 14 June 2019 was as follows: the Industrial Property Code entered into force on 10 January 2017; however, the date of ratification of the Code was 22 December 2016. The ratification date is before the Turkish Constitutional Court's decision on the annulment of Article 14 of Decree Law No. 556. It is clear that the legislator aims to enforce the trademark use requirement retroactively.

In light of the Supreme Court's decision, the courts will now implement Article 9 of the Industrial Property Code against non-use of trademarks.

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VII OUTLOOK

On 1 January 2019, the mandatory mediation system was introduced into Turkish law, making mediation mandatory for commercial disputes, including trademark disputes, where monetary debt and compensation are claimed. The Turkish government strongly promotes the mediation system, and, in the near future, mediation is expected to be a mandatory pre-condition to formal litigation related to all IP disputes. In this regard, alternative dispute resolution methods will be more important and effective in practice.

According to the Industrial Property Code, the Turkish Patent and Trademark Office will deal with revocation actions due to non-use. However, the effect of this provision has been suspended for seven years; therefore, revocation actions based on non-use will continue to be filed before IP courts until 2023, after which, the Patent and Trademark Office will be entitled to decide on the revocation of a registered trademark based on non-use.
I OVERVIEW

UK trademark law has been significantly harmonised with that of the other jurisdictions of the EU during the past 20 years. In that model, strong rights are given to the first to register a mark (though some rights remain for a prior user of an unregistered trademark in the UK who has established business goodwill represented by the trademark). Further, the trademark offices conduct limited examination of applications and instead place the onus on the trademark proprietor to police the trademark register as well as the marketplace.

With the UK currently negotiating its exit from the EU, there is no suggestion of the UK adopting anything other than the European model of trademark registration in the short to medium term. In essence, if and when the UK leaves the EU, substantive trademark law will remain closely similar to that found in the rest of the EU.

II LEGAL FRAMEWORK

i Legislation

Registered trademark protection in the UK is governed principally by:

a. Trade Marks Act 1994 (as amended);

b. Trade Mark Rules 2008 (as amended);

c. EU Trade Mark Regulation – EU Regulation No. 2017/1001 (as amended);


e. Misleading and Comparative Advertising Directive (2006/114/EC);

f. Paris Convention for the Protection of Industrial Property;

g. Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Trade Marks;

h. TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights);

i. Singapore Treaty on the Law of Trademarks; and

j. Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

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Authorities
The UK Intellectual Property Office (UKIPO), based in Newport, Wales, is responsible for administration of the UK trademark register as well as policy issues relating to intellectual property (IP) for Her Majesty’s Government. The UKIPO is an executive agency of the Department for Business, Energy and Industrial Strategy. It collaborates with the EU Intellectual Property Office (EUIPO), which is responsible for administration of the EU trademark register, and the World Intellectual Property Organization (WIPO), which has similar responsibility for the international trademark register.

Nominet is the UK’s domain name registry, which is responsible for the management of country code top-level domains ending with .uk.

Companies House is responsible for the registration of companies in the UK.

Substantive law
Set out below are the key legal bases for the protection of trademarks and similar indicia of corporate identity.

Registered trademarks (including collective or certification marks)
Registration is obtained by the methods outlined in Section III.

Unregistered and well-known marks
Unregistered trademarks are protected by the law of passing off, which is described in Section IV.iii. Well-known marks are protected by the Trade Marks Act 1994. They are given a status equivalent to registered trademarks and that status would be particularly useful in protecting marks that are known in the UK but have not been used or have not generated goodwill in the UK. However, proving that a mark is well known is onerous and there is relatively little case law.

Company names
Obtaining a company name gives no cause of action against later third parties. Nevertheless, it is not permissible to register a company with a name that is identical or very closely similar to that of an existing registered company. However, to prevent use of a later company name more broadly, reliance must be placed on the law of registered trademarks or passing off, assuming the requirements are met. (Note, however, that there is a limited facility to cancel abusive company names using the Company Names Tribunal.)

Trade names and business names
Obtaining or using either a trade name or a business name gives no cause of action against later third parties as such, unless the requirements of the law of passing off or registered trademarks are met.

Geographical indications
Broadly, these may be registered as collective or certification marks, or even as ordinary trademarks. They may also be protectable under the law of passing off. There are provisions of EU law (Regulation EEC (No.) 2081/92 on the Protection of Geographical Indications and Designations of Origin for Agricultural Products and Foodstuffs), which provide specific
protection for indications that have been granted the status of protected designation of origin or protected geographical indication. Applications in the UK should be made to the Department of the Environment, Food and Rural Affairs.

Domain names

Obtaining a domain name gives no cause of action against later third parties. Nevertheless, it is not possible to register a domain name that is precisely identical to an existing one. To prevent use of a later domain name more broadly, reliance must be placed on the law of registered trademarks or passing off, assuming the requirements are met. (Note, however, that there is a limited facility to cancel or transfer abusive or bad faith domain names using Nominet.)

III REGISTRATION OF MARKS

Registered protection for a trademark in the UK may be obtained by one of three routes:

a. an application filed at the UKIPO to obtain a UK trademark registration;
b. an application filed at the EUIPO to obtain an EU trademark registration; and
c. an application filed at WIPO to obtain an international registration designating either the UK or the EU.

The focus of this chapter is on procedure before the UKIPO.

The official fees for a UK trademark application are £170 (assuming the application is filed online), and an additional £50 for each class of goods or services covered in addition to the first.

The application should set out the mark applied for (in jpeg format if a logo element is included), the goods and services specified, set out in class order, according to the Nice Classification, and the name and address of the proprietor (including state of incorporation for a company). An address for service in the European Economic Area must also be provided.

When an applicant claims priority under the Paris Convention, it should include basic details of the priority applications, but it is not necessary to supply a certified copy of the priority application unless requested to do so by the UKIPO.

If a logo mark is shown in black and white, the UKIPO will not consider these colours to be a feature of the mark unless there is an express indication in the application to that effect. Sound marks may be acceptable either where they are applied for by way of, for instance, musical notation clearly describing the mark or, as of 1 January 2019, by way of a sound file in MP3 format. Similarly, moving image marks may be filed in the form of multiple representations with an accompanying description. Alternatively, they and multimedia marks generally may now be filed in MP4 format.

It is a particular feature of UK trademark law that the applicant must make a declaration on the application form, at filing, that:

the trade mark is being used, by the applicant or with the applicant’s consent, in relation to those goods or services, or that there is a bona fide intention that it should be so used.

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3 Section 32(3) of the Trade Marks Act 1994.
This declaration applies to both UK trademark applications filed at the UKIPO and international applications designating the UK filed at WIPO.

Although this declaration is not tested or examined by the UKIPO, any application or registration may be opposed or sought to be declared invalid by a third party on the basis that the application or registration was obtained in bad faith, where the applicant did not have the requisite intention to use (see Section VI.ii).

Once an application has been filed at the UKIPO, a filing receipt will be issued promptly and the application will be examined within three to six weeks. If no objections are raised, it will be published in the *Trade Marks Journal*. Publication opens a period of two months (extendible by one month at a potential opponent’s request) during which third parties may oppose registration. If no oppositions are filed, the application should proceed to registration within approximately five months of filing the application.

The process and timeline are very similar for an international application designating the UK.

It should also be noted that applications filed at the UKIPO (but not at the EUIPO or WIPO) may also seek registration in respect of a series of marks, that is to say variations of the mark (where those variations do not include differences in distinctive character). A maximum of six marks may be included in a series (with additional official fees of £50 for each of the third to sixth marks in the series). If the UKIPO holds that one of the marks does not constitute a series (i.e., it differs in its distinctive features from the other marks), that mark must be deleted in order that the others may proceed to registration.

### Inherent registrability

The UKIPO examines an application to assess whether the mark applied for is inherently registrable. An objection will be raised if the mark is:

- **a** devoid of any distinctive character;
- **b** descriptive of any characteristic of the goods or services in respect of which the mark is to be used (or worse, where it has become customary for the relevant goods or services);
- **c** a shape (or any other mark with a characteristic):
  - resulting from the nature of the goods themselves;
  - necessary to obtain a technical result; or
  - giving substantial value to the goods;
- **d** contrary to public policy or principles of morality;
- **e** deceptive;
- **f** such that its use is prohibited by any rule of law;
- **g** such that it is or contains, for example, the royal coat of arms, the royal flags, heraldic arms, flags of the UK or national emblems of Paris Convention countries; or
- **h** one where the application has been made in bad faith.

Most objections will be raised in respect of categories (a) to (c), above. The Manual of Trade Marks Practice sets out the UKIPO’s approach to certain categories of marks but, in recent years, emphasis has been placed more on assessing each mark on its merits and less on a particular category of mark. For instance, it used to be the case that common surnames were considered *prima facie* unregistrable and the number of examples of any given surname in a UK telephone directory was considered a relevant rule of thumb in assessing registrability of a surname. That type of approach is now out of favour. Nevertheless, the Manual still indicates
that names of famous people will require careful assessment. A famous name is more likely to be held to be unregistrable, particularly for goods such as posters or other image carriers, but each case will be assessed on the facts.

If an objection is raised under category (a) or (b) above, the applicant will be given two months to provide submissions or evidence in response. That period can be extended upon request for good reason. It may be appropriate to seek to overcome the objection by providing evidence of how the word is used in commerce, or technical explanations if either the word or the relevant goods are technical.

Alternatively, an applicant may seek to argue that the mark has acquired distinctiveness through its use. The applicant will need to provide evidence to support that argument. As a rule of thumb, at least five years’ use of a mark, across the majority of the UK, would be required to put forward a reasonable argument for acquired distinctiveness. A shorter period may suffice if, for example, there has been high-profile advertising. If the word applied for is particularly descriptive, evidence of the applicant’s use on its own may not be sufficient and it may be helpful if third-party evidence is obtained as well, such as how the mark is used in the media and perceived by the consumer. In practical terms, the UKIPO requires evidence to be filed in the form of a statement by a relevant witness, such as a director of the applicant, and exhibiting relevant documents.

An objection raised under categories (c) to (h) above (including objections relating to the shape of the mark) may not in law be overcome by acquired distinctiveness.

ii Prior rights

The UKIPO will not of its own motion raise any objection to an application on the basis of any conflict with an earlier trademark or other right (except, for example, emblems of Paris Convention countries, etc., as described in subsection i). The UKIPO does, however, conduct a search of the UK trademark register, the EU register and the international register (if the UK or EU is designated). If any conflicting mark is revealed, it is forwarded to the applicant for information. A period – typically two months – will be set for the applicant to confirm whether it wishes to limit its application or withdraw it (in view of the prior right revealed), seek consent from the prior rights owner, or seek to persuade the UKIPO that the conflicting right has been incorrectly raised.

If the applicant makes no response, the UKIPO will, after that period, permit the application to proceed to publication in the Trade Marks Journal, and that publication opens a period of two months during which third parties may oppose the application if they so wish. At the same time, the UKIPO writes to the prior rights owner (if the prior right is a UK trademark or a UK designation of an international trademark) alerting the owner to the publication of the later, possibly conflicting application.

Under current practice, it is much less common for an applicant to seek express consent from the proprietor of an earlier conflicting trademark or to seek to persuade the UKIPO that in fact no conflict exists, at the examination stage. It is more likely that this type of conflict will be addressed in any later opposition proceedings, either in a decision by the UKIPO or in settlement discussions alongside those proceedings.

It should be noted that whereas the UKIPO conducts a search of UK trademarks, EU trademarks and international trademarks (designating the UK or EU), and while these properties may form the basis of a third-party opposition, these are not the only rights that may be relied upon in opposition proceedings. An opponent may also rely on any other earlier right, including a copyright, design right or registered design with effect in the UK.
or any rule of law. The most common rule of law relied upon is the law of passing off. An opponent here may claim that it is the prior user of a mark, such that the opponent has established goodwill represented by the mark, before the filing of the application, and that the use of the mark applied for (since it is, for example, confusingly similar, for similar goods) would amount to a deceptive misrepresentation liable to damage the goodwill of the opponent. Note that the opponent does not seek to pursue a claim for passing off as such (which would need to be brought in the courts), but, instead, seeks to argue that registration of the later mark should be refused because its use would amount to passing off.

iii Inter partes proceedings

Oppositions

Any party may oppose registration of a trademark on the grounds that it does not meet the inherent registrability criteria. The proprietor of an earlier trademark or other earlier right may also oppose registration on the grounds of its right. In the standard procedure, an opponent is required to file form TM7 and pay a fee of £200. If the rights relied upon are registered or pending trademark rights, it may be sufficient to outline the details of those rights and claim that the use of the applicant’s mark will result in a likelihood of confusion or dilution.

If the earlier registered trademark rights are more than five years old, it is necessary to state in respect of which goods or services the earlier trademark has been used. In practice, it is possible to indicate that this information will follow and can instead be provided in response to the UKIPO’s indication of deficiency in that information.

If other rights are relied upon, such as an earlier passing-off right, more detail is likely to be needed, such as when the mark was first put to use, in what geographical area and in respect of which goods or services.

The UKIPO will examine the form TM7 and notice of opposition and, if it is acceptable, will set a period of two months for the application to file its counterstatement on form TM8. The counterstatement will respond to the pleaded grounds of opposition, either admitting or denying them or putting the opponent to proof and, where relevant, pleading its alternative case.

Once the UKIPO has assessed that the applicant’s counterstatement fulfils formality requirements, it sets the following timetable:

a a period of two months for the opponent to file any facts or submissions in support of its opposition. Evidence of facts must be in the form of a witness statement signed under a statement of truth;

b upon filing of the opponent’s evidence, a period of two months for the applicant to file any evidence or submissions in support of its application; and

c upon filing of the applicant’s evidence, a further period of two months for the opponent to file any evidence or submissions in reply.

Each of these evidence periods can be extended upon request and for good reason. Any request must clearly specify what action has been taken to date to meet the deadline, why further time is needed (i.e., what further action needs be undertaken) and how long that will take. In practice, in the absence of very good reasons, the UKIPO is unlikely to extend any deadline by more than one month.

Once the evidence stages of the proceedings are closed, the parties may agree for a decision to be made by a hearing officer from the papers on file; an opportunity for the parties
to provide written submissions will also be provided at this stage. Alternatively, either party has a right to request a hearing. This may be held in person but may also be held by video link with the hearing officer in the UKIPO’s Newport office.

A decision is likely to be issued within 12 months of the filing of the opposition refusing the application, partially refusing the application or rejecting the opposition. The hearing officer will also make an award of costs in the prevailing party’s favour. The level of the award is taken from a limited set scale and is not intended to fully compensate the prevailing party for the legal costs incurred. A typical award may be in the region of £1,500 to £2,000.

It should be noted that the initial deadline set for the applicant to file a counterstatement can be met by the parties instead consenting to and filing a request to enter a cooling-off period. This is for an initial nine months (which can be extended to 18 months) and postpones the evidence stages of proceedings.

There is a more streamlined fast-track procedure, which may be suitable for some earlier trademark proprietors, particularly if they have pre-prepared evidence of their use of their mark to accompany the initial notice of opposition.

**Post-registration application for declaration of invalidity or declaration for revocation**

The same basic procedure is provided for a post-registration application for a declaration for invalidity, which may be sought on any of the grounds that could have been pleaded in opposition. A similar procedure applies to a post-registration revocation on the grounds that a mark has not been put to genuine use within five years of the mark being registered, or that the mark has become generic.

It should be noted that an application for a declaration of invalidity or an application to revoke a registration may be brought in the courts as well as the UKIPO. The UKIPO proceedings again have a limited cost award regime, so bringing a case in the courts is likely to be more expensive, but with a greater opportunity to recover more of the legal costs incurred during the proceedings.

**iv Appeals**

Decisions by the UKIPO may be appealed to the High Court of England and Wales, to the Court of Session in Scotland or to the High Court in Northern Ireland. Of these, the High Court of England and Wales (High Court) is used most frequently. Decisions by these courts may also be appealed further to appellate courts.

Generally, none of the aforementioned courts will rehear a case, but will instead review the UKIPO decision. That means that there is a high hurdle for any party to clear in filing additional evidence at the appeal stage. Costs orders issued at the end of any appeal are not taken from the UKIPO’s limited set scale but, instead, are issued in accordance with the Civil Procedure Rules (CPR) and are intended to compensate the prevailing party to the extent that its legal costs have been proportionately and reasonably incurred.

As an alternative to the court system, a party may appeal a UKIPO decision to an ‘appointed person’. This is a tribunal, established by statute, consisting of a small number of leading trademark practitioners (typically barristers and academics) designated as appointed persons, who sit individually to hear appeals. Although appointed persons have broadly the same powers as the High Court on appeal, the tribunal is intended to be a low-cost forum. On that basis, costs orders that may be made in the prevailing party’s favour are again made on a set limited scale. Decisions made by an appointed person are final and, accordingly, there is a power for cases of general legal importance to be transferred to the courts.
IV CIVIL LITIGATION

i Forums

For cases with a value of under £10,000, the small-claims track of the Intellectual Property Enterprise Court (IPEC) (a specialist court within the High Court) provides a useful venue. No costs awards may be made on this track, but injunctions and other similar remedies may be available to the successful claimant. This track may not be suitable for cases of any complexity.

For cases with a value of up to £500,000, the multitrack of the IPEC is available. The Court’s procedures are designed for small and medium-sized enterprises, in that it has powers to limit the scope of the disclosure process and the number of witnesses. It is intended for cases that may be decided in a trial lasting typically two days. A particularly attractive feature of the IPEC’s process is that, with rare exceptions, the maximum award in costs that may be made after trial is £50,000. This gives a good degree of certainty to parties as to what their liability may be in the event that a case is lost.

The High Court is the traditional home for IP cases of any size. There is no cap on the value of cases that may be brought in the High Court and it has the greatest capacity for long trials, with significant disclosure exercises and witnesses. It is the most appropriate venue for the most complex cases. There is no costs-capping regime. The parties must, however, provide a detailed budget for the case fairly early in the proceedings but the budget itself can be expensive to prepare. It would not be unusual for legal costs in bringing a trademark case to trial to amount to at least £400,000.

The High Court recently piloted and has now made permanent a ‘Shorter Trials Scheme’. This scheme is intended for cases with a trial of no more than four days. The Court exercises powers akin to those in the IPEC, where disclosure or witness evidence may be controlled or limited. There is no requirement for budgeting, nor is there a costs-capping regime. It is intended that the limits and controls on procedure, and the expeditious processing of cases to trial (typically around 10 months), will reduce costs overall.

ii Pre-action conduct

The Practice Direction on Pre-action Conduct is set out in the CPR.4 This specifies that, in the absence of special circumstances, a claimant should approach the defendant and set out the details of the complaint before any court claim is issued. If this requirement is not complied with, the claimant may later be penalised by not being granted as high an award of costs as it otherwise would (even where it is wholly successful in the substance of the claim).

In some areas, however, such as personal injury claims, there are additional protocols that set out in fuller detail the precise steps that must be taken before a claim is issued. There are no protocols in IP cases, mainly because the law of unjustified threats historically made it difficult to draft pre-action protocols mandating that a claim be set out in detail to an alleged infringer when the law of unjustified threats made it potentially actionable for a complainant to threaten to sue in respect of certain acts. The law of unjustified threats was reformed in 2017, so it may be that there will be a return to the question of whether it is possible to specify detailed protocols for pre-action conduct in IP cases.

It should also be noted that Part 36 of the CPR5 provides a formal set of rules whereby settlement offers, made in accordance with those rules, and that are not accepted, have an...

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4 See www.justice.gov.uk/courts/procedure-rules/civil/rules/pd_pre-action_conduct.
impact on any costs award that may be made after trial. The rules are complex, but broadly are intended to penalise a party that refuses a settlement offer on terms that are more favourable than the terms that party ultimately obtains after trial. Part 36 offers for settlement may be made prior to the issue of proceedings.

### Causes of action

#### In the courts

A trademark owner may bring a complaint against third-party misuse of its trademark by way of:

- trademark infringement (where it is the proprietor of a registered trademark in the UK, whether UK trademark, EU trademark or international trademark designating the UK or EU); or
- the common law tort of passing off (where it is the owner of goodwill in a business in the UK represented by its trademark).

These causes of action may be brought simultaneously. For example, if a registered trademark has been used in the UK, it is frequently also the case that this use will have established a basis for a passing-off claim. There is nothing to prevent the running of both causes of action simultaneously and in many cases that may be a prudent course. There have been cases where, for example, an EU trademark has ultimately been held to be invalid by a UK court (which otherwise would have been infringed) and where the claimant was able to succeed in preventing the defendant's use of its mark in the UK on the basis of the claimant's alternative claim in passing off.

Either cause of action may be brought on a *quia timet* basis, that is to say on the basis of infringing activity that has not yet taken place. Either action may be brought to prevent third-party use of a trademark, trade name, company name, domain name, get-up or any other indicia or sign used in the course of business in respect of a good or service.

An action in infringement will be successful if the claimant proves that the defendant's use of a relevant sign:

- is use of a sign sufficiently similar to the registered trademark, for sufficiently similar goods or services, that there is a likelihood of confusion; or
- is sufficiently similar to the registered mark, in which there is a reputation, that the sign will call to mind the registered mark and will:
  - take unfair advantage of or free ride on the reputation;
  - tarnish the reputation; or
  - blur or erode the distinctive character of the registered mark.

An action in passing off will be successful if the claimant proves that:

- it is the owner in the UK of goodwill in a business represented by a trademark or other distinctive indicia (such as a packaging get-up);
- the use by the defendant of its sign amounts to, or would amount to, a deceptive misrepresentation to a substantial proportion of the relevant consumers; and
- that such misrepresentation would be liable to lead to damage to the claimant’s goodwill.
Alternative venues

Companies House administers the registration of companies in the UK. Rules provide that a new company may not adopt a name that is identical to the name of an existing registered company or one that is very similar (according to specific narrow rules).

Despite the general rules, it is possible to register a company name that (in trademark terms) would be considered similar to an existing name. It may be possible to prevent the use and registration of such a name under actions for passing off or trademark infringement through the courts.

An alternative venue, however, is the Company Names Tribunal. This has a narrow remit, adjudicating on cases that might broadly be described as abusive names. It provides a useful and cheap facility to remove from the companies register any names that are obviously attempting to take unfair advantage of more famous existing companies or trademarks. A significant limitation, however, is that a complaint may be made only in respect of a company that has not yet traded under its name.

Abusive.uk domain names may also be addressed through the dispute resolution service provided by Nominet. The rules of procedure are similar to the ICANN\(^6\) rules applicable to .com domain name disputes, but there are some differences.

iv Conduct of proceedings

The process of a claim in the IPEC follows the following broad outline. There are variations in other courts.

a Issue of a claim form. This step consists of a claimant forwarding a completed claim form (a brief summary of the claim) to the IPEC and paying to the Court the issue fee. This fee may vary between £1,000 and £10,000, depending on the level of damages sought in the claim. The Court then seals (i.e., officially stamps) the claim form and returns it to the claimant.

b If the defendant is in the UK, the claimant now has four months to serve the claim form (along with full details of the claim, called the ‘particulars of claim’) on the defendant. For a defendant UK company, good service of the claim form and particulars may be achieved by posting the documents to the company’s registered address.

c Once the defendant has been served with the claim form and particulars of the claim, it has 14 days to file an acknowledgement of service at court. (Later deadlines are determined by the particular court in which the claim is brought.) Typically, a defendant in the IPEC will have a period of 42 days from service of the claim to file its full defence. Shorter periods apply in the High Court.

d Once a defence has been filed, the claimant may take steps to bring the matter to a case management conference (CMC) and, where applicable in the High Court, this will include preparation of legal costs budgets for the case. The CMC may be fixed some time after the defence has been received.

e At the CMC, the Court will make findings as to the issues to be decided in the case and specify what disclosure and inspection of documents will be provided by the parties, what witness evidence, including expert evidence, may be filed and served by the parties and, in the IPEC, when the trial and issue of judgment shall take place.

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6 Internet Corporation for Assigned Names and Numbers.
A typical period to provide initial disclosure may be one month but the parties have some latitude to agree amendments to the timetable. In the IPEC, it is more typical for the Court to order specific disclosure (i.e., disclosure of documents relating to particular issues) rather than standard disclosure (i.e., all relevant documents, both supportive and adverse to a party’s case). From the point where litigation is contemplated, the parties remain under a duty to preserve documents that may need to be disclosed.

After the disclosure process, evidence may then be prepared and filed in the form of witness statements, which do not have the formality of other jurisdictions; that is to say they do not need to be notarised. However, the particular format of the statement requires a ‘statement of truth’, and a false statement may be punishable as contempt of court. It should be borne in mind that all witnesses who give evidence may be cross-examined at trial.

Trial: skeleton arguments (i.e., short summaries of the facts and legal arguments) should be filed shortly before trial along with authorities (i.e., relevant cases and legislation). At trial in the IPEC, typically one day may be taken up by cross-examination of witnesses and a second day with legal submissions and argument.

Judgment is likely to be pencilled in to be issued around six weeks after trial.

The overall process may take 18 months on average, but there is a wide variation since the parties to some extent influence how quickly the proceedings move to a decision.

Remedies

The courts have a wide inherent jurisdiction in granting remedies to a claimant who is successful in an action for trademark infringement or passing off. The following are some of the more usual remedies sought.

a An injunction preventing use of the trademark or sign complained of. In trademark infringement cases, the injunction may be granted in broad terms (i.e., ‘the defendant shall not infringe UK trademark number . . .’). In passing-off cases, the order may be more limited, enabling a defendant to continue use of its mark if it takes sufficient steps to ensure that no misrepresentation is caused. Breach of an order, in whatever form, by the defendant may amount to contempt of court, punishable by a fine and ultimately imprisonment.

b Similar orders compelling the defendant to change its company name or transfer its domain name.

c An order to deliver up all infringing goods or articles in the claimant’s possession, custody or control.

d An enquiry as to damages or at the claimant’s election an account of profits.

e An order to pay the claimant’s legal costs. The claimant, where successful, is in principle entitled to compensatory payment from the defendant for legal costs, provided they are proportionately and reasonably incurred. Nevertheless, the courts have a wide discretion and may take into account the parties’ behaviour before and during proceedings, as having an effect on any costs order that is made. A rough rule of thumb is that a court is likely to make an award of cost amounting to around 70 per cent of the actual costs incurred.

f An order for publication of judgment. In certain circumstances, the courts may order that a defendant should publicise the judgment (on its website, for example), if it is thought that this may assist in dispelling the confusion that has been caused by the previously infringing use.
The courts may also grant interim remedies before trial (particularly interim injunctions). The test for whether an interim injunction should be granted includes a number of factors but a critical one is the speed at which the claimant seeks the remedy. If the defendant has been on the market for several months, with the claimant’s knowledge, that will reduce the likelihood that the claimant will be able to obtain an interim injunction.

V OTHER ENFORCEMENT PROCEEDINGS

i Criminal proceedings

It is a criminal offence (under Section 92 of the Trade Marks Act 1994) to apply to goods or their packaging a sign identical to, or likely to be mistaken for, a registered trademark, or to sell, or offer to sell, such goods. No equivalent provisions apply to misuse of a trademark in respect of services. Penalties upon conviction include fines and potentially substantial prison sentences. In principle, many acts of trademark infringement could be pursued under criminal law as much as under civil law. In practice, the criminal provisions are rarely relied upon between, or against, legitimately trading businesses.

There is a statutory duty on public authorities (namely trading standards offices of local government) to prevent unauthorised use of registered trademarks. In practice, funding of these offices may vary across the country and they may not necessarily have the manpower to pursue criminal trademark cases except in the most serious matters.

It is also possible for trademark proprietors to bring a private prosecution, that is to say to initiate criminal proceedings themselves rather than relying on a trading standards office. This is often an unattractive option, since the evidentiary burden is high (the case will need to be proved to the criminal standard ‘beyond reasonable doubt’ rather than the civil standard ‘on the balance of probabilities’). Further, there will be no automatic award of legal costs, although forfeiture proceedings may be separately pursued.

The Police Intellectual Property Crime Unit, part of the City of London Police, has recently been established, with funding from the UKIPO, to address IP crime with a particular focus on counterfeits provided online. The website provides a form enabling reports or allegations of IP crime to be submitted.

ii Customs procedures

Regulation (EU) No. 608/2013 (the Regulation) provides a comprehensive procedure for customs action to prevent import into the UK or EU of goods infringing an IP right. This applies also to goods that infringe registered trademarks but not to grey goods.

UK Customs (HMRC) and the UK Border Force work together in implementing these provisions.

A trademark proprietor may make an application to HMRC for action under the Regulation to specify, for example, the registered trademarks that it would like HMRC particularly to monitor. This may apply to the UK only or, in an EU application, to several customs authorities within the EU. An application will need to include information such as the trademark right, with evidence of registration, a description of the relevant goods to be

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monitored along with any technical data permitting recognition of authentic goods, and the name and contact details of any legal representatives. The trademark proprietor will also need to indemnify the customs authorities for their costs, expenses and liabilities. There are no official fees in making the application.

Where any goods are seized under the application for action, HMRC will notify the registered trademark proprietor, or its representative, and grant a period of 10 days (or three days in the case of perishable goods), during which the trademark proprietor may indicate that the goods, in its view, infringe its right, and request destruction of the goods. The proprietor may obtain samples for assessment. If the importer of the goods provides no objection to destruction within the same 10-day period, or provides no response, the goods may proceed to destruction. If the importer objects to destruction, the goods shall be released, unless the trademark proprietor promptly issues a claim for trademark infringement in the courts. The goods shall be detained pending resolution of the court action.

HMRC may also notify a trademark proprietor ex officio if it detains goods that it suspects infringe a registered trademark right, even if no application for action is in force. A similar procedure shall apply but the first step will be for the trademark proprietor to make an application for action.

VI RECENT AND PENDING CASES

Set out below are some noteworthy recent decisions.

i Trump International Limited v. DTTM Operations LLC

This is a significant decision from the English High Court in respect of how proprietors may deal with bad faith trademark applications.

Trump International Limited (TLL) is a UK company controlled by Mr Michael Gleissner. It has no connection with the US President, Donald Trump. It filed a UK trademark application in 2016 for the mark ‘TRUMP TV’ in respect of services including ‘entertainment services’ in Class 41. This application was opposed by DTTM Operations LLC, which is the company that administers the trademarks connected with Donald Trump. DTTM opposed TLL’s application on a number of grounds, including on the basis that TLL’s application was filed in bad faith. In support of that claim, it filed evidence (in essence, ‘similar fact evidence’) that companies connected with Mr Gleissner had previously filed trademark applications replicating others’ famous trademarks and domain names. This included previous UKIPO decisions adverse to companies connected with Mr Gleissner. TLL did not provide evidence in reply to the bad faith allegations but did make submissions including that the previous adverse UKIPO decision could be distinguished.

The UKIPO nevertheless held that TLL’s application had been made in bad faith and refused it. TLL appealed to the High Court.

The Court held and confirmed that the similar fact evidence filed by DTTM was admissible and relevant. It agreed with the UKIPO that it provided a prima facie case that TLL’s application was made in bad faith. In the absence of evidence from TLL to rebut the
prima facie case, it held that the UKIPO was entitled to reach its findings on bad faith. (TLL had also applied to file additional evidence at the appeal stage but the Court denied permission to that application.)

Moreover, the Court underlined and made very clear that:

a in the Court’s words, ‘Where an application is made for a well-known trademark with which the applicant has no apparent connection, this requires explanation and justification by the applicant’;

b the UKIPO has the power to strike out proceedings as an abuse of process, if it considers that they have been brought for any improper purpose; and

c legitimate trademark proprietors’ remedies are not limited to UKIPO proceedings. The Court emphasised that the filing of an application for registration of a trademark entailed the applicant making a statement that it had a bona fide intention to use its mark. As such, this provides a trademark proprietor with the power not only to oppose the application through UKIPO opposition proceedings, but also to bring an action in the courts for trademark infringement against the applicant, at least on a quia timet basis. This should provide the proprietor with stronger remedies, including the right to seek an interim injunction and legal costs on a compensatory scale, including such costs from non-parties (e.g., a director of a company named as applicant for a trademark).

The Court’s position provides welcome support for trademark proprietors who are faced with third-party bad faith applications.

ii Sky Plc and others v. SkyKick UK Limited and another

This case, which was first reported in the second edition of The Trademarks Law Review, remains pending and awaiting determination by the Court of Justice of the European Union (CJEU). It is a case between the well-known TV broadcaster and broadband provider Sky Plc and a specialist IT support firm called SkyKick (which assists businesses with, for example, migration of email accounts to the cloud-based Microsoft Office 365 system).

Sky Plc’s registrations for its ‘SKY’ trademark cover broad terms such as ‘computer software’ and ‘telecommunications services’ and, in some cases, they cover thousands of terms, many of which (e.g., ‘luggage’) are not closely related to its existing business. Given the broad scope of the SKY registrations, the UK court held that the use of the ‘SKYKICK’ trademark had (in principle) infringed the SKY registrations. SkyKick had nevertheless also challenged the SKY registrations on the basis that:

a terms such as ‘computer software’, ‘electronic mail services’ and ‘telecommunications services’ in the specification of the SKY registrations were not sufficiently precise and specific – with the result that the SKY registrations were invalid for these goods and services; and

b in the alternative, that Sky Plc could not have had an ‘intention to use’ its marks for all the goods specified, with the result that the SKY registrations were invalid as a whole, having been filed in bad faith, or invalid in respect of those goods for which Sky Plc had had no intention to use the marks.

10 [2018] EWHC 155 (Ch) (6 February 2018) and [2018] EWHC 943 (Ch) (27 April 2018).
If SkyKick were successful in its validity challenges, Sky’s infringement case would fall away or be very much weakened.

The UK court made findings of fact that there were at least some goods within the SKY registrations for which Sky Plc had not had an intention to use at the time of filing the registrations for its marks. The court also held that terms such as ‘computer software’ were not, in its view, sufficiently precise and specific. Nevertheless, it held that it required a determination from the CJEU as to whether, as a matter of law, it could declare part of a registration invalid (where the terms used were not sufficiently precise) and separately, whether it could declare invalid a registration (either as a whole or in part) for bad faith, where the proprietor had not had an intention to use its mark in respect of the goods or services specified.

If the CJEU agrees with the stated view of the UK High Court, there would be a seismic shift in trademark practice in the EU: trademark proprietors in the future would have to describe their goods and services with a great deal more precision and would have to be careful to ensure that they specified only goods and services in respect of which they had a real intention to use their marks.

iii AMS Neve Ltd and others v. Heritage Audio SL and another

UK company AMS Neve Ltd (AMS) had sought to bring a claim for trademark infringement against Spanish company Heritage Audio SL (Heritage) for infringement of its European Union trademark (EUTM) rights in the IPEC in London. AMS claimed that Heritage had advertised and offered for sale on its website goods infringing AMS’ registered rights. AMS had evidence that not only was Heritage’s website accessible from the UK, but also that Heritage displayed information about a UK distributor on its website, had corresponded with a person in the UK about delivery of goods and had issued an invoice for such goods to a person in the UK. Heritage did not deny that sales of the goods had been made in the UK, but it claimed that they were made by other companies (i.e., Heritage itself had not advertised, offered for sale or sold in the UK). At first instance, the IPEC in London held that it did not have jurisdiction to hear AMS’ claim against Heritage based on infringement of AMS’ EUTM rights. Conversely, the Court held that it did have jurisdiction to hear the same claim based on AMS’ UK trademark (UKTM) rights. The Court reached this conclusion on a reading of Article 97(1) and (5) of the 2009 EUTM Regulation and the CJEU’s previous case law. (These specific rules about jurisdiction applied to the EUTM claim and not to the UKTM claim.) The Court held that the EUTM claim must be heard in the jurisdiction where the act of infringement took place (which in this case was, the court held, where the defendant decided to place the advertising or set up the website and where it took steps to give effect to that decision). The defendant, as a Spanish domiciled company, had made these commercial decisions in Spain meaning that the correct venue for the claim was Spain. The IPEC could only, therefore, hear the claim based on AMS’ UK marks. AMS appealed to the Court of Appeal, which sought clarification of the law from the CJEU. The CJEU, arguably ignoring some of the reasoning of its earlier decisions, has helpfully given practical support to trademark proprietors by siding with AMS’ position. The Court confirmed that a claim may be brought in an EUTM court of the Member State ‘within which the consumers or traders to whom that advertising and those offers for sale are directed are located, notwithstanding

11 Case C-172/18 (5 September 2019).
that third party [i.e. the defendant] took decisions and steps in another Member State to bring about that electronic display’. This provides welcome relief to trademark owners trying to enforce their rights on the internet.

VII OUTLOOK

The following areas are examples of where there is likely to be future activity relevant to trademark proprietors.


The UK has implemented this EU Directive, which aims to update and reform trademark law across the EU. The UK government conducted a consultation process in the first half of 2018, and in July 2018, issued the Trade Mark Regulations 2018 (which came into force on 14 January 2019).

There are a sizeable number of minor changes. Perhaps the most significant is the removal of the requirement for a ‘graphical representation’ of a registered trademark. This requirement has been replaced by one that a trademark be capable of:

being represented in the register in a manner which enables the registrar and other competent authorities and the public to determine the clear and precise subject matter of the protection afforded to the proprietor.¹²

The UKIPO also issued a practice direction indicating that it would permit the filing of trademarks in MP3 or MP4 format.¹³

The ability of trademark owners to file for their marks in digital format clearly greatly facilitates the registering of non-traditional trademarks. Nevertheless, under the current case law, every trademark (no matter what its format) must still fulfil the criteria of being ‘clear, precise, self-contained, easily accessible, intelligible, durable and objective’. Accordingly, it is yet to be seen whether the greater freedom permitted in the format of trademark applications will lead to a greater variety of successfully registered non-traditional trademarks.

ii UK exit from the EU

The UK government has negotiated a draft withdrawal agreement with the EU but it has failed on several occasions to obtain UK parliamentary approval for that agreement. There remains uncertainty as to if, when or how the UK will leave the EU. Nevertheless, the UK has provided detailed legislation as to what will happen to EU-registered trademark and design rights (regarding the UK) in the event of exit, whenever that may be. The process will be broadly similar whether the UK leaves with or without an agreement: namely, on exit day, the UKIPO will create or clone UK trademark registrations (formally called ‘comparable trademarks’) equivalent to existing EUTM registrations. This cloning process will not entail the paying of any official fee by proprietors and will happen automatically. For any pending

¹² New Section 3(1) of the Trade Marks Act 1994.
¹³ An example of the first moving image mark filed and registered in digital format can be found at https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00003375593; an example of a multimedia mark (still pending) may be found at https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00003393530.
EU trademark application, however, the proprietor will be required to actively file a new UK trademark application and pay the requisite fees. This application must be filed within nine months of exit day, but the UK right will have the equivalent filing and priority dates as the EU trademark application. If the UK signs an agreement with the EU, it is likely that this cloning process will take place after a transitional period. In the event of a no-deal exit, this process will take place upon exit.

By this mechanism, existing EUTM proprietors (and proprietors of international registrations designating the EU) should have comfort that they will have continued protection in the UK after exit, by virtue of being proprietors of newly cloned UK registrations as well. Nevertheless, there remain details of trademark law (not least in respect of exhaustion of rights) that will be different depending on whether the UK leaves the EU with or without an agreement. Brexit remains a key area of focus for IP practitioners.
I OVERVIEW

The US trademark system provides for both federal and state protection of trademarks. Whether under federal or state law, registration is not a prerequisite for enforceable rights. What is required is use of the mark in the ordinary course of business and not merely to reserve rights in the mark.

Also required is a term, device of goods or services or trade dress of goods that functions as a mark to indicate source or sponsorship or affiliation. That is, what is asserted as a mark must not be functional, ornamental, generic for the goods or services, merely descriptive without acquired distinctiveness or merely informational.

The procedural and substantive benefits that accrue to federal registration, however, are substantial enough that federal registration is generally sought by trademark owners, where possible.

Typical instances in which federal protection by registration is not sought include where the use of the mark is expected to be short-lived, the use is in the nature of a descriptive or highly suggestive tag line and has not been substantially exclusive, the use is essentially ornamental or informative, or there is a prior user or holder of a trademark registration not subject to challenge operating in a remote geographic area in a manner such that there is no foreseeable overlap in the marketplaces so that there is little likelihood of confusion.

II LEGAL FRAMEWORK

i Legislation

The principal statute dealing with trademark and unfair competition law in the United States is the Lanham Act, 15 USC Section 1051 et seq. The Act has been amended numerous times since its effective date more than 70 years ago. The amendments have, among other things, made dilution of famous trademarks a federal offence; provided statutory damages as a remedy against sellers of goods bearing counterfeit marks; permitted the filing of applications for registration based on an intent to use; and created a private cause of action against cybersquatting.

The federal statute is supplemented by state trademark statutes and state common law. The state statutes provide for a registration system similar to the federal scheme. Persons may secure state registrations, particularly where the business is primarily a local one, or where
there may be issues that impede securing a federal registration. There are also statutes in a number of states that are directed to unfair trade practices and provide a cause of action for competitors (other such statutes only provide for actions by customers or states’ attorneys general). There are also state statutes directed to trademark dilution and also to rights of privacy and publicity that overlap only to some extent with the unfair competition provision of the Lanham Act.2

The US has adhered to the Madrid Protocol (enacted as Madrid Protocol Implemental Act of 2002, 15 USC Section 1141), and international registration filings have become increasingly popular as a means of extending protection to other jurisdictions in a more economic manner than securing individual national registrations. The US has also signed the Paris Convention for the Protection of Intellectual Property and the TRIPS Agreement.

ii  Authorities

Because there are protections for trademarks under both federal and state law in the US, registrations may be secured through the United States Patent and Trademark Office (USPTO) or the trademark offices in each of the states and territories, or both.

The USPTO’s Trademark Trial and Appeal Board (TTAB) hears appeals from refusals of registration by examiners at the USPTO, as well as challenges to registration in inter partes proceedings, primarily oppositions and cancellations, but also concurrent use proceedings through which parties may secure federal registration effective in specified geographic areas of the country. Appeals on matters of registrability may be taken to the Court of Appeals for the Federal Circuit or to a United States federal district court.

The TTAB can only determine questions of registrability. It cannot enjoin use of a trademark, nor may it award attorneys’ fees, costs of the action or monetary damages.

The federal district courts also have authority under the Lanham Act to rule on issues of registrability that are raised in appeals from TTAB decisions and also in civil litigation directed to trademarks under the Lanham Act, 15 USC Section 1119. The federal district courts, unlike the TTAB, have the authority to enter mandatory and prohibitory injunctions and grant awards of attorneys’ fees and costs and damages for infringement, pursuant to 15 USC Section 1117; to order the destruction of infringing articles, pursuant to 15 USC Section 1118; and to assess damages for fraudulent registration under 15 USC 1120.

The state courts have parallel jurisdiction to hear questions of trademark infringement under state and common law. The state courts generally follow the federal precedential decisions and, except where there is some difference between the laws (such as the dilution provisions where the state statutes do not require the same degree or level of fame as the Lanham Act), the state and federal laws are considered to be essentially the same. The geographic scope of injunctive relief granted by a state court may be more limited.

iii  Substantive law

Trademarks may be registered both under federal and under state law. The state statutes generally track the federal statute on matters of registrability.

Marks can be protected whether or not registration has been secured. Unregistered marks are entitled to protection based on use in the geographic areas within which the mark has been used and otherwise made known, such that there is a reputation and goodwill

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2 Section 43(a); 15 USC Section 1125(a).
entitled to be protected in the interest of avoiding likelihood of confusion of the relevant public and trade as to the source or sponsorship of the goods or as to an affiliation between the providers of the goods or services.

Marks that are well known, whether or not they are registered for particular goods or services, may be entitled to a broader scope of protection based on the likelihood that there will be a misperception of source, sponsorship or affiliation, even on goods not closely related to the core business for which the mark is well known. This is predicated on the prevalence of licensing as a means of extending the recognition of a mark to goods and services beyond the core business, as well as generating additional revenue streams for the mark owner. To the extent that trademark rights are territorial, protection has been sought within the US for trademarks used outside the US, taking note of Section 6 bis of the Paris Convention and precedent from several courts. The US circuits are split on the availability of protection for marks used outside the US, and famous within the US but not in use there.

The scope of protection that a mark (or name) is accorded depends not only on the inherent strength of the mark or name (e.g., a mark lacks inherent strength if it is descriptive of the nature of the goods or an aspect of the services, and a mark has inherent strength if it is fanciful; that is to say, a coined term having no meaning or if there is no direct meaning relevant to the particular goods or services) but also, and often more so, on the commercial strength acquired through the nature and extent of use and promotion and consequent commercial success.

Trade names and the names under which businesses are known can be and are protected from infringement both under federal and state law in the same manner as unregistered trademarks. Protection is predicated on the fact that such names function to identify the source (i.e., the business offering the goods or rendering the service) to the relevant public and trade.

Corporate names and fictitious names are registered on a state-by-state basis. Such registrations provide no basis for action against entities using the same or similar names and, more importantly, such registrations provide no defense to claims by a prior user that the fictitious name or other name infringes its rights where there is likelihood of confusion. The likelihood of confusion must be a tangible one, a probability rather than a mere possibility, and not simply hypothetical based on the filing and registration.

Trade names and business names that are subject to protection under federal and state law, and domain names, cannot be registered as trademarks except to the extent that they are used as trademarks, but the laws with respect to unfair competition preclude use of marks or names that are likely to cause confusion with existing marks or names. Also, 15 USC Section 1052(d) permits oppositions to registration of a mark and petitions to cancel a registration of a mark based on prior use of a trade name. The extent of protection granted to such names, outside the context of registration, is limited to the area within which the name is known and associated with a single source of origin with respect to that particular business, in much the same manner as protection for unregistered trademarks.

Geographical indications are protected under US law through a combination of statutory provisions. Certification marks identify products that conform to a specified standard that may include geographic origin (e.g., Idaho potatoes). The Lanham Act prohibition against false

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3 See 15 USC Section 1125(a), which is similar in scope to Section 10 bis of the Paris Convention.
designations of geographic origin precludes use of deceptive statements of origin (referring to a sparkling wine from California as ‘Champagne’, for example). 15 USC Section 1052(e) precludes registration of deceptively misdescriptive geographic terms.

Domain names are website addresses. The domain name is a unique identifier of a web address and nothing more. 15 USC Section 1125(d) addresses cybersquatting by creating a private cause of action by a trademark owner against a domain name registrant who has a bad faith intention to profit from the mark. It is also possible to bring an in rem action against domain names that consist essentially of counterfeits of marks. The issue with domain names is complicated by the fact that the registration of the name may be, and often is, divorced from any specific content that would create a likelihood of confusion as to source or sponsorship for any discrete visitor to the site, and many marks are not unique to one registrant (e.g., numerous companies own the mark ACME for diverse goods and services). To the extent that a domain name is also used as a trademark or trade name, the name can be protected as such.

One question that is the subject of dispute in the US is whether a generic or merely descriptive term with a suffix such as ‘.com’ is anything other than a generic or merely descriptive term, and whether the addition of ‘.com’ provides some basis for finding the domain name to have source-indicating significance. The Court of Appeals for the Fourth Circuit recently determined that ‘booking.com’, as used in conjunction with a website on which customers could book hotel accommodation was descriptive, rather than generic, and thus eligible for trademark protection, in light of survey evidence that consumers perceived booking.com as a brand name rather than a general reference to hotel reservation websites. This decision, however, is at odds with decisions of the Court of Appeals for the Federal Circuit holding that the addition of a top-level domain such as ‘.com’ to a generic-term second-level domain, such as ‘hotels.com’ or ‘lawyers.com’, does not alter the generic and thus unregistrable nature of the purported mark.

As with any other term or designation, social media handles (@username) and #hashtags are only protectable as trademarks if they are being used as such. Social media usernames may be registrable and protectable for entertainment services in the nature of publishing electronic content on the internet; for example, if the services are commercial in nature. The USPTO’s Trademark Manual of Examining Procedure (TMEP) specifically addresses registrability of hashtag marks, stating that ‘[a] mark consisting of or containing the hash symbol (#) or the term HASHTAG is registrable as a trademark or service mark only if it functions as an identifier of the source of the applicant’s goods or services’. In general, the hash symbol ‘does not provide any source-identifying function’ where it merely ‘facilitate[s] categorization and searching within online social media’. The addition of a hash symbol to

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4 15 USC Section 1125(a).
5 Booking.com BV v. Iancu, 915 F3d 171 (Fourth Circuit 2019).
6 In re Hotels.com, 573 F3d 1300, 1304 (Fed Cir 2009).
7 In re Reed-Elsevier Properties, 482 F3d 1376, 1379-80 (Fed Cir 2007).
8 See Nazon v. Ghiorse, 119 USPQ2d 1178 (TTAB 2016) (finding that Twitter user @Sexstrology had not created trademark rights in the term SEXSTROLOGY for ‘astrology horoscopes’, notwithstanding posting content under that handle and having 68,600 followers).
9 TMEP Section 1202.18.

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an otherwise unregistrable mark will not render the hashtag registrable. Conversely, neither registration nor use of a protectable mark with the addition of a hashtag is required to assert a claim for infringement of the mark as used by an infringer on social media as a hashtag.\textsuperscript{10}

\section*{III REGISTRATION OF MARKS}

Applications for registration can be filed on the basis of use or intent to use. No registration will issue until a declaration of use is filed and proof of use is accepted. The exception is for registrations based on a non-US registration under international conventions. Notably, while a non-US entity does not need to show proof of use of a mark in the United States to secure the registration, the registration will be cancelled if the registrant fails to file proof of use in the United States for the goods or services identified in the registration certificate between the fifth and sixth years after the issue date of the registration. The registration is also susceptible to a petition for cancellation based on abandonment by non-use after the three-year statutory presumption of abandonment\textsuperscript{11} has passed from the date of registration.

If an application is filed on the basis of use, and there are no objections raised to the application as filed, there are no extensions of time to oppose, and if no oppositions are lodged against the application, registration should issue between nine and 11 months after the filing date. According to the USPTO, it takes about three months for the trademark application to be reviewed by an examiner, and, on average, approximately 10.7 months for the application to reach registration.

Any USPTO office actions raising issues with respect to the application, such as with respect to descriptiveness, functionality, prior registrations, the identification of goods or the sufficiency of the specimens of use, will delay acceptance of the application for publication for the purposes of opposition. If the application is filed on the basis of intent to use, and the declaration of use is not filed and accepted before the mark is approved for publication, a notice of allowance will issue after the close of the opposition period. The applicant then has six months to file a declaration of use and proof of use, or a request for an extension of time to make such filing. The applicant may secure up to five extensions of six months each to file the proof of use.

The fees associated with filing a new trademark application are US$400 per class using the regular Trademark Electronic Application System (TEAS) form, US$275 using the TEAS reduced fee form, and US$225 using the TEAS Plus form (in which the applicant selects the goods and services listing from existing entries in the USPTO Trademark Identification Manual). As of October 2019, the USPTO will no longer accept paper trademark filings.

As of August 2019, the USPTO requires that all foreign-domiciled trademark applicants must be represented by an attorney who is licensed to practise law in the United States.

\textbf{i Inherent registrability and acquired distinctiveness (secondary meaning)}

There is a wide range of words, phrases, designs, symbols and trade dress that are inherently registrable.

There are some marked exclusions within that listing of items potentially inherently registrable. That is to say, an applied-for ‘mark’ may be found not to be inherently registrable

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\textsuperscript{10} \textit{Khaled v. Bordenave,} No. 18 Civ 5187, 2019 WL 1894321, at *6 (SDNY, 29 April 2019) (collecting cases permitting claims of infringement based on uses of protected marks in hashtags).

\textsuperscript{11} 15 USC Section 1127.
\end{flushleft}
if, in relation to the goods or services identified in the application, it is merely descriptive, primarily a surname, primarily geographically descriptive or if it fails to function as a mark by virtue of being ornamental or informational, or functional in the context in which it is used. Additionally, product configurations are not inherently registrable, although they may be registered upon proof of acquiring secondary meaning.\textsuperscript{12}

Marks that are merely descriptive, primarily surnames or geographical designations may be registered on the basis of acquired distinctiveness. Five years’ continuous, commercially significant and substantially exclusive use creates a presumption of acquired distinctiveness. For highly descriptive marks, more proof may be required, and, in appropriate cases, less time is required for a finding of acquired distinctiveness.

\textbf{ii \quad Prior rights}

Prior rights may provide a basis for precluding registration or cancelling a registration.

Prior use in even a limited geographic market provides grounds for defeating a registration if the junior use or trademark claim is of a confusingly similar mark used in connection with the same or related goods or services.

Prior rights, however, may be extinguished and so become unavailable as grounds to challenge the registration of a junior user’s mark. These prior rights may be extinguished in a number of ways, the most common of which are: (1) abandonment, with non-use for three years giving rise to a presumption of abandonment; (2) naked licensing, so that the mark no longer functions to identify the senior user as the source of the goods or services (a licensee will be estopped from relying on its licensor’s failure to exercise quality control but is not precluded from relying on the licensor’s failure in other instances to exercise quality control over the nature and extent of the use of the mark); and (3) assignment in gross, where the mark is separated from the goodwill associated with it.

With respect to abandonment, a change in the form of the mark, from that in which it is registered, may leave the registration subject to cancellation, which may affect the respective rights of the parties even where the use of at least some component of the mark as originally registered remains. Additionally, once a mark has been abandoned, subsequent use cannot retroactively cure the past abandonment.

\textbf{iii \quad Inter partes proceedings}

The \textit{inter partes} proceedings before the TTAB are governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence, except where the TTAB has established an exception to the Federal Rules. Recent rule changes have been made to make the proceedings more efficient and less costly, permitting testimony to be made of record by declaration so long as the declarant is subject to cross-examination, and limiting the number of interrogatories, requests for production of documents, and requests for admissions that may be made in discovery, to 75 each. Under the Accelerated Case Resolution procedure, the parties can stipulate other measures to make the proceeding more efficient, such as by further limiting discovery, waiving cross-examination and agreeing to shorter time frames for filings than are provided by the TTAB. Under consideration is a rule change to simplify and expedite cancellation proceedings brought on the basis of abandonment of the mark of the registration.

The most common inter partes proceedings are oppositions and cancellations. The same basic standards apply in the US as elsewhere.\textsuperscript{13} In each instance, the party in the position of the plaintiff must allege and establish timeliness of the filing, standing to bring the proceeding (a legitimate commercial interest in the outcome) and grounds (such as genericity of the challenged mark, functionality, likelihood of confusion with a mark previously used or registered and not abandoned).

Concurrent use proceedings are available in limited circumstances.\textsuperscript{14} The difficulty in securing a concurrent use registration is the requirement that each or all of the parties operate in a distinct geographic market, such that there is no likelihood of confusion arising from the concurrent use and registration. This creates obvious difficulties with online sales of goods and is best adapted to local food service operations, medical practices, community banks and credit unions, and other service industry segments where the customer base is largely local.

iv Appeals

Appeals from decisions of the TTAB may be taken to either the Court of Appeals for the Federal Circuit or to a US federal district court. There are marked differences between these courts for appeals.

An appeal to the Federal Circuit is decided on the basis of the record before the TTAB. No new evidence and no new claims will be considered.

If the appeal is taken to a district court, there is an opportunity to raise new claims and to introduce additional evidence. By way of example, if the issue is whether secondary meaning in a mark has been achieved, and the record below was not persuasive, a survey or other expert evidence might be introduced. In the context of an appeal in an inter partes proceeding, a claim for infringement may be brought. Alternatively, a claim for a declaratory judgment of non-infringement may be introduced into this proceeding. A litigant who appeals an ex parte decision of the TTAB to the district court may be required to pay both the USPTO’s costs and attorneys’ fees, regardless of the outcome of the appeal.\textsuperscript{15}

IV CIVIL LITIGATION

i Forums

Civil actions for trademark infringement and unfair competition in the nature of trademark infringement (akin to passing off) may be brought either in state courts or in federal district courts.

The advantages of filing in the federal courts include the ability to secure nationwide relief, access to broad subpoena power to secure testimony, and a substantial body of

\textsuperscript{13} See, for example, ‘Trademark Opposition Procedure Areas of Convergence’ (World Intellectual Property Organization Report of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT/19/3, 22 April 2008)).

\textsuperscript{14} See Section 2(d) of the Lanham Act, 15 USC Section 1052.

\textsuperscript{15} Shammas v. Focarino, 784 F3d 219 (Fourth Circuit 2015) (holding that statute requiring trademark applicant to pay ‘all the expenses of the proceeding’ in a de novo appeal to a district court included USPTO attorneys’ fees, regardless of whether applicant prevails or not). The Federal Circuit, sitting \textit{en banc}, recently took the opposite position for the comparable statute regarding appeals from decisions of patentability (Nantkwest, Inc v. Iancu, 898 F3d 1177 (Fed Cir 2018) (en banc)). The Supreme Court of the United States has granted certiorari in Nantkwest to resolve the circuit split (139 S Ct 1292 (2019)).
precedent. The advantages of filing in the state courts include (1) greater familiarity with state statutes that may provide an ancillary basis for recovery (state unfair trade practice acts may provide a competitor with a cause of action); (2) state dilution statutes will not require the same degree of fame as is required for a plaintiff to prevail on a federal dilution claim under the Lanham Act 15 USC Section 1125(c); and (3) greater familiarity with the local market and other conditions, which might make confusion more likely or might result in a particular understanding of a term in issue.

ii Pre-action conduct

Prior to commencement of an action for trademark infringement, there are a number of steps the potential claimant may take. Diligence is always advisable, to confirm priority and to ascertain the strength of the claim, potential weaknesses and counterclaims. Where there is some doubt as to the strength of the claim, a pre-litigation survey may be undertaken to ascertain whether it may be advisable to pursue a course other than litigation.

Once the decision has been made to proceed, it is usual, but not mandatory, for a cease and desist letter to be sent to the appropriate party on the other side. The cease and desist letter should be drafted with care and sent only when the client is committed to litigate if an amicable resolution cannot be achieved. One benefit of a cease and desist letter is that it can open up a dialogue. It can also bring out issues and facts not previously ascertained that affect the determination of how best to proceed.

Before litigation begins, the parties can agree to take steps to resolve a dispute, including the informal exchange of information and documents that otherwise would not be available until the formal discovery process has begun. The parties may agree to a settlement conference or even mediation. Such discussions have the possible outcome of a business resolution that addresses the needs of both parties.

iii Causes of action

In civil litigation, the actions typically brought in federal court are for trademark infringement under the Lanham Act 15 USC Section 1114 if the mark is registered, and under 15 USC Section 1125(a) whether or not the mark is registered. Section 1125(a) of the Act provides a federal cause of action for unfair competition in the nature of trademark infringement. The unfair competition claim is essentially a claim for passing off. While only the owner of the registration can bring a claim for infringement based on registration, an exclusive licensee can bring a claim under Section 1125(a) for violation of rights.

The test for violation of the statute is essentially the same, whichever provision is invoked: is there a likelihood (that is, a probability and not a mere possibility) of confusion as to source or sponsorship or affiliation? The determination of infringement or passing off is based on consideration of various factors, most particularly the degree of relationship between the goods and services and the degree of similarity between the marks. Also of importance are any evidence of actual confusion where such confusion might be expected to have come to the parties’ attention, the conditions in which purchase decisions are made, overlap in trade channels and classes of customers, the strength of the senior user’s mark, and the intent of the junior user.
The benefit of being able to invoke a registration on the Principal Register are the evidentiary presumptions of ownership and the exclusive right to use of the mark for the goods or services identified in the certificate of registration. Those presumptions are rebuttable for only the first five years after the date of issue of the registration. If the plaintiff’s mark has nationwide fame, a claim for dilution may also be brought under Section 1125(c).

Disputes as to trade or business names may be resolved in federal court under the same provision of the statute as protects unregistered marks.

Trademark and trade or business name disputes may also be resolved in state courts on essentially the same basis.

Claims for cybersquatting may be brought in appropriate cases in federal court under Section 1125(d) of the Lanham Act, as well as under the various dispute resolution procedures established under ICANN.

Disputes that relate to use of company names that do not involve trademark or trade name-type use are resolved at the state level, and the procedures vary from state to state.

### iv Conduct of proceedings

In civil actions for trademark infringement or unfair competition in the nature of trademark infringement, the proceeding is commenced by the filing and service of a complaint in accord with 15 USC Sections 1114 and 1121. The plaintiff may or may not ask for preliminary injunctive relief.

The defendant may respond by filing a motion to dismiss on a number of grounds, including lack of jurisdiction and failure to state a claim on which relief may be granted. The defendant may answer and file and serve counterclaims for a declaratory judgment of non-infringement, or for infringement if the defendant believes it can establish priority, or for cancellation of the plaintiff’s registration on any of the grounds on which a cancellation petition might be filed in the Trademark Office. If there has been a prior opposition or cancellation proceeding between the same parties involving the same marks and issues, relitigation may be barred in the federal courts under the doctrine of issue preclusion.

Once the answer and any counterclaims are lodged and responded to, the district court will schedule a conference with the parties to set the timetable and particular rules for the proceeding.

Prior to beginning discovery, the parties will make initial disclosures to each other, identifying those persons believed to have knowledge of the matters at issue and the location of the documents relevant to those issues.

Discovery will typically include written interrogatories, requests for production of documents and requests for admissions. The grounds for objection to discovery directed to matters at issue in the proceeding are limited; however, recently, the courts have been more willing to limit the extent of discovery when the burden and expense of production is not warranted by the value of the case.

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16 The primary register of trademarks maintained by the United States Patent and Trademark Office. It is governed by Subchapter I of the Lanham Act.

17 15 USC Section 1115(b).


After fact discovery concludes, there is generally a period for expert discovery. Typical expert testimony comes from industry experts who can opine about what is standard or customary or not in the industry, technical experts who can address whether or not a product configuration or package design is functional, survey experts who can testify to consumer or purchaser perception based on research they have done, and damages experts. Other types of experts called upon may testify as to the genesis or meaning of terms, as linguists.

At the close of discovery, and assuming the matter is not resolved on the basis of a summary judgment motion where the court determines that there is no material issue of fact, a trial on the merits is not required, and the outcome can be determined as a matter of law, there is a trial that may be conducted with or without a jury, depending on the nature of the relief sought (where only injunctive relief is sought, there is no entitlement to trial by jury) and whether or not a jury demand has been timely made by either party.

At trial, the parties have the opportunity to introduce evidence and present argument. Appeals from jury verdicts are limited. In an appeal from a decision made by the court, the findings of fact are upheld if supported by substantial evidence. The conclusions of law are not accorded such deference. Whether the determination of likelihood of confusion is a finding of fact or of law, or a mixed question of law and fact, will depend on the circuit in which the trial has been held.

Proceedings before the TTAB follow a similar pattern, and the same evidentiary and procedural rules generally apply, although there are some notable variations. There is no live testimony in a TTAB proceeding; however, either party in an inter partes proceeding can request oral argument. The resolution is restricted to the question of registrability of the mark as shown in the application or registration at issue and to the goods and services as set out in the identification of goods and services. That is, the real-world marketplace context may not be considered if the subject mark is presented in block letter ‘standard format’ rather than in the logo form actually used, or with other distinguishing matter that is actually used, and differences between the precise channels of trade used by the parties may also not be considered if the application or registration contains no restriction on trade channels and the goods and services are such that move through other or broader channels of trade.

v Remedies

There is a broad range of remedies that may be granted by the courts once infringement or unfair competition is found.

The statutes provide for injunctive relief. Injunctions may be mandatory as well as prohibitory. That is, a court can order a recall of goods bearing the infringing marks. A court may order that corrective advertising be undertaken or disclaimers of affiliation be added to materials to be published or otherwise made available.

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22 Compare Progressive DistribServs v. UPS, Inc, 856 F3d 416, 427 (Sixth Circuit 2016) (‘This Court considers the question of whether there is a likelihood of confusion to be a mixed question of fact and law’), with: (1) Dorpan, SL v. Hotel Meliá, Inc, 728 F3d 55, 64 (First Circuit 2013) (‘Likelihood of confusion is a question of fact’); (2) Gruma Corp v. Mexican Rests, Inc, 497 Fed Appx 392, 395 (Fifth Circuit 2012) (‘The issue of likelihood of confusion is generally a fact question’); and (3) 1-800 Contacts, Inc v. Lens.com, Inc, 722 F3d 1229, 1243 (Tenth Circuit 2013) (‘Likelihood of confusion is ordinarily a question of fact for the jury’).
23 See Stone Lion Capital Partners, LP v. Lion Capital LLP, 746 F3d 1317 (Fed Cir 2014).
United States

More commonly, injunctive relief is prohibitory. The defendant is ordered to stop the conduct that is the basis of the complaint. There may or may not be a period of time within which the defendant must comply, such as 30 days from the effective date of the order. The prohibited conduct may be described in more or less detail.

The statutes also provide for monetary relief. The recovery can take the form of disgorgement of the profits the plaintiff would have made but for the infringement, particularly when the market is comprised only of the two parties. The recovery can take the form of the profits the defendant accrued that were attributable to the infringement. Recovery can also take the form of whatever other damages the plaintiff can establish with some specificity, such as the amount spent on corrective advertising to remedy the misunderstanding and confusion. Enhanced damages are available in limited circumstances, such as counterfeiting or in the case of a repeat offender.

While the federal statute provides for attorneys’ fees to be awarded to the successful party, such remedy is granted in ‘exceptional circumstances’, such as when the losing party has, through the course of the litigation, demonstrated bad faith, raised frivolous arguments, or otherwise engaged in misconduct offensive to the court.

V OTHER ENFORCEMENT PROCEEDINGS

There are a number of other venues and measures for approaching violations of trademark rights.

While the Lanham Act provides for enhanced damages and statutory damages for use of counterfeits of registered marks on and in connection with the goods and services identified in the certificate of registration, use of counterfeit marks is also a criminal offence.

US Customs and Border Control also has a role in blocking importation of infringing goods. One of the benefits of federal registration on the Principal Register is the right to record the registration with Customs, and Customs may prohibit entry into the US of infringing goods, and order the recall of infringing goods inadvertently allowed into the country. As with criminal measures, the more information that the rights holder can provide to the enforcement authorities, the more likely it is that effective action may be taken.

The rights holder receives no monetary recovery from the criminal procedure or from a seizure of goods by Customs, but the rights holder likewise incurs no direct expense of the prosecution.

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24 See 15 USC Section 1117(a).
25 15 USC Section 1117(b).
27 15 USC Section 1117(b).
28 18 USC Section 470 et seq.
29 15 USC Section 1124; 19 CFR Section 133.1 et seq., Section 162 et seq.
30 See https://iprr.cbp.gov; 19 CFR Section 133.1 et seq.
VI RECENT AND PENDING CASES

There are a number of recent cases that have the potential to result in significant changes in the practice of trademark law and that reflect current concerns.

Belmora, LLC v. Bayer Consumer Care AG\(^{31}\) tests the territoriality principle in US trademark law that rights in marks based on use outside the United States create no rights within the United States.\(^{32}\) Belmora provides for rights to be enforced in the United States based on activity outside the United States when the reputation of the mark, and the goodwill associated with it, are known to the relevant purchasing public in the United States. The aim of trademark law (i.e., to protect purchasers from confusion and to safeguard the reputation of the senior user) would appear to be better served by acknowledging such rights.\(^{33}\) There are, however, circuits that limit enforceable rights to those established through use in the US. The question then becomes what use suffices, since technical trademark use may not be required to establish rights, and use analogous to trademark use can support a finding of priority of use.

Christian Faith Fellowship Church v. Adidas AG\(^{34}\) tests the principle that some very little use, akin to token use, of a mark is insufficient to establish rights in a mark. Intrastate use that has an impact on interstate commerce has been well accepted as a basis to claim federal rights.\(^{35}\) Until the Adidas case, it was not at all clear that sporadic, isolated uses within one state might also qualify as a basis for a claim of trademark rights. Here, the priority right rested on the sale of two hats and the question of whether interstate commerce was sufficiently impacted.\(^{36}\)

Where Adidas becomes problematic is in the area of enforcement of rights, and the basis for the court’s decision conflicts with precedent that restricts relief in a civil action to matters where there is a real likelihood (that is, probability) of confusion. Where there are no sales by the senior user, there can be no reasonable likelihood of confusion. Accordingly, courts generally require some significant degree of market penetration by a party in the position of plaintiff before they will enjoin even a junior user from selling into that territory. What constitutes significant market penetration then becomes an important consideration for a person seeking to enforce trademark rights. It appears – based on a recent Third Circuit decision – that the amount of business must be much greater than ‘two hats’, and much greater than use previously accepted as investing a party with enforceable trademark rights.\(^{37}\)

In Matal v. Tam,\(^{38}\) the Supreme Court held that the section of the Lanham Act that barred registration of disparaging trademarks was unconstitutional under the First Amendment free speech provision as based on viewpoint discrimination. The decision specifically allowed registration of ‘THE SLANTS’ as a mark for entertainment services.

\(^{32}\) See Person’s Co Ltd v. Christman, 900 F2d 1565 (Fed Cir 1990).
\(^{34}\) 841 F3d 986 (Fed Cir 2016) (Adidas).
\(^{35}\) See Larry Harmon Pictures Corp v. Williams Restaurant Corp, 929 F2d 662 (Fed Cir 1991).
\(^{36}\) 841 F3d 990 (Fed Cir 2016).
\(^{37}\) See Parks, LLC v. Tyson Foods, Inc, 863 F3d 220 (Third Circuit 2017); but the decision was not dispositive of the issue of likelihood of confusion in the registration context where the claim of prior right based on use was more restricted geographically, and the issue of the viability of the claim to trademark rights in the more limited geographic market had not been litigated in the course of the infringement action.
\(^{38}\) 137 S Ct 1744 (2017).
although the term was deemed to be disparaging of persons of Asian ancestry. A subsequent case dealing with scandalous marks reached a similar conclusion, with the Supreme Court striking down the ban in Iancu v. Brunetti,\(^{39}\) and holding that the mark ‘FUCT’ for clothing should not be refused registration on the grounds that it is scandalous. As a result of these cases, the USPTO will no longer refuse registration of marks on the grounds that they are disparaging, scandalous or immoral, and applications for such marks that were suspended pending resolution of the Brunetti case will now be examined. An open question remaining is whether dilution provisions can withstand challenge to the extent that they are predicated on tarnishment rather than blurring as the basis for the dilution claim, since tarnishment is akin to disparagement.

In Mission Product Holdings v. Tempnology, LLC,\(^{40}\) the Supreme Court ruled that a trademark licensor’s rejection of a trademark licence in bankruptcy operates as a breach of contract rather than a rescission, and thus does not terminate the licensee’s right to continue using the licensed trademark for the remaining term of the agreement. This ruling protects the expectations of trademark licensees in the event of the licensor’s bankruptcy.

**VII OUTLOOK**

In the coming year, it may be anticipated that there will be decisions that clarify or confuse with respect to the extent of use in US commerce required to establish enforceable rights in a trademark, and that address the nature and extent of evidence that may be required to establish that a term is or is not generic for a particular good or service. It may be expected that the jurisprudence will continue to evolve on what constitutes persuasive expert evidence on apportionment of damages and surveys directed to secondary meaning as well as genericity and dilution.

There are no major legislative initiatives planned with respect to trademark law, but there are likely to be further changes in the rules of practice before the Trademark Office and the TTAB, particularly with respect to a proof of use of marks on the goods or services identified in applications and registrations, the level and nature of the third-party use that can impact on the strength of a mark or name, and an abbreviated procedure for securing cancellation of registrations on the basis of abandonment.

\(^{39}\) 139 S Ct 2294 (2019).
\(^{40}\) 139 S Ct 1652 (2019).
Appendix 1

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In 2011, António joined the intellectual property practice of Vieira de Almeida & Associados. In this capacity, he has experience in intellectual property litigation, dealing with matters such as patents (namely pharmaceuticals litigation), trademarks and designs, and in advising companies in all aspects of intellectual property.

He is a member of several international IP organisations, including AIPPI (Portuguese group), ECTA, FICPI, INTA, MARQUES and Union-IP. He was the chair of the ECTA Design Committee (2010–2016) and is currently a member of the ECTA Copyright Committee. He is also a member of the Union-IP Litigation Commission.

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Jonathan Clegg is a partner of Cleveland Scott York and has practised as a Chartered Trade Mark Attorney for more than 25 years. His main areas of expertise are in the development and management of international trademark portfolios, including creating and implementing opposition strategies, maintaining commercially relevant and up-to-date protection, and handling contentious inter partes actions and appeals across many jurisdictions. He acts before the UK IP Office, the EU IP Office and WIPO across a full range of trademark issues, and is particularly experienced in UK and EU opposition and other contentious matters, in negotiating on behalf of his clients, and in handling international applications and related issues under the Madrid Protocol.
Jonathan is heavily involved in the International Trademark Association (INTA) and, as well as currently chairing its leadership development committee, he has been a regular speaker and moderator for INTA for many years. He has also participated many times for WIPO as a speaker at its seminars on the Madrid System, and he has spoken for the organisation at Madrid-focused events in a number of countries. He is also a contributing author for Wolters Kluwer's *Concise European Trade Mark and Design Law*. He is ranked in *Chambers UK 2019* as a UK-wide top-tier trademark attorney.

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Frances has over 30 years' experience practising in intellectual property law, and joined Norton Rose Fulbright after more than 10 years in another top-tier Australian law firm. Prior to that, Frances worked in Hong Kong and London. She has also worked extensively in Asia-Pacific IP matters.

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In his practice, Nahum has gained much experience in prosecution of trademarks, and he counsels clients on the strategy of protection of their brands and the management of large international trademark portfolios.

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Mr Chander Mohan Lall was designated as a senior advocate by the High Court of Delhi in April 2017. He is an intellectual property rights specialist, and, currently, a large part of his practice is in the High Court of Delhi and the Supreme Court of India, although he also frequently practises in other High Courts around the country; in particular, in Calcutta, Mumbai and Chennai.

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Mauricio Maleck Coutinho is a partner at Veirano Advogados and has more than 18 years of experience in intellectual property. For almost seven years, he headed the intellectual property disputes team in the Rio de Janeiro offices. Mauricio worked in the United States in 2005 and, after spending two and a half years in London gaining further academic and work experience (from 2013 to 2015), he now heads the intellectual property dispute team in the firm’s São Paulo offices. Mauricio has advised clients for over 18 years on the full range of intellectual property rights, including patents, copyrights, trademarks, trade secrets and entertainment (contentious and non-contentious matters). Much of his work has focused on highly complex IP litigation and trademark prosecution, advising in complex deals involving national and multinational companies. Mauricio helps clients manage risk and arrive at solutions that do not necessarily involve the courts (pre-court settlements). He has extensive experience in advising clients in an ‘attentive, proactive and responsive’ manner (*WTR 1000* (2019)).

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Jakob Krag Nielsen has particular expertise and experience in contentious as well as non-contentious work in the area of patents, trademarks and other intellectual property rights. Jakob represents Danish and international clients from all industries, but in particular, technology-intensive industries within, for example, life sciences and healthcare. Jakob’s approach is straightforward, always appreciating that any value-creating advice needs to be based on a profound understanding of the client’s commercial targets and needs.

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Born in 1969, Luigi A Sansone read law at the University of Buckingham in the United Kingdom and graduated with an LLB with honours in 1990. He graduated with an LLD from the University of Malta in 1995. He has been a practising advocate since 1996 and heads the firm. He is a European patent attorney and a Malta Council Member of the European Patent Institute and the European Communities Trademark Association, for which he is also the vice chair of the Anti-Counterfeiting Committee. Luigi is also an overseas member of the Institute of Trade Mark Attorneys in the United Kingdom, and a member of Marques, AIPPI, the International Trade Mark Association (in which he is a member of the EU region Anticounterfeiting Committee) and the Pharmaceutical Trade Marks Group. He speaks English, Maltese, Italian and French.

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Mr Tsai also obtained a master’s degree in IP law from the law school of the University of New Hampshire, also known as the Franklin Pierce Center for Intellectual Property.
Immediately upon graduating, Mr Tsai had an opportunity to work for InterDigital, Inc in Delaware, and following this he obtained his US patent registration qualification. He is also qualified and admitted to practise as a patent agent in China.

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Appendix 2

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