

# **Latest Developments in the Protection of Trademarks: Well-Known and Non- Traditional marks**

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# What is Branding?

- Branding allows a company to differentiate its products and services from the competition by creating a bond with its customers in order to create customer loyalty. This way, a company can have a position in the marketplace that is much more difficult for the competition to poach. A satisfied customer may leave. But a loyal customer is more likely to stay.

# Concept of Branding

- A **company image** as seen by the customer
- Good branding = getting people to **recognize you first**
- Having an effective **logo** with which customers can identify you
- A brand is what **differentiates** you from your competitors
- Good **advertising** and how it attracts customers

# Purpose of Branding

- Gives a business a significant edge over the competition
- Have the customer view a business as the only solution to their problem
- A strong brand engenders feelings of trust, reliability, loyalty, empathy, responsiveness and recognition in the customer's mind

# Successful Branding

- Developing a brand is part and parcel of every strategic business plan
- Target what customers care about: articulate precise values and qualities that are relevant and of direct interest
- Emphasize features that are both important to consumer and quite differentiated from competitors

# Successful Branding

- Intellectual Property Rights such as trademarks and industrial designs are important tools for branding

# What is a Trademark?

*A sign capable of distinguishing the goods or services produced or provided by one enterprise from those of other enterprises*



# Types of Trademarks

- Trade marks: distinguish goods
- Service marks: distinguish services
- Collective marks: distinguish goods or services by members of an association
- Certification marks: certify the quality of goods and services distinguished by the mark
- Well-known marks: benefit from stronger protection



# Distinctive Signs: Words, Letters, Numerals, Pictures, Shapes, Colors, Logotypes, Labels



# The Function of a Trademark

- Allows companies to differentiate their products
- Ensures consumers can distinguish between products and ultimately develop brand loyalty

# The Value of a Trademark

- A marketing tool
- A source of revenue through licensing
- A crucial component of franchising agreements
- May be useful for obtaining finance
- A valuable business asset

# The Value of Trademarks

- Global Brand Scoreboard
- 1. Coca-cola 70.45\$ billion
- 2. IBM 64.73 \$ billion
- 3. Microsoft 60.89 \$ billion
- 4. Google 43.56 \$ billion
- 5. GE 42.81\$ billion
- *(Interbrand Business Week 2010)*

# Trademark Protection > Registration

- Exclusive rights prevent others from marketing products under same or confusingly similar mark
- Secures investment in marketing effort
- Promotes customer loyalty/ reputation / image of company

# Trademark Protection > Registration

- Provides coverage in relevant markets where business operates
- Registered marks may be licensed or be the basis of franchising agreements



# Practical Aspects

- Selecting a trademark
- Protecting a trademark through registration
- Using and maintaining a trademark
- Enforcing a trademark



# What to avoid when selecting a Trademark

- Generic terms: CHAIR to sell chairs
- Descriptive terms: SWEET to sell chocolates
- Deceptive terms: ORWOOLA for 100% synthetic material

# What to avoid when selecting a Trademark

- Marks contrary to public order/morality
- Flags, armorial bearings, official hallmarks, emblems



# Article 6<sup>ter</sup> of the Paris Convention

## Article 6<sup>ter</sup> of the Paris Convention

- Protection of State Emblems, Official Hallmarks, Emblems of International Organizations
  - (a) armorial bearings, flags, official signs
  - (b) hallmarks indicating control and warranty
  - (c) armorial bearings, flags, other emblems, abbreviations and names of international organizations

Not country names
- Applies to goods and to services

# Article 6<sup>ter</sup> of the Paris Convention

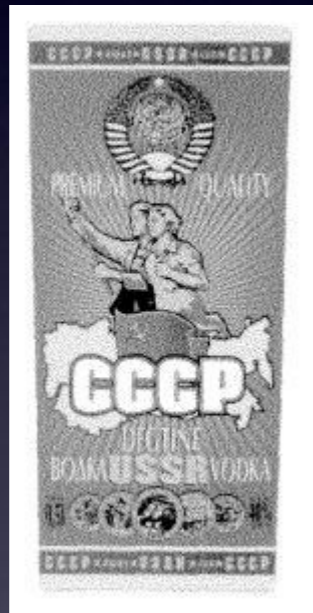
## Purpose and nature of protection

- Prohibit the **registration and use of trademarks** which are identical to, or present a certain similarity with the signs communicated under Article 6<sup>ter</sup>
- Defensive protection and not the establishment of any intellectual property right

# Ostalgie/Ostalgie?

(from German “Ost” = East)

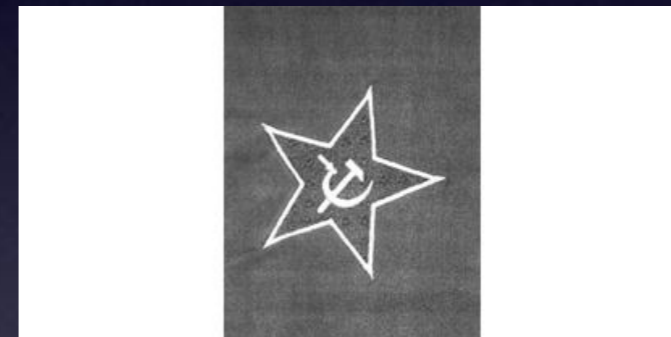
## *Refused Trademarks*



**Latvia**  
Application M-05-464  
March 10, 2005



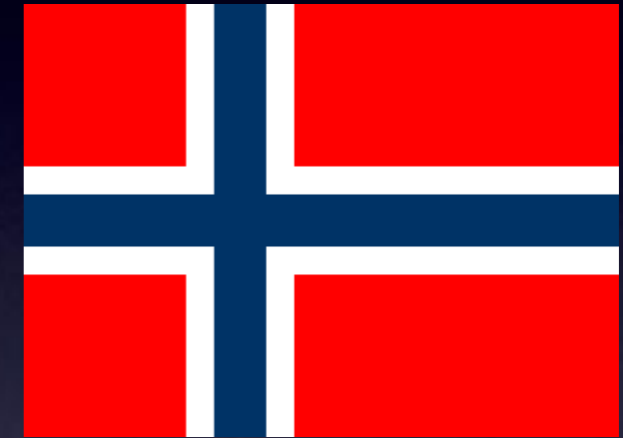
**Latvia**  
Application M-06-633  
April 25, 2006



**Latvia**  
Application M-06-633  
April 25, 2006



# The Napapijri case



# The Napapijri case

- Italian skiwear and sportswear company
- Napapijri means Arctic Polar Circle in the Finnish Language. Napapijri is also the name of a small village located on the Polar Circle.
- The Norwegian flag appears on many of the garments as a tribute to the Norwegian explorers that first traveled to Polar Regions by foot and by dog sled over 100 years ago.
- Permission to use the Norwegian flag as a Napapijri logo was granted by the King of Norway, Harald the 5th.



## What to Remember when selecting Trademark?

- Inherently distinctive
  - Coined or fanciful words: KODAK
  - Arbitrary marks: APPLE for computers
  - Suggestive marks: SUNNY for heaters
- Easy to memorize and pronounce
- Fits product or image of the business

## What to Remember when selecting Trademark?

- Has no legal restrictions
  - Reasons for rejection
  - TM search > not identical or confusingly similar to existing TM
- Has a positive connotation
- Suitable for export markets
- Corresponding domain name available

# Protecting a TM through registration

- The applicant
  - Application form, contact details, graphic illustration of mark, description of goods, fees
- The trademark office
  - Formal examination
  - Substantive examination
  - Publication and opposition
  - Registration certificate valid for 10 years
  - Renewal

# Scope of Rights

- The exclusive right to use the mark
- The right to prevent others from using an identical or similar mark for identical or similar goods or services
- The right to prevent others from using an identical or similar mark for dissimilar goods or services

## Keep in Mind

- The time it takes to register a TM
- The costs associated with TM protection
- The need for a trademark search
- A trademark agent may be required
- Protecting at home and abroad
- Renewing your registration

# Protecting at Home and Abroad

- The national route

Each country where you seek protection

- The regional route

Countries members of a regional trademark system: African Regional Industrial Property Office; Benelux TM office; Office for Harmonization of the Internal Market of the EU; Organisation Africaine de la Propriété Intellectuelle

- The international route

The Madrid system administered by WIPO (over 70 member countries)

# Using a Trademark

- Actively using a TM
- Using/maintaining a TM in marketing and advertising
- Using the mark on the internet
- Using the mark as a business asset

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# Using a TM on the Internet

- Use of TM on internet may raise controversial legal problems
- Conflict between trademarks and domain names(internet addresses) - cybersquatting
- WIPO procedure for domain name dispute(<http://arbiter.wipo.int.domains>)

# Using a Trademark as a business asset

- Licensing: owner retains ownership and agrees to the use of the TM by other company in exchange for royalties > *licensing agreement* (business expansion/diversification)
- Selling/assigning TM to another company (merger & acquisitions/raising of cash)

# Using a Trademark as a business asset

- Franchising: licensing of a TM central to franchising agreement. The franchiser allows franchisee to use his way of doing business (TM, know-how, customer service, s/w, shop decorations, etc.)

# Enforcing Trademarks

- Responsibility on TM owner to identify infringement and decide on measures
- *Cease and desist letter* to alleged infringer

# Enforcing Trademarks

- Search and seize order
- Cooperation with customs authorities to prevent counterfeit trademark goods
- Arbitration and mediation (preserve business relations)

# Lebanon: Mars Incorporated vs. Iraqi Chocolate Production Co.

- Currently, Lebanon adopts the post-opposition system:
- After the examination of an application by the Lebanese Intellectual Property Office, the trademark registration is published in the Official Gazette and notified to the applicant.
- Lebanese Law offers third parties - after the trademark has been registered - the opportunity to object to a trademark registration before the competent court.



# Lebanon: Mars Incorporated vs. Iraqi Chocolate Production Co.

The plaintiff Mars Incorporated brought two actions before the Lebanese First Instance Court in its commercial jurisdiction against Iraqi Chocolate Production before the First Instance Court of Beirut relating to:

The translation of the plaintiff's two trademarks MARS and JEWELS into Arabic MERRIKH and JAWAHIR respectively

The translation of the plaintiff's two trademarks MILKY WAY and GALAXY into Arabic DARB LABENA and MAJARRA respectively

# Lebanon: Mars Incorporated vs. Iraqi Chocolate Production Co.

- The plaintiff submitted that the defendant deliberately imitated its trademarks MILKY WAY, GALAXY, MARS and JEWELS and used them in a way as to mislead the public, by translating them into Arabic DARB LABENA, MAJARRAH MERRIKH and JAWAHIR respectively.
- The plaintiff maintained that its marks are well-known trademarks and registered since 1964 in Lebanon.

# Lebanon: Mars Incorporated vs. Iraqi Chocolate Production Co.

- The Courts held that, there was no resemblance between the Plaintiff's trademarks MILKY WAY, GALAXY and MARS and the defendant's trademarks DARB LABENA, MAJARRA and MERRIKH
- The Courts observed that the defendant's trademarks were the names of planets and it was not correct to consider the defendant's trademarks as translations of the plaintiff's trademarks

# Lebanon: Mars Incorporated vs. Iraqi Chocolate Production Co.

- Regarding the defendant's trademark JAWAHIR, the court held that the translation of JEWELS into the Arabic JAWAHIR leads to confusion among consumers and the two trademarks resembled each other in sound, writing and meaning.
- The Court of Appeal and the Cassation Court upheld the judgment of first instance

# Well-Known Trademarks



# The “Swoosh”



# NIKE

- Reflects the popularity of a well-known Trademark
- The SWOOSH is the well known symbol of Nike
- Originally Nike's logo included also the shoemaker's name



# NIKE

- At the end of the nineties, the Nike's name disappeared
- The SWOOSH remained as the main identification symbol of the shoemaker
- Today there is no need to include the brand in this logo since the recognition of a simple swoosh automatically brings our attention to Nike

# Reputation vs. Notoriety

- Art. 8(2)(c) CTMR:
- For the purposes of paragraph 1 of Article 8 *earlier trade marks* means marks which, on the date of application of the CTM application are well-known in a Member State of the EU

# Well-known: Conditions of protection

- Conditions and scope of protection of well-known trade marks:
  - Against goods or services which are identical or similar
  - If there is likelihood of confusion

# **Well-known character: Legal notion**

No ECJ case-law on the subject

Articles 16(2) & (3) TRIPS: No full definition either.

OHIM follows WIPO Recommendations:  
Mark must be known to the relevant sector of the public (Art. 2(2) WR)

# Well-known character: Legal notion

No need for prior registration, use, or notoriety in a third territory of *origin* (Art. 2(3) WR)

## ONLY REQUIREMENT:

- Appropriate degree of knowledge reached in the territory of any of the Member States

# Protection of well-known marks in the EU

## Art. 6bis Paris Convention

If known in a Member State, even if not registered there, well-known marks are protected against goods which are identical or similar if there is likelihood of confusion

## Art. 8(1) CTM Regulation:

- They enjoy enhanced protection:
- The higher the degree of recognition, the higher the risk of confusion (ECJ in Sabel, Lloyd)

# Protection of Reputed Marks

Article 8(5) CTMR:

*... The trade mark applied for shall not be registered, where it is identical with or similar to the earlier trade mark and is to be registered for goods or services which are not similar to those for which the earlier trade mark is registered, where in the case of an earlier Community trade mark the trade mark has a reputation in the Community and, in the case of an earlier national mark, the trade mark has a reputation in the Member State concerned and where the use without due cause of the trade mark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark ...*



# Protection of Reputed Marks

## Art. 8(5): Requirements

- Conditions of application:
  - (1) Mark with reputation in the relevant territory
  - (2) Signs identical or similar
  - (3) Use of CTMA likely to take unfair advantage of, or cause detriment to, the distinctiveness or repute of the earlier mark
  - (4) Absence of due cause by the CTM applicant

# Protection of Reputed Marks

Art. 8(5): Reputation - Relevant territory

Reputation in the EU or in a Member State:  
General Motors: It is sufficient for the mark to be known in a substantial part of the territory where it is protected.

# Protection of Reputed Marks

Art. 8(5): Assessment of Reputation

the degree of awareness

the intensity of use

the duration of use

# Protection of Reputed Marks

Art. 8(5): Assessment of Reputation (II)

- the geographical extent of use
- the size of investment in promotion
- further factors
- prior acts of successful enforcement
- number of registrations internationally
- the value associated with the mark

# Protection of Reputed Marks

Art. 8(5): Evidence of Reputation

Very important:

evaluation if means of evidence concern

- Relevant Trade Mark ?
- Relevant goods and services ?
- Relevant territory ?
- Relevant persons (user) ?
- Relevant time ?

# Protection of Reputed Marks

Art. 8(5): Evidence of Reputation

Relevant goods and services ?

The evidence must be carefully analyzed so as see to which the goods and services refer

The evidence of reputation submitted for specific goods and service cannot be extended to the other goods and services for which this mark is registered

# Protection of Reputed Marks

Art. 8(5): Evidence of Reputation

Relevant time ?

Reputation must be proved for the time  
before the filing date of the CTM  
Application

Evidence referring to a period after this  
relevant date might have some indicative  
value as to the reputation already acquired  
Beforehand



# Protection of Reputed Marks

## Art. 8(5): Evidence of Reputation

- Means of Evidence (Art. 76 CTMR)
  - Sworn or affirmed statements;
  - Decisions of National Courts/Authorities;
  - Decisions of the Office;
  - Opinion polls and market surveys;

# Protection of Reputed Marks

Art. 8(5): Evidence of Reputation

Audits and inspections;

Certifications and awards;

Articles in the press - specialized  
publications;

Annual reports - company profiles;

Invoices and other commercial documents;

Advertising and promotional material.

# Protection of Reputed Marks

Case OD 733/2004 Isla Princesa: The mere submission of advertisement and promotional material does often not show the time, the area and the extent of its distribution; indications in this regard should be provided

# Protection of Reputed Marks

Problem: generally known marks?

OHIM and its Board of Appeal in general only take into account the evidence submitted (however not the *common knowledge* of a famous mark)

In the case R 212/1999-2 (NIKE) the Board did not take into account the mere allegation of the opponent that the figurative mark NIKE is generally known in the public. The Board noted that no evidence is filed in this respect.

# Protection of Reputed Marks

Art. 8(5): Detriment - Unfair advantage (II)

- Confusion not relevant: Article 8(5) does not require evidence of likelihood of confusion (Sabel paragraph 20)
- A possible association of the two signs, enhanced by the reputation of the earlier mark, may suffice for it to be detrimentally affected (General Motors paragraph 23)
- The stronger the earlier mark's distinctive character and reputation, the easier it will be to accept that detriment has been caused to it (General Motors paragraph 30)

# Protection of Reputed Marks

Art. 8(5): Detriment - Unfair advantage (III)

- Forms of Detriment - Unfair advantage:  
Alternatively:

- Detriment to distinctiveness (Dilution)
- Detriment to repute (Tarnishing)
- Advantage of distinctiveness (Attractive value)
- Advantage of repute (Quality image)

AG Jacobs in Adidas: Similar categories

# Protection of Reputed Marks

## Well-known

8(2)(c) CTMR Enhanced protection against similar goods in case of likelihood of confusion (Article 8(1)(b) CTMR)

## Reputation

8(1)(b) CTMR Enhanced protection against similar goods in case of likelihood of confusion

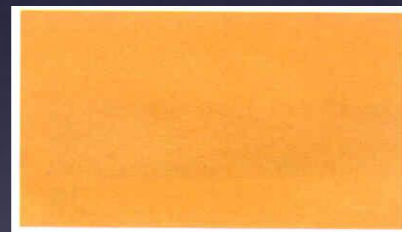
8(5) CTMR Protection for detriment or unfair advantage also against dissimilar goods



# Non-Traditional Trademarks

- Single colors
- Three-dimensional signs (shapes of products or packaging)
- Audible signs (sounds)
- Olfactory signs (smells)
- Moving or Fluid Marks
- Slogans or headlines

# Color Marks in general



“KWS Saat” ECJ C-477/02



“Libertel” ECJ C-104/01/03

# Color Trademarks

According to the ECJ, colors may acquire a certain degree of distinctiveness as applied to specifically identified goods or services, provided that they may be represented clearly, exhaustively, objectively and graphically.

To do so, the colors at issue should be identified by an internationally recognized identification (Case C-104/01, *Libertel*, May 6 2003).

# Three-dimensional marks



# Three-dimensional marks

The Italian Supreme Court rejected an application to register the shape of Ferrero's Kinder chocolate egg featuring two colours (white chocolate inside and milk chocolate outside).

The court found that the shape provided the product with substantial value as the dual color was structurally linked to the product and no variations were possible unless the product lost its intrinsic nature (Case 13159, July 16 2004).

# Three-dimensional marks

- With its judgment handed down on March 3 2008, the Court of Turin held that the shape of the Smart car may be validly registered as a Community trademark because:
  - it is not required by the intrinsic nature of the product;
  - it is not needed to achieve a technical result; and
  - it does not give substantial value to the vehicle



# Sound Trademarks

Alternative methods have emerged for their visual representation: depictions by oscillogramspectrum, spectrogram and sonogram are now being accepted.

In 2003, the Court of Justice of the European Communities ruled in case no. C-283/01 that a trademark may only consist of a graphically represented sound – such as by images, lines or characters – and that its representation must be clear, precise, self-contained, easily accessible, intelligible, durable and objective.



# Sound Trademarks

OHIM decided in 2005 (No. EX-05-3) that applicants could attach a sound file to electronic or online trademark application forms that had to be in MP3

INLEX IP Expertise was the first applicant to successfully obtain a registered Community sound mark using this option.

Deutsche Telekom has also registered its jingle as a sound mark under the Madrid Protocol.

# Sound Trademarks

The Board of Appeal of the Office for Harmonization in the Internal Market (OHIM) has found the roar of the MGM lion to be registrable as a sound mark.

# Sound Trademarks

The Board stated that *the fundamental registrability of sound marks as Community trademarks is not disputed ... provided it can be represented graphically ... On the other hand, the situation is different when it is not music in the traditional sense ... that is to be registered as a sound mark, but animal noises... Here, representation by musical notation regularly fails to work [as a result, representation by means of a sonogram is comparable with representation using musical notation.*(Case R 781/1999-4, August 25 2003).

# Smell Trademarks

Smell is said to be one of the most potent types of human memory

To obtain registration of a smell mark applicants must be able to visually represent the product's scent and must show it is distinctive from the product itself

Writing down the chemical formula for a smell is problematic as it is deemed to represent the substance rather than the smell of that substance.

# Smell Trademarks

Some smell mark descriptions have met the distinctiveness test and been successfully registered:

A Dutch company's tennis balls with the scent of newly mown grass;

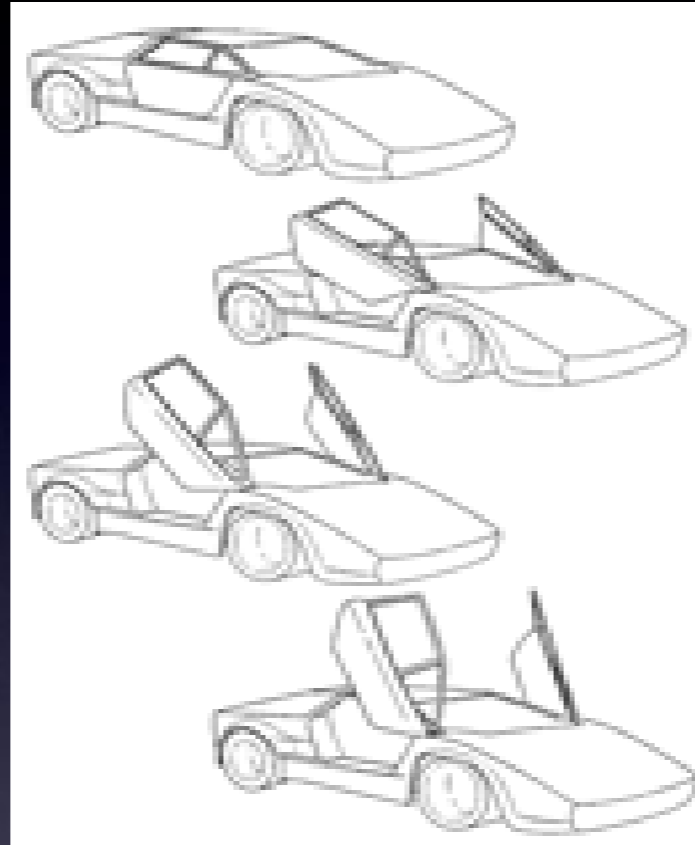
UK applications for tires with *a floral fragrance/smell reminiscent of roses* and darts with *the strong smell of bitter beer* were registered.

# Slogans and headlines

- The word *Slogan* comes from the Gaelic term for *battle cry*
- Many slogans begin as headlines and become familiar, such as *Just do it* (Nike) or *We Try Harder* (Avis)
- Continuous use of a slogan can create trademark rights



# Moving or Fluid Marks



*The EU registered (CTM 1400092) the Lamborghini moving image trademark for car doors opening and turning upward*



Thanks for the attention!



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