

INTRODUCTION

The protection of famous marks was instigated by the Paris Convention and the TRIPS Agreement and is implemented through Article 6bis of the Paris Convention and Article 16 of the TRIPS Agreement. Consequently, those countries which have subsequently ratified the Paris Convention and/or TRIPS Agreement have enabled the protection of marks with a suitable reputation, without the need for registration, or at least registration in respect of the same or similar corresponding goods or services. This provides greater protection for those marks without the need to file defensive marks, or rely on a common law action in tort. On the other hand, a lack of definition for 'well-known' in both the Paris Convention and the TRIPS Agreement has resulted in various interpretations, causing variation from jurisdiction to jurisdiction.

In the United States, a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark's owner. The determination of whether a mark possesses the requisite degree of recognition is governed by the Trademark Dilution Revision Act ("TDRA"). The test to determine Dilution relates to an association that diminishes the distinctiveness of a famous mark i.e. by blurring or by tarnishment. There need be no deception or likelihood of confusion on the consumer. The harm is to the brand owner, rather than to the consumer.

An anti-dilution provision is best defined as one which has both the following characteristics:

- (1) it protects a well-known trade mark against a loss of distinctiveness; and*
- (2) it does not require proof of actual confusion on the part of consumers, but equally the existence of consumer confusion does not remove protection.*

The loss of distinctiveness protected by anti-dilution provisions has been defined as "a gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods". It is the "watering down" of the distinctiveness of a mark. This kind of dilution is often referred to as "blurring".

The other type of harm to a trade mark is "tarnishment". That involves an injury to the reputation of the trade mark by "a use of an infringing mark to appeal to the public's senses in such a way that the trade mark's power of attraction is affected". It typically involves a disparaging use.

In reaching its decision, a US court may consider all relevant factors, including the following:

- (i) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties;*
- (ii) the amount, volume, and geographic extent of sales of goods or services offered under the mark;*
- (iii) the extent of actual recognition of the mark; and*
- (iv) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.*

The following paper, which has been compiled by Dr. Elizabeth Houlihan, Prinicpal of **Houlihan²** Patent & Trade Mark Attorneys, Co-Vice-Chair of the International Trade Marks Committee of the IPO, for the purposes of bringing the position adopted by other countries on Famous Marks to the attention of the IPO Membership. The paper was prepared following a survey of famous mark protection laws and provides an overview of the current legal framework in developed and developing legal markets.

AUSTRALIA

Contributor: Dr. Elizabeth E. Houlihan
Co-Vice-Chair of IPO Committee on International Trade Marks

Houlihan² Patent & Trade Mark Attorneys
Melbourne
Australia

Introduction

The introduction of Sections 60 and 120(3) into the Australian Trade Marks Act 1995 has enabled the protection of trade marks with a suitable reputation in Australia, without the need for registration, even in respect of completely unrelated goods and/or services. Unlike other countries, however, such protection does not generally provide a ground for the Registrar to reject an application on this basis. Trade Mark Applications can be removed from the Register for non-use in the three-month opposition period following advertisement of acceptance in the Official Journal (Section 60), or under an application for removal (Section 88(2)(a)). Therefore, in Australia, whilst such provisions allow for greater protection of famous marks, owners of famous marks are still required to remain alert and on top of changes in the industry. Even registered marks are subject to removal where failure to identify and stop infringing use will, in itself, leave the registration vulnerable for removal if the infringing conduct results in a conflicting reputation.

Section 60:

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and*
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.*

Famous marks may also be caught within Section 88(2)(a), which allows for cancellation/rectification of a registered mark on the basis that the mark was wrongly registered.

In order to qualify, the famous mark must have acquired a suitable reputation, such that use by another may be likely to deceive or cause confusion.

Reputation in Australia

Reputation is the “recognition of the trade mark by the public generally” or in the case of goods within a specialised market, those markets which must be considered. This must be demonstrated through a variety of means including advertisements in television or radio or in magazines and newspapers within the jurisdiction. It can generally be inferred from a high volume of sales, together with substantial advertising expenditures and other promotions, without any direct evidence of consumer appreciation of the mark, or where the recognition of the mark is so great, it can even be established despite no actual sales having occurred in Australia. Whether a reputation can actually be established, however, is a question of fact and subject to the individual perceptions of the Registrar or the Court.

Use as a trade mark trade mark which is likely to deceive or cause confusion

The second question is whether, having regard to actual reputation and potential use of the mark, consumers would be caused to wonder if the products of the two traders were associated. In making such an evaluation, it is not necessary for the goods or services to be of the same description. This enabled, for example, McDonalds to successfully oppose the registration of McBABY because of the “*McLanguage which was immediately and widely understood, without further explanation, as referring to the opponent and its operations*”.

On the other hand, this decision is to be compared with other decisions, including another McDonald’s case, in which the trade mark “the golden boomerangs” and a symbol of two boomerangs crossed to resemble an M were held not to be the subject of a Section 60 objection on the basis that the substantial reputation of McDonalds and the “golden arches” mark meant that no consumer would be likely to wonder whether there was an association. A similar finding was made in respect of UBAY and EBAY, leading to the inference that despite protection of famous marks in Australia, too much notoriety may lead to the demise of this protection.

It must also be noted that use for the purposes of Section 60 must be use *as a trade mark*, that is, use to indicate the origin of the trader’s goods. Consequently, any famous mark which in some way describes an attribute of the goods may not be protected, regardless of the extent of reputation, if it can be shown that the accused has used the mark for some reason other than to distinguish its goods from the goods of other traders. It is also of particular issue where poor marketing results in the mark becoming used generically to describe or identify the particular goods or services.

In Australia, Section 120 of the Trade Marks Act 1995 (Cth) is the general infringement provision as follows:

Section 120:

- (1) *A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.*
- (2) *A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:*

- (a) goods of the same description as that of goods (registered goods) in respect of which the trade mark is registered; or*
- (b) services that are closely related to registered goods; or*
- (c) services of the same description as that of services (registered services) in respect of which the trade mark is registered; or*
- (d) goods that are closely related to registered services."*

Trade marks which are famous, or “well known in Australia”, are protected by **Section 120(3)** which provides:

- (3) A person infringes a registered trade mark if:

 - (a) the trade mark is well known in Australia; and*
 - (b) the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:

 - (i) goods (unrelated goods) that are not of the same description as that of the goods in respect of which the trade mark is registered (registered goods) or are not closely related to services in respect of which the trade mark is registered (registered services);*
 - (ii) services (unrelated services) that are not of the same description as that of the registered services or are not closely related to registered goods; and**
 - (c) because the trade mark is well-known, the sign would likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and*
 - (d) for that reason, the interests of the registered owner are likely to be adversely affected.**
- (4) In deciding, for the purposes of paragraph 3(a), whether a trade mark is “well known in Australia”, one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason.*

Section 120(3) is subject to multiple interpretations and the concise meaning of the section remains unclear. However, what is clear is that whichever interpretation is adopted, the use of a mark that is substantially identical or deceptively similar to a registered mark with suitable reputation in Australia, may constitute infringement even where the use is in respect of unrelated goods or services. The debate of whether the section gives rise to an anti-dilution provision, akin to the position in Europe and in the United States, or whether it is simply a manifestation of the common law action of passing-off, will simply determine the extent to which the owner of the famous mark could enforce such rights.

As yet, there is no relevant case law in Australia to use as a guide in relation to Section 120(3). However, the preferred view among Australian trade mark academics appears to be that Section

120(3) is a statutory reflection of the common law rules in relation to passing off, rather than a specific anti-dilution provision.

Common Law Action of Passing Off

Finally, famous marks in Australia can be protected under a common law action of passing-off, even where the mark is not registered or the use is not in respect of the same or similar goods or services. The elements are confined to:

- (1) a business reputation associated exclusively with the mark in question (*Cadbury Schweppes v Pub Squash*);
- (2) a misrepresentation by the defendant that would suggest an association between itself and the owner of the famous mark (*SA Brewing Company v 20th Century Fox*); and
- (3) as a consequence of the misrepresentation, damage or the possibility of damage to the owner of the famous mark's reputation having occurred.

Here, the category of misrepresentation is slightly broader than the 'likely to deceive or cause confusion' requirement of Section 60 in that the misrepresentation provision of the common law may include 'use' that would not fall within the definition of "use" in the Trade Marks Act, such as inaccurate statements made involving the famous mark.

Conclusions

Protection will extend to famous marks in Australia even in the absence of registration *per se*, or registration in respect of similar goods or services. However, such protection will generally only extend to the active owner of a famous mark, who monitors the activity of other traders and takes action to oppose, or remove any mark that is likely to cause deception or confusion as a result of their trade mark's reputation, or sue for infringement or any misrepresentation that suggests an association with the famous mark. The absence of a requirement for registration of the reputable mark also means that registered trade marks can be subject to removal if infringing use is allowed to continue for such time that the infringing user gains its own reputation in the mark.

BRAZIL

Contributor: Luiz Edgard Montauray Pimenta and Clarissa Castro Jaegger

MONTAURY PIMENTA MACHADO & VIEIRA DE MELLO

Rio de Janeiro
Brazil

The Brazilian Trademark Law is now completing its fifteenth anniversary, and some provisions deserve comments, among them how the Brazilian Trademark Office is dealing with the recognition of the HIGH REPUTATION status by a given mark.

Law n° 9.279, issued on May 14, 1996 has introduced special provisions so as to determine whether a mark should or should not be considered Well-known or Highly Reputed.

In what is referred to as a Well-known mark, such Law provides special protection to a kind of mark that, even though it has not yet achieved the status of a Highly Reputed mark, it is Well-known in its field of activity. It is the so-called Well-known mark (Section 126 of Law 9.279/96 and Article 6*bis* of the Paris Convention), which is, in fact, an exception to the Principle of Territoriality, since the trademark protection exceeds the territorial limits of its country of origin.

The special protection recognized that Well-known marks are limited to their field of activity. Thus, the owner of a Well-known mark may prevent third parties from registering the same and/or similar mark to identify the same and/or similar goods/services.

The examination on whether a mark shall be considered Well-known in its field of activity is conducted by the Examiner on a case-by-case basis, according to the kind of evidence provided in each case by the trademark owner. Yet, it is important to mention that once a mark is determined as being Well-known by the Brazilian Trademark Office, such condition is compelling only between the parties of the specific case.

After almost 8 (eight) years from the issuance of the Brazilian Trademark Law (Law 9.279/96), the Brazilian Trademark Office finally issued Normative Act n° 110 on 27 January 2004, which governed the proceedings concerning how and under what conditions the Brazilian Trademark Office would recognize the status of High Reputation for certain marks.

Highly Reputed marks have been foreshadowed in Brazilian Intellectual Property Law since its promulgation in 1996, in order to protect famous marks in relation to all branches of activities. However, the provisions established in relation to Section 125 of the Brazilian Trademark Law were dependent on the respective regulation, which eventually occurred with Normative Act n° 110 on 27 January 2004.

According to such Normative Act, the recognition and the respective endorsement of the special protection status granted to High Reputation marks will be verified during the examination of an objection procedure filed against a third party's applications/registrations based upon the reproduction or imitation of a High Reputation mark. In view of the foregoing, the appropriate administrative proceedings through which a claim of High Reputation mark will be examined and (possibly) recognized are: (1) an opposition or (2) an administrative nullity action.

Other than under these incidental proceedings, the Brazilian Trademark Office will not address the issue of special protection established under Section 125 of the Trademark Law.

Furthermore, such Normative Act enumerates a non-exhaustive list of evidence that the owner of the alleged Highly Reputed mark shall submit to the Brazilian Trademark Office, at the objection procedure, so as to demonstrate such High Reputation condition, such as:

- a) date of first use of the mark in Brazil;
- b) description of the consumer or potential consumers or market of goods/services to which the mark is applied;
- c) the market portion which effectively recognizes the mark;
- d) identify by means of an opinion or market survey or by any other applicable means, the portion of consumers or potential consumers who immediately and spontaneously identify the mark and associate it with the goods/services to which it is applied, essentially by reason of its tradition and favorable market perception;
- e) identify by means of an opinion or market survey or by any other applicable means the portion of consumers from other market segments who immediately and spontaneously identify the mark and associate it with the goods/services to which it is applied;
- f) identify by means of an opinion or market survey or by any other applicable means the portion of consumers from other market segments who immediately and spontaneously identify the mark due to its tradition and rank in the market place;
- g) methods of commercialization of (the goods/services identified by the) mark in Brazil;
- h) the publicity channels used to promote the mark; methods of dissemination of the mark in Brazil and, possibly, abroad;
- i) time length of effective dissemination of the mark in Brazil and, possibly, abroad;
- j) the geographic amplitude and the time extension related to mark's usage in Brazil and, fortuitously, abroad;
- k) the geographic area of actual sale of (the goods/services identified by the) mark in Brazil and, possibly, abroad;
- l) amount invested by the trademark owner in advertisement/publicity of the mark in Brazilian media for the last 3 (three) years;
- m) the sale's volume of the products identified by the mark or the service's revenue in the last 3 (three) years; and
- n) the economical value of the mark in relation to the enterprise's assets.

Once the Office accepts the evidence provided by the Highly Reputed mark owner and recognizes the High Reputation status of the mark, the recognition of such is recorded in the Brazilian Trademark Office's records and published in the Official Gazette.

Thus, some measures can be taken by the trademark owner in order to target a favorable environment, increasing the company's chances of obtaining the Highly Reputed status for its mark in Brazil.

In view of the above, if a Brazilian or a foreign company successfully demonstrates that its mark has recognition outside its field of activities or related areas, and is able to provide evidence as to as many requirements as set forth in Normative Act nº110 as possible, the chances of obtaining the recognition of High Reputation can be considered as quite favourable.

It is important to clarify that certain marks, which are mostly used by sophisticated and highly technical consumers, do not eliminate the possibility of recognition of the Highly Reputed status. According to the underlying principle on the definition of a Highly Reputed mark, the mark must be immediately and spontaneously recognized by a significant portion of the consumers even though those have never acquired or used the products or services actually identified by the mark.

Regarding the protection term for the incidental recognition of the High Reputation status, the Brazilian Trademark Office will proceed with the appropriate recordal of such new condition in its records, which will remain in force for 5 (five) years. In the meantime, the owner of the famous mark will be free from the obligation of submitting new evidences of such fame to the Brazilian Trademark Office and is entitled to enforce its rights against third parties that seek registration of an infringing mark even in a different and unrelated class, since the protection embraces all branches of activities.

Additionally, Section 196 of the Brazilian Trademark Law foresees that the penalties against Highly Reputed marks shall increase significantly.

Another extremely relevant effect of the administrative recognition of the High Reputation status of a mark is the possibility of recordation of such status before other equivalent Agencies and appropriate Entities responsible for registration of domain names in Brazil, such as NIC.Br (the Brazilian Registrar). Once notified of the status of fame of a mark, those Agencies may reject future domain name applications, which consist of an imitation or reproduction of the Highly Reputed mark.

It is of utmost importance to emphasize, however, that Normative Act nº 110 does not determine that the Brazilian Trademark Office is compelled to reject *ex officio* any third party's application/registration for a mark that may infringe the famous mark. That is to say that, to assure the enforcement of its rights, the owner of a Highly Reputed mark must nonetheless be vigilant and file oppositions/nullity actions against third parties' applications/registrations for infringing marks and should not simply rely on the Office's assessment.

The Normative Act also established different official fees for filing oppositions and administrative nullity actions on the grounds of High Reputation, which are much higher than the ones for regular oppositions/nullity actions. Please note that these fees are applicable to every opposition and/or administrative nullity action filed on the grounds of High Reputation, except when the mark has previously been recognized by the Brazilian Trademark Office as a Highly Reputed mark in another case.

Under these circumstances, it is interesting to highlight that the Brazilian Trademark Office has already recognized the High Reputation status of several marks, since the issuance of Normative Act nº 110 on 27 January 2004, such as:

	
	
	
	
	
	

A demonstration of the concrete enforcement of the Normative Act by the Brazilian Trademark Office could clearly be observed after the recognition of the High Reputation status of the mark “VISA”, when such Agency **rejected** 15 (fifteen) applications filed by different third parties containing variations of the mark “VISA” in unrelated classes, such as: “VISA” (classes 25 and 40), “TRANSVISA” (class 38), “VISATUR” (class 38), “VIZA” (class 38), “VISA E” (class 08), “A AUTOVISA” (class 40), “VISA LATICÍNIOS” (classes 29, 30, 31, 32 and 38), “DIVISA” (class 40), “PETROVISA” (class 07), “COOPERVISA” (class 31), on the basis of Article 125 of the Brazilian Trademark Law, by means of a single publication in the Official Gazette.

Besides the objection procedure required by the Brazilian Trademark Office, some companies are filing Court Actions before the Brazilian Federal Courts aiming to obtain the protection in question in a judicial manner. This occurs mostly due to the lack of a direct administrative procedure to recognize such status (and not to await an eventual objection procedure), as well as due to the huge backlog of work currently experienced by the Brazilian Trademark Office. Some of these Court Actions have obtained favorable decisions, and some are still pending, but in all cases the Brazilian Trademark Office is claiming this procedure to be groundless. Until now, just a few marks have obtained the recognition in Court, such as “ABSOLUT”, owned by V&S VIN & SPRIT AKTIEBOLAG, “GOOD YEAR”, owned by THE GOODYEAR TIRE & RUBBER COMPANY, and “LYCRA”, owned by E.I. DU PONT DE NEMOURS AND COMPANY.

Indeed, Normative Act nº 110 has represented a step ahead in the protection of trademarks in Brazil and a warranty to Brazilian and foreign companies that invest massively in advertisement and publicity to create solid marks. Therefore, the Brazilian Trademark Office has now one more tool to avoid third parties from obtaining undue benefits from Highly Reputed marks.

CANADA

Contributor: Douglas G. H. Fyfe

GOWLINGS

Ottawa

Canada

While Canada's Trade-marks Act (the "*Act*") does not expressly provide for famous marks, Canadian policy makers have long recognized that very well-known marks are vulnerable to imitation. When the *Act* was drafted in the 1950s, the Trade Mark Law Revision Committee noted that famous marks run an increased risk of confusion with junior marks, even where those junior marks pertain to unrelated industries. As a result of the Committee's recommendations, Section 6 of the *Act* now defines confusion as an association between two sellers' wares or services, regardless of "whether or not the[ir] wares or services are of the same general class". Section 6(5) also specifies that, in assessing confusion, regard must be had to the "extent to which [the marks at issue] have become known"; the length of time they have been in use; as well as "all surrounding circumstances"ⁱ, meaning that confusion analyses carried out under the *Act* tend to favour famous marks. As a result, famous marks have a leg up in opposition proceedings, as well as actions for "passing-off" — that is, the practice of misrepresenting the source of one's wares or services through the misuses of another's trade-mark, which is prohibited by Section 7(b) of the *Act*.

The Committee did not go so far as to recommend special protections reserved for famous marks, asserting that "[a]ll marks have a certain degree of fame ... [and] there should be a single formula for all trade mark comparisons ...".ⁱⁱ However, whether intentionally or not, the fame of a mark is also relevant to a number of other provisions of the *Act*. First, the "distinctiveness" of a mark is a factor to be considered in opposition proceedings,ⁱⁱⁱ as well as expungement proceedings.^{iv} In order to be valid, a mark must be distinctive — that is, capable of distinguishing its owner's wares and services from those of other sellers. Because the *Act* recognizes that distinctiveness stems not only from a mark's novelty but also from its extensive use and promotion,^v a mark's fame can facilitate its prosecution; make it easier to oppose applications for similar marks; and aide in expungement proceedings.

Importantly, a mark can lack distinctiveness by virtue of another mark's fame, even if the famous mark has not been used in Canada; spill-over notoriety from use abroad may be sufficient, meaning that, in some cases, famous marks used abroad may enjoy some protection in Canada.^{vi} In fact, spill-over notoriety can (in rare cases) support the registration of a famous mark in Canada, even if that mark has not been used in Canada or registered abroad, provided that (*inter alia*) it has become well-known across a substantial portion of Canada. Section 5 of the *Act* sets out the limited number of ways in which a mark can become "made known", which include advertising in Canada, as well as radio advertising transmitted abroad but ordinarily received by Canadians.

Finally, and most importantly, Section 22 of the *Act* prohibits the use of another's trade-mark "in a matter that is likely to have the effect of depreciating the value of the goodwill attaching thereto" — a provision which the Trade Mark Law Revision Committee is said to have included

specifically for the purpose of protecting famous marks.^{vii} The provision remained surprisingly disused until the Supreme Court of Canada (the “SCC”) issued a pair of decisions in 2006 — *Matel v. 3894207 Canada Inc.* and *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée* — clarifying both the functions of Section 22, as well as the issue of whether confusion can arise where the parties’ wares or services are unrelated.

With respect to confusion, the SCC confirmed that, in accordance with the definition of confusion set out in Section 6 of the *Act*, confusion can exist even where the parties’ wares or services are unlike, although “‘product line’ will generally represent a significant obstacle for even a famous mark to leap over”.^{viii} The Court provided the example of BUCKLEY’S BRAND, while very well-known in Canada, is so strongly tied to cough mixture that a restaurant by the same name would be unlikely to cause confusion.^{ix}

With respect to Section 22, the *Veuve Clicquot* decision raised a number of important points. First, the SCC held that Section 22 does not depend on a finding of confusion; the claimant need only show that the defendant has used “marks sufficiently similar ... to evoke in a relevant universe of consumers a mental association of the two marks that is likely to depreciate the value of the goodwill attaching to the [claimant’s] mark.”^x Second, the SCC established a four part test for determining whether depreciation is likely: i) the defendant must have used the claimant’s registered trade-mark; ii) the claimant’s trade-mark must have “significant” goodwill attached to it, and while the mark need not be famous, the extent of its recognition and market penetration are relevant; iii) the defendant must have used the claimant’s mark in a way likely to affect the mark’s goodwill — that is, the claimant’s goodwill and the defendants’ use must be linked in the minds of consumers; and iv) the likely result of this linkage must be the depreciation of the claimant’s goodwill.^{xi} Finally, the SCC also hinted at the sort of harm “depreciation” encompasses, suggesting that Section 22 is at least broad enough to include the concepts of “blurring” (*i.e.* a loss of brand image or distinctiveness) and “tarnishment” (*i.e.* creating a negative association with a mark).^{xii}

There remain, however, limits to Section 22’s usefulness to famous mark owners. Some courts have held that Section 22 only applies where the marks at issue are identical or nearly identical, even though the SCC said they need only be “sufficiently similar”.^{xiii} Furthermore, Section 22 is only implicated where the defendant has “used” the mark as defined, somewhat restrictively, by Section 4 of the *Act* (for example, a mark must generally be affixed to wares or their packing to be “used” in association with said wares); however, it is worth noting that Section 22 does not require “use” on the part of the claimant, meaning that it is applicable to famous marks that have goodwill in Canada but are registered based only on use abroad.^{xiv}

In summary, the *Act* contains a number of provisions that benefit famous mark owners, and the SCC has done a great deal in recent years to expand these protections. In particular, its ruling that confusion can arise even where dissimilar wares or services are involved did much to improve the lot of famous marks in Canada. However, the country’s tribunals apparently remain reluctant to find confusion in such cases. Moreover, the exact nature and breadth of Section 22 also remains unclear. As a result, further judicial consideration will be necessary to solidify Canada’s position with respect to famous marks.

ⁱ R. Scott MacKendrick & Christina Capone Settimi, “The State of Famous Marks in Canada” *The Licensing Journal* (May 2007) 9 at 10.

- ii Christopher Robinson Q.C., “The Trade-marks Act of 1954: A Review of Some of its Features” (1959), 32 Canadian Patent Reports 45 (Sec. 1) at 53.
- iii *Trade-marks Act*, R.S.C. 1985, c. T-13, ss. 38(2)(c).
- iv *Ibid.*, ss. 18(1)(b).
- v *Ibid.*, ss. 12(2) (specifies that a mark not inherently distinctive of a particular seller can become distinctive through use).
- vi See Robert G. Howell, “Depreciation of Goodwill: A ‘Green Light’ for Dilution from the Supreme Court of Canada in an Accommodating Infrastructure” (2008) 17 *Transnational Law & Contemporary Problems* 689 at 701.
- vii Christopher Robinson Q.C., “The Trade-marks Act of 1954: A Review of Some of its Features” (1959), 32 Canadian Patent Reports 45 (Sec. 1) at 61.
- viii *Matel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22 at para. 78.
- ix *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée.*, 2006 SCC 23 at para. 32.
- x *Ibid.* at para. 38.
- xi *Ibid.* at 47-69.
- xii *Ibid.* at para. 67.
- xiii See e.g. *BMW Canada Inc. v. Nissan Canada Inc.*, 2007 FC 262 at para. 99, rev’d on other grounds 2007 FCA 119.
- xiv See Robert G. Howell, “Depreciation of Goodwill: A ‘Green Light’ for Dilution from the Supreme Court of Canada in an Accommodating Infrastructure” (2008) 17 *Transnational Law & Contemporary Problems* 689 at 706.

CHINA

Contributor: Mrs. Pearl Gao

INSIGHT IP
Beijing
China

A well-known (also commonly known as “famous”) trademark, as it is identified in China following the TRIPS Agreement, can enjoy a broader and stronger scope of protection compared to an ordinary trademark. In any specific case, this strengthened protection will be reflected in two ways: (1) with well-known status, the threshold to prove infringement is much lower; and (2) a well-known mark can enjoy some protection in respect of dissimilar goods or services.

There is no special Trade Mark Registry System in China in which well-known trademarks can be registered. Since the revision of the Chinese Trade Mark Law in 2001, recognition and protection of well-known registered trademarks is primarily limited to the situation, where registration is being sought for a later identical or similar mark, or where there has been use on dissimilar goods or services by the allegedly infringing mark. If the use has been on similar goods, the Court will avoid using the term “well-known” mark in the decision and will just mention that the mark enjoys a reputation.

China is a first-to-file jurisdiction for trademarks, which have to be registered before they get protection. However, there are special regulations to protect unregistered well-known trademarks and the protection is no less strong than for registered marks, although protection is restricted to the same or similar goods, while registered well-known trademarks enjoy the protection of Cross-category.

It is often the case that some famous brand owners choose to register their well-known mark in all 45 classes for defensive purposes. An example of where this was vindicated was in the *BMW v Century Baoma* case. In its decision dated December 15 2009 on this case, the Supreme Peoples’ Court recognised the well-known status of the registered trademarks BMW, the BMW logo and the Chinese Version of BMW (宝马) in respect of automobiles and confirmed the infringing nature of the BMW logo on clothing products in Class 25. BMW had obtained a territorial extension via the Madrid System in China for the BMW word and Logo marks for Class 25 goods.

Legal Procedure for Registration

Chinese Administrative and judicial trade mark authorities include the State Administration of Industry and Commerce (SAIC) and the Supreme People’s Court (SPC). These bodies have promulgated laws, regulations and interpretations pursuant to which China has, since 2001, developed its own system for protecting and recognizing well-known trade marks. A strict and complicated legal procedure must be followed. The statutory provisions which govern the procedure consist mainly of:

1. Trade Mark Law (2001);
2. Implementation Regulations under Trade Mark Law (2002);
3. Rules on Recognition and Protection of Well-known Trade Marks (2003);
4. The Interpretation of the Supreme People's Court of Several issues Regarding Application of Laws in Trial of Civil Disputes Involving Computer Network Domain Names (2001);
5. Interpretation of the Supreme People's Court of Several Issues Regarding Application of Laws in Trial of Trade Mark Civil Disputes (2002);
6. Specific Rules for Recognition of Well-Known Trade Marks (2009); and
7. The Interpretation of Several Issues Regarding Application of Laws in Protection of Well-Known Trade Marks in Trade Mark-Related Civil Disputes (2009).

The identification of well-known trademarks in China is in conformity with the widely-used international principle, which is “**Case-by-case passive protection doctrine.**” It is only once the recognizing authority receives the complaints of a trademark owner’s disputes and requests to determine that its trademark is a well-known trademark, can the trademark be identified as being well-known.

There are two ways to identify a well-known trademark. One way is through the Administrative route and the other is through the Judicial route.

Administrative route

In China, one avenue to prove well-known status is through an administrative proceeding at the Trade Mark Office (CTMO) or the Trade Mark Review and Adjudication Board (TRAB). The CTMO has the duty to review a recognition request arising from an opposition or a raid action, while the TRAB may review recognition requests in connection with opposition or cancellation proceedings. Examples of relevant case law include:

Opposition:

“MARTELL” in the name of Martell & Co. is recognized as a well-known trademark in respect of “alcohol beverages” in Cl. 33 in 2010.

Raid Action:

“SONY” in the name of Sony Corporation is recognized as a well-known trademark in respect of “Cinematographic cameras, image/sound recording, transmitting apparatus” in Cl. 9 in 2010.

Review of Opposition:

“KENWOOD” in the name of Kenwood Corporation is recognized as a well-known trademark in respect of “radio and video apparatus” in Cl. 9 in 2010.

Judicial route

Qualified civil courts may also recognize the well-known status of a trade mark. Judicial identification is often put forward in cases of trademark infringement and domain name infringement.

In the past, “Safeguard”, “IKEA”, “Walmart”, “Starbucks”, “Sotheby’s” have been successfully recognized as well-known trademarks by the People’s Courts.

Usually, the following relevant materials may be used as the supporting materials of a well-known trademark:

1. showing the extent of knowledge by the relevant public;
2. showing the duration of the trademark, including the materials involving the history and scope of the use and registration of the trademark;
3. showing the duration, extent and geographical scope of any publicity work, including ways of advertising and promotion, geographic scope, type of publicity media and the quantity of the launched advertisements;
4. evidence that the same mark has always been protected as a famous one in China, or in other country or region;
5. evidence regarding the previous 3 years of output, sales volume, profit payment and tax turnover and sales territory of the goods or services using this trademark.

Summary

To ensure broad protection of their marks, brand owners should develop well-known status maintenance strategies to address future potential infringements.

FINLAND

Contributor: Joose Kilpimaa

KOLSTER OY AB
Helsinki
Finland

Trademarks in Finland are governed by the Trademarks Act 1964. Section 6 of the Trademarks Act states the following:

“Trade symbols shall be regarded under this Act as liable to cause confusion only if they apply to goods of identical or similar type.

Notwithstanding the foregoing, the confusability of trade symbols may be judged in favor of a symbol that has a reputation in Finland where the use of another's trade symbol without due cause would constitute unfair exploitation of, or action detrimental to, the distinctive character or fame of the earlier trade symbol.”

The above section is in accordance with relevant European Community legislation.

It can thus be seen that trademarks with a reputation in Finland (*i.e.* Well-known or Famous Marks) are more widely protected than regular trademarks. The protection of trademarks with a reputation exceeds the classes covered in the Trademark Register.

The main rule is that in a case of a conflict, it is the relevant Court of Law that determines whether the trademark in question in fact has a reputation.

List separate from the Trademark Register

On 6 June 2007, the National Board of Patents and Registration of Finland (NBPR) decided to establish a list into which trademarks with a reputation in Finland can be entered upon application. The list, which was established within the framework of current legislation, is a database which is separate from the Trademark Register. The list is a public document and anyone may obtain a copy of it for a fee.

The purpose of the list is to serve commerce and industry, agents and all other stakeholders that need information regarding reputable marks. The list is helpful when conducting preliminary examinations or tests of confusing similarity of trademarks, and should thereby have a preventive effect on trademark disputes.

If the NBPR, while processing a trademark application, finds a confusingly similar mark in the list, this fact will be notified to both the person who filed the trademark application and the owner of the earlier trademark with a reputation. They are both notified regardless of the class/es in which the mark is sought to be registered.

In the registration process, the NBPR will not take the information in the list into consideration as a relative obstacle to registration. It is therefore up to the owner of the earlier trademark with a

reputation to decide whether he or she wants to file an opposition against a later registered trademark. The final outcome of an opposition procedure will not automatically change the information contained in the list.

Conditions for entry

A condition for entry in the list is that the trademark has a reputation in Finland, as defined in Section 6(2) of the Finnish Trademarks Act. The concept of a trademark with a reputation is based on Community legislation, the interpretation of which is supervised by the Court of Justice of the European Communities.

The goods and/or services for which the trademark is considered to have a reputation are entered in the application and the list. Also, the target group/s in which the mark has proven reputation will be entered in the list by the NBPR. The target group which can prove reputation in the mark should be indicated in the application. If no target group is provided in the application, the NBPR considers all Finns to be the target group.

Evidence of the reputation must be provided with the application. The NBPR assesses the reputation of the mark on the basis of its target group. The NBPR will take into account all relevant circumstances, such as the market share, the marketing costs, how intensively and how long the mark has been used, and the geographical extension of use.

In terms of geography, the mark must enjoy a reputation in a substantial part of Finland. On the basis of precedents of the Court of Justice of the European Communities, the NBPR also requires that the trademark must be familiar to a considerable part of the target group.

The market share of goods carrying the mark and their position in the market are valuable information when the NBPR assesses the reputation of the mark. The market share, expressed as a percentage of the whole market, immediately shows how many people in the target group actually buy the goods carrying the mark.

Market and reputation surveys are considered to be particularly good evidence. Any survey accompanying the application must be carried out by an independent and impartial organisation. In order to assess whether the survey is reliable or not, the NBPR needs to know who carried out the survey, what the target group of the survey was, the number of interviewees and their age and gender. The size of the target group determines the number of interviewees required; however, if the target group includes all Finns, this should also be reflected in the number of interviewees. The NBPR also needs to know the survey method and the circumstances in which the survey was done. The survey report should therefore also include the questions asked in the survey and the order in which the questions were asked and how they were asked: interviewees' spontaneous awareness of a mark gives stronger proof that the mark has a reputation than prompted awareness, i.e. a survey where interviewees have been asked leading questions. The survey report must be submitted in its entirety together with the application – no abridged versions are accepted – so that the NBPR will be able to assess the value of the evidence.

Advertising and marketing material can also be used. The nature and quantity of the material often show how intensively and how long the mark has been used, and the geographic extent of the use. The total amount of money used for advertising and marketing may also be an important part of the proof the relative proportion of the marketing budget to the overall marketing costs in the particular line of business can be indicated. Different kinds of certificates of reputation issued

by trader interest organisations or other organisations within the target group can be used to prove how intensively, how long and how extensively the mark has been used. Earlier trademark registrations can be used to give indirect proof of how long and how extensively the mark has been used. It should be noted that registration is not a condition for reputation.

The value of the mark may also be an indication of reputation. Details of different kinds of surveys or listings of the value of the mark, as well as proof of licensing, can be provided to show how valuable the mark is.

Annual reports or other material about the trademark owner's activities often gives indirect information about the use of the mark. Sales volume and turnover may also form a part of the proof. When assessing these details, the NBPR must however take into account the size of the market and the nature of the goods. This is the reason why details of the size of the relevant market must be provided so that the NBPR will be able to compare the sales figures. The proof of sales, however, mostly supports the proof of market share and the proof of trademark awareness.

Court or authority decisions concerning the reputation of the mark may also be used as proof. The NBPR is not however bound by such court or authority decisions even though they actually can have an effect on its decisions.

Marks entered in the list or removed from the list are published in the Trademark Gazette.

Processing of applications

The application fee must be prepaid before the application will be processed. The Finnish Act on the Openness of Government Activities (1999/621) is applied to the application documents. The material submitted with the application is therefore open for the public inspection in the same way as the material submitted with an ordinary trademark application.

The NBPR may, if necessary, contact the trademark owner by mail and request supplemental information to be submitted within 8 weeks. This time limit is extendible by a further 8 weeks. If this is not complied with, the NBPR will make a decision on the basis of the material already submitted.

The NBPR can, upon request, alter the pending application for example so that the target group is broadened or reduced, or goods or services are added or removed.

The NBPR will send a reasoned notification, if it still, after having received further details, finds that the mark cannot be entered in the list. There is no appeal against such notification. If the mark is admitted to the list, the NBPR forwards a notification of such entry and requests payment of an entry fee of 800 euros. If the fee is not paid, the NBPR deems the application to have lapsed and the mark will not be entered in the list. As soon as the NBPR has received payment, the mark is entered in the list and the entry is published in the Trademark Gazette. The NBPR also provides notification of the entry and an extract from the list is sent.

Validity and renewal

An entry in the list will remain in force for five years from the date of entry. This can be renewed for a further period of five years by filing an application with the NBPR. It is not possible to

apply earlier than six months before or later than six months after the expiry of the term of five years.

In the renewal process, the trademark owner has to submit proof of the reputation of the mark in the same way as in the application process. However, when renewing an entry, the proof may be lesser, depending on the case. Also the conditions for entry in the list are examined by the NBPR in the same manner as in the application process. The NBPR may therefore request additional information from the trademark owner.

The entry can be altered in the renewal process: for example, the target group can be broadened or new goods or services can be added. The reason for this is that the fees and processing of a renewal application do not differ from the processing of a completely new application.

Removal from the list

Anyone may request removal of an entry from the list, if a mark has been entered contrary to the conditions in Section 6(2) of the Finnish Trademarks Act, or if the reputation of a mark no longer meets the conditions in that provision. The party who wishes to have the mark removed has to send a request to the NBPR with the details of the mark and the reasons why it should be removed. A fee of 500 euros is applicable for filing the request. A partial removal is also possible.

No right of appeal against decisions concerning the list

The purpose of the list is to increase awareness of trademarks with a reputation and thus prevent conflicts. As the registration authority's decisions about the list are an additional information service, they are not decisions that have legal effect and could be taken to a court of law or other independent judicial organ in accordance with Section 21 of the Finnish Constitution.

If the NBPR does not admit a trademark to the list, or removes a trademark already entered in the list, the holder of the right may request a re-examination from the NBPR. A new application may be successful if there has been a change in the circumstances or if new material is submitted to the NBPR together with a new application.

FRANCE

Contributor: Mr. Marc-Roger Hirsch

Hirsch & Associés
Paris
France

Specific protection, based on civil liability, regarding Famous trademarks, has been codified in article L.713-5 of the French Intellectual Property Code, which reads :

“The reproduction or imitation of a trademark that enjoys a reputation for goods or services that are not similar to those designated in the registration of said trademark, renders the author thereof civilly liable if it is of a nature to cause harm to the said proprietor or if this reproduction or imitation constitutes unjustified beneficial use of said mark.

The provisions of the previous paragraph apply to the use of trademarks that are well-known within the meaning of Article L.6 bis of the Paris Convention for the Protection of Industrial Property.”

This article is an adaptation of article 5,§2 of the Directive N°.89/104/EEC; thus, it should be interpreted in the light of this article 5,§2 of the Directive.

It must also be noted that Article 1382 of the French civil Code provides general protection against acts of unfair competition and that obviously using a famous trademark by a third to promote his own activity may also fall under this Article 1382, which deals with torts caused to the owner of a trademark.

None of these texts give a precise definition of what comprises a trademark that enjoys a reputation. However, European and French case law have given the following definition of such a trademark which consists of a mark “*known by a significant part of the public concerned by the products or services which it covers*”¹. Nowadays, this definition may also apply to well-known trademarks.

The relevant public “*consists of average consumers of the goods or services for which that mark is registered, who are reasonably well informed and reasonably observant and circumspect*”².

Judges have the supreme power to decide whether a trademark does or does not enjoy a reputation. Reputation is generally proved by the method of accumulation of criteria such “*the*

¹ ECJ, *General Motors*, September 14 1999, case C-375/97, point 31 ; High court of Paris, 3rd div., 3rd sect., October 29 2010, « *Danone* », n°10/00386 ; High Court of Paris, 3rd div., 1st sect., September 28 2010, Société Intel Corporation n°09/12021 ; High court of Paris, 3rd div., 4th sect., July 08 2010, « *Targa* », n°09/09866 ; High court of Paris, 3rd div., 3rd sect., June 4 2008, « *Activia* », n°08/00398 ; Court of Appeal of Paris 4th div., sect. B, March 8 2002, « *Zippo* », n°2000/05047 ; Court of Appeal of Paris 4th div., sect. B, « *Chaumet* », May 18 2001, n°1999/16840 ; Court of Appeal of Paris 4th div., sect. B, « *Azzaro* », January 26 2001, n°1998/26295 ; Court of Appeal of Paris 4th div., sect. B, « *Connexion* », February 25 2000, n°1997/10602.

² ECJ, « *Intel* », November 27 2008, case C-252/07, point 34 ; High court of Paris, 3rd div., 3rd sect., October 29 2010, « *Danone* ».

market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it”³. The owner of the trademark, who has the burden of proof⁴, may use opinion polls⁵, articles in the press⁶...

The owner of a famous trademark may invoke article L.713-5 in two situations:

1. The reproduction or imitation is of nature to harm the owner of the trademark

Two situations have been found having a nature to harm the owner of a famous trademark:

- The first situation is a dilution of said trademark which constitutes a detriment to the distinctive character⁷. This detriment “*is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so*”⁸.

French case law held that the use of a sign turning the mark into a household name constituted a detriment to its distinctive character⁹.

- The second situation is a detriment to the reputation of said trademark¹⁰ which “*is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark*”¹¹.

Recent French case law rules along the same lines. Thus, the use of a degrading message conveyed by the litigious products was found to be detrimental to the reputation of a famous trademark¹².

Some French decisions refer to the harm to the owner of the mark without making a distinction between detriment to distinctive character and detriment to reputation. For instance, a decision ruled that: “*the use of the sign that enjoys a reputation by a third party may harm the owner of the mark if for this reason, there is a confusion which leading the consumer to think that the product bearing the second sign is marketed by the owner of the mark or with his consent through a license*”¹³.

³ ECJ, *General Motors*, September 14 1999, case C-375/97, point 27; Court of Appeal of Paris, « *Chaumet* », May 18 2001.

⁴ High court of Paris, 3rd div., 2nd sect., October 29 2010, n°08/11236.

⁵ High court of Paris, 3rd div., 3rd sect., October 29 2010, « *Danone* », n°10/00386.

⁶ Court of Appeal of Paris 4th div., sect. A, « *Top 50* », June 30 2004, n°03/09175.

⁷ ECJ, November 27 2008, case C-252/07, Intel Corporation Inc., point 29; Court of Appeal of Versailles, 12 div., sect. 1, December 2 2010, « *ELLE* », n°09/08532.

⁸ ECJ, November 27 2008, case C-252/07, Intel Corporation Inc., point 29.

⁹ Court of Appeal of Versailles, 12th div., sect. 1, December 2 2010, « *ELLE* », n°09/08532; *Cour de Cassation*, com. div., March 11 2008, n°06-15594.

¹⁰ ECJ, June 18 2009, case C-487/07, L’Oréal SA, point 40.

¹¹ *Ibid.*

¹² Court of Appeal of Rennes, 2nd com. div., April 27 2010, n°09/00413, Société JBC HOLDING SARL.

¹³ High Court of Paris, 3rd div., 1st sect., February 09 2010, n°09/10263.

2. Unjustified beneficial use of the trademark

Unjustified beneficial use consists of benefiting from the reputation of a famous mark without paying a cent.

Such unjustified use constitutes “parasitism” (or “free-riding”)¹⁴ which “relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation”¹⁵.

Thus, not only the use of a trademark causing a detriment to the prestige attached to a trademark enjoying a reputation and consequently to its economic value has been considered as an unjustified beneficial use¹⁶ but also:

- Signs which appear as declinations of the first mark¹⁷; and
- The use, at the time of registering a domain name, a constituent sign of well-known marks carrying the distinctiveness of the aforementioned marks¹⁸.

It is incumbent upon the owner of the trademark that enjoys a reputation to prove that the use or the imitation of the mark harms him or constitute an unjustified beneficial use¹⁹.

It has been suggested that Judges should check whether the litigious use of trademarks enjoying a reputation is not covered by a due cause²⁰. If there is a due cause, it is not possible to enforce L.713-5.

This concept of “due cause” remains to be clarified by the French courts.

¹⁴ ECJ, June 18 2009, case C-487/07, L'Oréal SA, point 41.

¹⁵ *Ibid.*

¹⁶ Court of Appeal of Paris, 4th div., sect. A, September 17 2008.

¹⁷ High Court of Paris, 3rd div., 2nd sect., September 10 2010, ELITE, n°08/03508. Compare *Cour de Cassation*, com. div., September 23 2008, n°07-11288.

¹⁸ Court of Appeal of Paris, July 04 2008, Eurostar.

¹⁹ Court of Appeal of Paris, June 2 2010, HENRIOT, n° 06/16090; *Cour de Cassation*, com. div., February 10 2009, “Cohiba”, n°07-20948.

²⁰ Court of Appeal of Paris, July 04 2008, Eurostar.

GERMANY

Contributor: Dr. Christian R. Thomas

KUHNEN & WACKER
Prinz-Ludwig-Straße 40 A
Freising
Germany

In German trademark law, there are two important aspects with respect to well-known and famous marks. On the one hand, the fact that a trademark is well-known can help to overcome absolute grounds for refusal of protection (e.g. a lack of distinctiveness) according to Section 8 Paragraph 3 German Trademark Act. On the other hand, according to Section 9 Paragraph 1 No. 3 of the German Trademark Act, a well-known trademark can be regarded as confusingly similar to a younger trademark, even if the goods and/or services are not similar. The latter aspect can play a particularly important and decisive role in infringement actions, since it is an exception to the usual concept of trademark protection. Basically, German trademark law protects trademark owners from the use of identical marks by third parties and from a risk of confusion, *i.e.* confusion regarding the origin of products or services (through the use of similar marks). Naturally, the protection reaches its limitation where there is no risk of confusion because the respective goods and/or services are not similar. However, this usual scope of trademark protection turns out to be insufficient when a trademark becomes well-known or famous, since as its recognition grows, the trademark becomes disengaged to some extent from the goods and/or services for which it is actually protected.

Therefore, since the 1920s German courts have acknowledged protection of well-known and famous trademarks *vis-à-vis* trademarks covering different products or services. In order to claim such protection the trademark had to enjoy an extraordinary recognition, *i.e.* a degree of awareness of around 80 per cent of the population, and had to be duly appreciated by the consumers. Over the years, the requirements have relaxed to a certain extent, so that by the 1980s a large number of companies (including Mercedes, Lufthansa, Ferrari and Adidas) have been able to benefit from trademark protection for their well-known and famous marks in Germany.

Nowadays, the protection of well-known trademarks is laid down in the German Trademark Act which entered into force in 1995 and implements Article 5 (2) of the First Trademarks Directive (European Law). In order to enjoy trademark protection on the basis of being well-known, a trademark has to meet the following requirements:

- According to established case-law of the German Federal Supreme Court trademark protection on the basis of being well-known is to be assessed along the same principles as in the assessment of a risk of confusion, *i.e.* it has to be determined whether there is a phonetic, visual or conceptual similarity between the trademarks in question. If there is no (absolute) similarity between the marks, no trademark protection on the basis of being well-known can be claimed.
- The trademark has to be known to a considerable portion of consumers. Unfortunately, it is not possible to state any specific percentages in this regard. In the *Dimple case* (I ZR 158/82), the Federal Supreme Court considered a degree of consumer awareness of 30

per cent to be sufficient. However, in another case the Federal Supreme Court refused to accept the status of a trademark to be well-known that had a degree of awareness of 30 per cent in sports circles in the *Salomon case* (I ZR 13/89).

According to more recent case-law of the Federal Supreme Court, e.g. the *Faberge case* (ZR 100/99) from 2001, the necessary degree of consumer awareness can also result from other factors, e.g. from the period of time and the intensity in which a trademark has been used. When assessing the recognition of a trademark, especially the market share, the intensity of use (level of turnover), the geographical extension and the period of time when the mark has been used, as well as the level of related investments (sponsoring, advertising) are to be taken into account. The European Court of Justice does not intend to conceptually determine definite percentage rates (*Pago International case* (C 301-07)). In practice, the precise extent of brand awareness established by means of market surveys will, however, continue to play a significant part.

- Furthermore, the younger mark has to take advantage of and/or at least affect the distinctiveness and/or reputation of the well-known trademark. These elements often overlap. The act of taking advantage of or affecting the distinctiveness or reputation of the trademark has to be considered as unfair and lacking any justifiable reason. In 2010, the German Federal Supreme Court had to assess whether the use of a well-known trademark on scale-model cars was an infringement. This was rejected, the Court holding that the use of the “OPEL” mark on scale-model cars did not take unfair advantage of the well-known trademark without due cause (*OPEL case* (I ZR 88/08)).

The standard of protection in Germany for famous and well-known trademarks used to be high, and currently still is. This is a direct result of the process undertaken by the German Courts and the amendments to the Trademark Act in 1995. However, during recent years, Germany's jurisdiction on famous marks has been strongly influenced by the case law of the European Courts. Accordingly, the standard of protection develops slowly from “likelihood of confusion” to a “likelihood of dilution”. The European Court of Justice, in one of its recent rulings in *Intel v Intelmark* (C-252/07), explicitly introduced an actual dilution requirement. In addition, the Court determined that the owner of the famous mark needs to adduce proof of detriment by either demonstrating actual and present injury to its mark or showing of a serious risk that such injury will occur in the future. Apparently, brand owners now need to present clear evidence of financial loss directly associated with the use of the allegedly infringing sign and can no longer base their argument on purely speculative, unfair market impacts. This may prove to be a very hard task and, therefore, the message given by these recent decisions may be “*that famous trademarks are denied absolute protection and the ECJ has reined in the monopoly of famous names.*” It remains to be seen how this will influence the standard of protection in Germany for famous and well-known trademarks.

INDONESIA

Contributor: Mr. Estu Indrajaya

ESTU & LURY

Jakarta
Indonesia

Indonesian Legislation enables the Directorate General to refuse registration of a Mark if it has similarity in its essential part, or in its entirety, with a well-known Mark owned by another party for the same kind of goods and/or services. The legislation also provides an opportunity for such protection to extend to goods and/or services, which are not of the same kind 'provided conditions regulated by Government regulation are complied with. However, no such Government Regulations currently exist. Accordingly, under Indonesian Legislation the protection of famous marks does not extend to goods and/or services, which are not of the same kind.

On the other hand, the Commercial Courts of Indonesia have accepted that someone with bad intention shall not be allowed to register a mark in order to 'double up' a well-known trademark to cover goods that have not been registered by the owner of the mark. Such a finding was made by the Commercial Court of Central Jakarta District Court under case No. 1/Merek/2004/PN.Niaga.Jkt.Pst, in which the Defendant was prevented from registering VERSUS for goods in textiles, convection and food and beverage supply because the well-known marks VERSUS and VERSUS GIANNI VERSACE were registered in respect of different goods or services. In making their findings, the Court made specific reference to Indonesia's ratification of the TRIPS Agreement, holding that "*mutatis mutandis*" of Article 6bis in the Paris Convention will prevail for goods or services that are not of the same kind.

Whilst 'well-known' is not defined in the legislation, the common understanding is that a trade mark may be well-known if:

1. It has already been registered in various countries;
2. It has been recognised by the public for a long time, either in Indonesia or in various countries as proved by advertisement, promotion, investment etc; or
3. It is deemed as well-known by an independent surveyor which is legally appointed by the court upon request by the owner of the well-known mark.

In time, further progression of the law will give rise to more conclusive tests of what is to be considered well-known in Indonesia. We may also see some development via legislation and implementation of the Government regulations in due course. What is clear, however, is that currently Indonesia does provide protection for the owner of a famous mark where someone, with bad intentions, attempts to use or register a mark that is well-known, both in respect of related and unrelated goods and/or services.

According to the Article 6 paragraph (1) letter (b) of Trademark Law No. 15 of 2001, “an application for registration of a Mark shall be refused by the Directorate General if the relevant Mark has a similarity in its essential part or in its entirety with a well-known Mark owned by another *party for the same kind of goods and/or services*”.

However, according to the Article 6 paragraph (2), the provision as referred to in paragraph (1) letter (b) above is also *applicable to goods and/or services which are not of the same kind*, provided that it fulfils certain conditions that will be further regulated by Government Regulation. Until today, this Government Regulation on this matter has not yet been issued by the Indonesian Government.

Furthermore, according to the Article 6 paragraph (3), an application for registration of a Mark shall also be refused by the Directorate General *if it constitutes or resembles with the name of a famous person*.

If we observe the said regulation, the law protection over the well-known trademark owner covers only for the same kind goods or services. As such, whenever there is any third party, other than the Starbuck’s Corporation which, intends to register “Starbuck’s” as a trademark for Class 3 Goods for “soap”, that will be allowed.

However, this opinion has now changed. The protection for a well-known trademark is not just for the same kind registered goods or services, but also covers other goods or services.

IRELAND

Contributor: Ms. Carol Gormley

FRKelly
Dublin
Ireland

Famous or well-known trade marks are dealt with under Section 61 of the Irish Trade Marks Act 1996 effectively giving statutory effect to Article 6*bis* of the Paris Convention:-

Section 61

(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark are to a mark which is well-known in the State as being the mark of:

(a) a national of a Convention country, or

(b) a person who is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,

whether or not that person carries on business, or has any goodwill, in the State; and references to the proprietor of such a mark shall be construed accordingly.

(2) Subject to section 53, the proprietor of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark shall be entitled to restrain by injunction the use in the State of a trade mark which, or the essential part of which, is identical or similar to the proprietor's mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.

The owner of a well-known trade mark is entitled to obtain injunctive relief from against the use of identical/similar mark in relation to identical/similar goods/services regardless of whether they carry on business or have any goodwill in the State, where the use is likely to cause confusion. It is important to note that the rights granted to well-known trade marks are limited to an injunction. In this regard, damages cannot be claimed under this section.

While WIPO have issued guidelines regarding the relevant information to be taken into account when determining whether a mark is well-known, there is no clear definition of a well-known trade mark under Article 6*bis* of the Paris convention. In this regard, the interpretation of what is considered to be a well-known mark must be decided at National level and may vary from jurisdiction to jurisdiction. This point has not yet been determined by the Irish Courts. However, when it comes to decide the issue the courts may look at the existing case law on passing off concerning reputation, in addition to case law from other jurisdictions.

In addition Section 11(c) of the Trade Marks Act 1996, which defines an “earlier right”, includes a well-known mark within this definition;

Section 11(c) *a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well-known trade mark.*

In this regard, a “well-known” trade mark can form a separate ground in opposition and for the purposes of filing an action for invalidity.

When discussing famous marks reference must also be made to Section 10(3) of the Trade Marks Act 1996, incorporating Article 4 of the Harmonization directive [Council Directive 2008/95/EC].

Section 10 (3) *states that a trade mark which:*

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the State (or, in the case of a Community trade mark, in the Community) and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.

If it is a National Trade Mark Registration, there must be a reputation in the State. The issue of reputation is a matter of fact taking into account the duration, extent and geographical area in which the trade mark is used together with the amount spent on advertising and channels of trade. The concept of detriment to the distinctive character equates with that of the concept of dilution under US law. This issue has not been determined by the Irish courts, but there has been considerable case law at the EU level in relation to this issue. The general approach is that the stronger the distinctive character and reputation of the earlier mark, the easier it will be to accept that detriment has been caused to it. Interestingly under Section 10(3) no likelihood of confusion is required. However, EU case law has established that a link is required between the marks even though there is no confusion.

While Irish courts have not made a determination on many of the points above, there has been significant EU case law in this area and in particular, the recent case of *L’Oreal v Bellure*.

ISRAEL

Contributor: Ronit Barzik-Soffer

REINHOLD COHN GROUP

Tel-Aviv

Israel

TRADEMARKS ORDINANCE

(NEW VERSION) 5732-1972

Definitions

1. In this Ordinance -

“**well-known trademark**” - a mark well-known in Israel is a mark owned by a person who is a citizen, permanent resident or owner of an active industrial enterprise in a Member State, and even if the mark is not a trademark registered in Israel; the extent to which the mark is known among the relevant circles in Israel and the extent to which it is known as a result of marketing efforts shall also be considered when determining whether a trademark is a well-known trademark in Israel.

"infringement" - the use by a person not entitled thereto -

- (1) of a registered trademark or of similar mark in relation to goods in respect of which the trademark is registered, or in relation to goods of the same description;
- (2) of a registered trademark in advertising goods of the description of goods for which the mark is registered, or in advertising goods of the same description;
- (3) of **a well-known trademark**, even if it is not a registered trademark, or of mark similar enough to it to be confusing in relation to goods in respect of which the mark is known or in respect of goods of the same description;
- (4) of **a well-known trademark** which is a registered trademark, or of mark similar to it in respect of goods that are not of the same description, on condition that this use tends to indicate a connection between the said goods and the owner of the registered mark, and the owner of the registered mark is liable to be injured by the aforesaid use.

Marks ineligible for registration

11. The following marks are not eligible for registration:

...

- (6) a mark liable to deceive the public, a mark that includes a false indication of origin, and a mark that encourages unfair competition in the trade;

...

- (13) **a mark identical to a well-known trademark or similar enough to it** to deceive, even if it is not a registered trademark, in respect of goods for which the trademark is well-known or in respect of goods of the same description;
- (14) **a mark identical with or similar to a well-known trademark** that is a registered trademark, and that even in respect of goods that are not of the same description, if the mark registration of which was requested tends to indicate a connection between the goods, in respect of which the mark was requested, and the owner of the registered mark, and if the owner of the registered mark is liable to be injured by the use of the requested mark.

Exclusive use of well-known trademark

- 64A.(a) A well-known trademark - even if it is not a registered trademark, shall entitle its owner to the exclusive use of the mark for goods, in respect of which it is well-known in Israel or in respect of goods of the same description.
- (b) A well-known trademark that is a registered trademark, shall entitle its owner to exclusive use also in respect of goods that are not of the same description, if use of the mark by a person who is not its owner is likely to indicate a connection between the said goods and the owner of the registered mark, and the owner of the registered mark is liable to be injured in consequence of aforesaid use.

Continuing use of trademark

- 25A. Notwithstanding the provisions of this Order, if an application for registration of a trademark or the registration of a trademark was made in good faith, or if rights to a trademark were acquired by way of using it in good faith, then its qualification to be registered in good faith, the validity of the registration and the right to use the trademark shall not be adversely affected only by the trademark being identical or similar to a Geographic Appellation or to a well-known trademark, on condition that the application to register the trademark, the registration or the aforesaid acquisition of rights took place before:
 - (1) in respect of a well-known trademark - the day on which the trademark became a well-known trademark;
 - (2) in respect of a Geographic Appellation - January 1, 2000, or the day on which the Geographic Appellation was given protection in the Member State in which the geographic area denoted by the Geographic Appellation is located.

Action for infringement

- 57. (a) The owner of a registered trademark or the owner of a well-known trademark may bring action for infringement; the Court shall not entertain an action for infringement in respect of an unregistered trademark; however, in respect of a well-known trademark it may entertain an action for its infringement, even if it is not registered.

(b) Repealed.

Relief

59. (a) In an action for infringement, the plaintiff shall be entitled to relief by way of an injunction and to damages, in addition to any other relief which the Court that hears the case is competent to grant, and he shall also be entitled to the reliefs enumerated in section 59A.
- (b) In respect of infringement of a well-known trademark that is not a registered trademark, the plaintiff shall only be entitled to remedy by way of an injunction.

The above provisions were included (or amended) in the Trademark Ordinance back in 1999, in an amendment known as the “TRIPS Agreement”, as it was intended to bring the Israeli Trademark law into conformity with the provisions of the TRIPS Agreement 1991, *inter alia* in respect of Well-known Trademarks.

Thus, a “Well-known Trademark” was defined in the Ordinance as outlined above in Section 1 of the Ordinance).

Furthermore, a trademark owner’s right to exclusive use was extended, with reference to a Well-known Trademark, to also cover also non-registered Well-known Trademarks, for goods in respect of which the mark is well-known or goods of the same description (Section 46A(a) of the Ordinance), as well as registered Well-known Trademarks, for goods that are not of the same description, if use of the mark by a person who is not its owner is likely to indicate a connection between the said goods and the owner of the registered mark, and the owner of the registered mark is liable to be injured in consequence of aforesaid use (Section 46A(b) of the Ordinance).

Accordingly, the definition of an “Infringement” was also extended as far as Well-known Trademarks are concerned – to include also:

- a) unauthorised use of a mark identical or confusingly similar to a non-registered Well-known Trademark in relation to goods for which the mark is known or goods of the same description;
- b) unauthorised use of a mark identical or confusingly similar to a registered Well-known Trademark in respect of goods that are not of the same description, on condition that this use tends to indicate a connection between the said goods and the owner of the owner of the registered mark, and the owner of the registered mark is liable to be injured by the aforesaid use (Section 1 of the Ordinance); and the right of the owner of a Well-known Trademark, even if not registered, to bring a court action for infringement was explicitly acknowledged (Section 57(a) of the Ordinance). However, the available relief in such an action was limited to an injunction (Section 59 of the Ordinance)

Similarly, marks which fall under either of said two categories, were included in the Ordinance among the marks not eligible for registration (Sections 11(13), 11(14) of the Ordinance).

However, the International tendency to extend the trademark protection given to Well-known marks was in fact already reflected in the Israeli court decisions before the “TRIPS Amendment”, based on Section 11(6) of the Trademark Ordinance, which provides that a mark

which might encourage unfair competition in the trade is not eligible for registration, as illustrated by the Bacardi case.

An application for registration of the mark “Bakardi” (in English and Hebrew) as a trademark in class 25 was filed by a local clothing manufacturer, accepted and then published in the Trade Mark Journal. Upon publication, a notice of opposition was filed by “Bacardi” – the owner of the Well-known trademark registered in the Trademark Register in Israel, in class 33, for alcoholic beverages. The Trademark Registrar accepted the opposition [Opposition to TM No. 49574], and the applicant (the local clothing manufacturer) appealed to the Supreme Court. The Supreme Court affirmed the Registrar’s decision to accept the opposition and refused the trademark application [C.A. 6181/96 *Kredi vs Bacardi & Co*], stating as follows:

“It is true that in Section 11 of the Ordinance there is no direct reference to the “international goodwill” doctrine or to the doctrine of dilution, but in my opinion it is possible to incorporate the concepts behind these doctrines into the term “unfair competition”. Use of the goodwill of a famous business, the fame of which transcends borders, by a foreign factor for the purpose of promoting its own business, may be considered unfair competition. Trademarks, that have acquired international recognition and goodwill so powerful as to go beyond the specific products in which the trademark owner engages, deserve protection under the law. Use of a famous trademark is unfair from at least two aspects – firstly, the user of the trademark reaps the fruit of the goodwill for which he has not labored. He enjoys, unjustly, the advantage afforded by use of a famous trademark. Secondly, exploitation of the goodwill entails possible injury to the lawful owner of the trademark, due to the devaluation and dilution of the goodwill and erosion of the exclusivity of the trademark. In light of the aforesaid it is clear that it is sufficient to prove that use of the famous mark is likely to promote the businesses of the user due to the goodwill of the owner of the famous mark.”

JAPAN

Contributor: Mr. Tomoya Kurokawa

SOEI PATENT & LAW FIRM
Tokyo
Japan

Introduction

Japan affords protection to trademarks that have become sufficiently famous under Articles 4-1-10, 4-1-15 and 4-1-19 and Article 32 of the Trademark Act, even if the trademark is not registered. Furthermore, a registered famous trademark may also be able to obtain further protection using “defensive mark registrations” under Article 64. In addition, proprietors of famous trademarks that are not registered have the opportunity to enforce their trademark against others under the Unfair Competition Prevention Act.

Blocking registration of a third party’s mark based on an unregistered famous mark

A trademark which is identical with, or similar to, another person's registered trademark with an earlier filing date cannot be registered, if such a trademark covers goods or services identical with or similar to those covered by the registered trademark (Trademark Act, Article 4-1-11.).

In addition to the above, a famous trademark, even if it is not registered, can block another person’s trademark registration under some conditions. That is, the existence of a famous trademark can block the registration of the following trademarks.

- (i) A trademark which is identical with, or similar to, another person's trademark which is famous among consumers in Japan, as indicating the goods or services of another person, cannot be registered if such trademark covers goods or services identical with or similar to those covered by the other person's famous trademark (Trademark Act, Article 4-1-10.) Whether a trademark has become famous should be evaluated based on, for example, the mark as it is actually used and goods/services for which the trademark is actually used, duration and area, volume of sales, volume of advertisements, volume of exposure in newspapers, magazines or internet websites, results of consumer surveys. Even if a trademark has not been used in Japan, a trademark can be found to be famous in Japan, if the trademark has been used abroad and the mark has had substantial exposure in Japan through media like television, newspapers, magazines or internet websites.
- (ii) A trademark which is likely to cause confusion in connection with the goods or services pertaining to a business of another person cannot be registered (Trademark Act, Article 4-1-15.) In this case, “confusion” includes not only confusion of origin of goods/services, but also confusion as to the business relationship between the two parties.

- (iii) A trademark which is identical with, or similar to, another person's trademark which is famous among consumers in Japan or abroad as indicating goods or services pertaining to a business of the other person cannot be registered if such trademark is used for unfair purposes (Trademark Act, Article 4-1-19.) In this case, "unfair purpose" includes, *inter alia*, trademark trolling, free riding, dilution, pollution. The criteria for the determination of whether a trademark has become famous are as same as those explained in the above (i).

Further, a trademark that has become so famous in connection with registered goods and services that use of the mark by another person on different goods or service would be likely to cause confusion as to origin of the goods and services may be registered as a "defensive mark" for such different goods and services (Trademark Act, Article 64.) Registered defensive marks can prevent another person from registering a mark identical to the registered defensive mark for goods or services identical to those designated in the registered defensive mark (Trademark Act, Article 4-1-12.)

Right to use of famous mark without registration

The owner of a famous mark, even if it is not registered, can continue using the mark in spite of the existence of another party's conflicting registered trademark. That is, when the owner of an unregistered mark has been using the mark in good faith prior to the filing of the application for an identical or similar mark by another party in relation to identical or similar goods or services and the owner's unregistered mark has become famous among consumers as indicating the goods and services connected with the owner's business at the time the other party filed the application, the owner has the right to use the mark by virtue of prior use (Trademark Act, Article 32). This right is an exception to the first-to-file rule. If the other party claims the owner's use constitutes infringement of the other party's registered trademark right, the owner can successfully defend his/her interest by proving his/her right to use the trademark by virtue of prior use.

Enforcement Action based on unregistered famous mark

Although there is no provision in the Trademark Act concerning enforcement based on an unregistered trademark, the following acts are prohibited under the Unfair Competition Prevention Act:

- (i) Acts of creating confusion with another person's goods or business by using a trademark that is identical with or similar to the other person's famous trademark, or acts of assigning, delivering, displaying for the purpose of assignment or delivery, exporting, importing or providing through an electric telecommunication line the goods bearing such a trademark (Unfair Competition Prevention Act, Article 2-1); and
- (ii) Acts of using a trademark that is identical with or similar to another person's famous trademark, or the acts of assigning, delivering, displaying for the purpose of assignment or

delivery, exporting, importing or providing through an electric telecommunication line the goods bearing such a trademark (Unfair Competition Prevention Act, Article 2-2);

Here, “famous” in the Article 2-2 requires higher level of fame than that in the Article 2-1. That is, in Article 2-2, the trademark should be widely known all over Japan to be found “famous.” On the other hand, in the Article 2-1, the trademark can be found to be “famous” if the trademark is known in substantial area (i.e. several prefectures) in Japan.

The owner of a famous trademark can seek an injunction against these acts and claim damages for these acts (Unfair Competition Prevention Act, Article 3 and 4). However, it is generally more practical for the owner of a famous trademark to obtain registration for the trademark, even if the trademark is famous because, in unfair competition litigation, the owner must prove that the trademark has become famous by providing extensive evidence.

Conclusion

As explained above, unregistered famous trademarks can be protected in several ways. Thus, the owner of an unregistered famous trademark should consider these protections if he/she faces a prior trademark as an obstacle for registration or use, a trademark troll, a free rider, dilution or pollution of his/her famous mark.

However, the owner of the mark has the burden of proving to the Japan Patent Office or the Court that the mark has become a famous. Because this burden is so heavy, a trademark owner would be well advised to obtain registration for the trademark, even if it is quite probable that the trademark will be found to be famous, to obtain more effective protection while avoiding the necessity of shouldering such a burden.

MALAYSIA

Contributor: Mr. Kim Tean Ng

NANYANG LAW-H² ALLIANCE
Singapore

In Malaysia, statutory rights conferred to proprietors of well-known marks can be found in Section 70B of the Malaysia Trade Marks Act (hereinafter referred to as “the Act”). Section 70B of the Act stipulates that:

- (1) “The proprietor of a trade mark which is entitled to protection under the Paris Convention or the TRIPS Agreement as a well-known trade mark is entitled to restrain by injunction the use in Malaysia in course of trade and without the proprietor’s consent of the trade mark which, or the essential part of which, is identical with or nearly resembles the proprietor’s mark, *in respect of the same goods or services, where the use is likely to deceive or cause confusion* [our emphasis].
- (2) Nothing in subsection (1) shall affect the continuation of any bona fide use of a trade mark begun before the commencement of this Act.
- (3) In this section, references to a trade mark which is entitled to protection under Article 6*bis* of the Paris Convention or Article 16 of the TRIPS Agreement as a well-known trade mark which is well-known in Malaysia as being the mark of a person whether or not that person carries on business, or has any goodwill, in Malaysia, and references to the proprietor of such a mark shall be construed accordingly.”

The position taken under Section 70B of the Act in relation to protection of well-known marks in Malaysia is apparent. In order for a proprietor of a well-known trade mark to confer statutory protection on its trade mark under Section 70B(1), use of the mark by a third party must be in relation of identical goods or services.

Similarly, registration of a mark identical or similar to a well-known mark in Malaysia in respect of identical or similar goods or services shall be refused by virtue of Section 14 of the Act which provides that:

(14) Prohibition on registration.

(1). A mark or part of a mark shall not be registered as a trade mark:

.....

- (d) if it is identical with or so nearly resembles a mark which is well-known in Malaysia for the same goods or services of another proprietor; [Ins. Act A1078]
- (e) if it is well-known and registered in Malaysia for goods or services not the same as to those in respect of which registration is applied for: Provided that the use of the mark in relation to those goods or services would indicate a connection between those goods or services and the proprietor of the well-known mark, and the interests of the proprietor of the well-known mark are likely to be damaged by such use.”

However, trade mark practitioners seem to practice vigilance towards applying doctrine of well-known marks, as there is no actual case law to support Section 70B of the Act.

MEXICO

Contributor: Mr. Fernando Becerril

BECERRIL, COCA & BECERRIL, S.C.
Mexico City
Mexico

The Mexican Industrial Property Law (MIPL) distinguishes between Well-known and Famous Marks, with Famous Marks enjoying wider protection than that given to Well-known Marks.

1. Concept

According to the MIPL, a mark is considered to be a Well-known Mark in Mexico when a determined sector of the public or the commercial circles of the country, knows the mark as a consequence of the commercial activities developed in Mexico or overseas, by a person that uses such mark in relation to its products or services or as a consequence of the promotion or publicity of the same.

On the other hand, the MIPL distinguishes a Famous Mark as being one which is known by the majority of consumers *i.e.* known by the public in general, which includes any commercial sector, regardless of the goods or services covered.

This means that according to the Mexican legal framework, the scope of a trademark considered to be a Famous Mark is broader than the scope of a trademark which is considered to be a Well-known mark.

2. Declaration

The MIPL establishes a procedure to obtain a declaration of Well-known or Famous Mark.

The holder of a trademark that wishes to obtain this declaration must file a petition requesting the declaration of Well-known or Famous Mark with the Mexican Institute of Industrial Property (MIIP). The petition must include specific information/evidence which proves that the mark is known by a specific sector or by the consuming public (consumers).

Relevant information that must accompany such a petition includes the following:

- a) The sector of the public comprising real or potential consumers that identifies the mark with the products or services that it protects, based on a survey or market study;
- b) Other sectors of the public different from the real or potential consumers that identify the mark with the products or services that it protects, based on a survey or market study;
- c) The commercial circles comprising retailers, industrialists or service providers related to the kind of products or services, that identify the mark with the products or services that it protects, based on a survey or study market;

- d) The time of effective advertising of the mark in Mexico, and abroad;
- e) The investment made during the last 3 years in publicity or promotion of the mark in Mexico, and abroad;
- f) The geographic area of effective influence of the mark;
- g) The volume of sales of the products or the incomes perceived by the provision of services protected under the mark, during the last 3 years;
- h) The economic value that the mark represents, in the countable capital of the holder company according to its estimation;
- i) The certificates of registration of the mark in Mexico, and overseas if any;
- j) The percentage of participation of the mark in the corresponding sector or segment of the market.

3. Disadvantages of the Declaration

One of the most important issues to be considered against the proper functioning of such provision is that some of the required information and documentation to request the declaration of Well-known or Famous Mark is in some cases confidential and, in other cases incongruent with the International Treaties, as well as with the basic principles of “well-known trademarks”, since it is required that the Well-known or Famous Mark is used and registered in Mexico.

Moreover, the fact that it is difficult and expensive to obtain evidence to prove each and every condition stipulated by the law as well as the high official fees applicable for obtaining the declaration, have been the main factors that the system has not had the success expected. In fact, since the registration proceedings came into force, only a few companies have applied for written declarations issued by the MIIP.

In this regard, one of the basic principles of the Well-known marks established in International Treaties is that the same can achieve the status of Well-known or Famous, even if they are not used and/or registered in a specific country.

Nevertheless, in order to obtain proper recognition of the Mexican authorities by means of the declaration, a foreign trademark considered well-known abroad, will have to be used and registered in Mexico, which seems to be contrary to the meaning and purpose of these kind of marks.

4. Advantages of the Declaration

Nevertheless, there are more disadvantages in the provisions of the MIPL, as these marks are regulated. There are a few advantages in obtaining a Well-known or Famous Mark declaration and it is that the declaration provides the owner of the mark the possibility of obtaining from the MIIP the refusal to register any identical or confusingly similar trademark application to the Well-known or Famous Mark, even when the products or services that the trademark application intends to apply for differ from those protected by the Well-known or Famous Mark.

Another advantage of securing a formal declaration of a Well-known or Famous Mark is that the trademark owner may subsequently invoke it in further infringement or cancellation actions, thus, saving time and expense in producing the pertinent evidence in the course of each and every proceeding.

5. An alternative procedure to obtain an estimation of Well-known or Famous mark.

Another way to obtain the recognition of Well-known or Famous trademarks, is by means of an estimation (but not a formal written declaration) obtained through a decision issued by the MIIP within a litigation proceeding initiated against a trademark granted and owned by a third party, in which the legal basis of the litigation is that the challenged trademark registration was illegally granted, due to it being similar to a Well-known or Famous trademark.

The plaintiff must prove that the trademark is Well-known or Famous (*theoretically, just with the evidence he considers necessary, but not necessarily offering all the information and documentation stated by law to obtain a declaration*). If the MIIP recognizes the trademark as being Well-known or Famous, it will then decide to nullify the challenged mark.

NEW ZEALAND

Contributor: Dr. Elizabeth E. Houlihan

Houlihan²
Queenstown
New Zealand

New Zealand abolished defensive trade marks under a revision of the Trade Marks Act in 2002 and imposed new measures to protect famous marks. Such provisions initially provided protection only for well-known marks within New Zealand for the same goods and/or services, provided use of conflicting marks would be likely to deceive or cause confusion. However, New Zealand has now implemented new provisions in relation to both infringement and Trade Mark Applications. Under section 25(1)(c), the requirement that the goods or services be related and the limitation of ‘*likely to deceive or cause confusion*’ have been removed altogether, whereas under section 89(1)(d), the infringement provisions appear to have adopted the United Kingdom wording, making the two sections considerably different.

Section 25(1)(c)

New Zealand provides the opportunity for Trade Mark Examiners themselves to raise a well-known mark as a citation against a pending Trade Mark Application, meaning that the onus is not solely on owners of famous marks to identify and make relevant objections against conflicting registrations. However, the New Zealand Intellectual Office’s Practice Guidelines do acknowledge that because of the need for an Examiner to provide reasons to support such an objection, rejections under the 25(1)(c) provision are uncommon and it will be left to the owner of the well-known mark to prove reputation.

To qualify as a citation against an application, the well-known mark need not itself be registered, provided it has established distinctiveness through use in the marketplace. According to Section 25(1)(c), the limitation also applies in respect of unrelated goods or services, provided it “*indicates a connection in the course of trade between the goods or services in the specification and the owner of the well-known trade mark, and is likely to prejudice the interests of the owner of the well-known trade mark*”. This gives rise to numerous questions, namely what is ‘well-known’; what constitutes ‘indicating a connection in the course of trade’ and what does the statute mean by ‘likely to prejudice the interests of the owner’?

What Constitutes Well-known?

Again, New Zealand legislation has not defined well-known with any precision; however, it seems that in New Zealand, sufficient public awareness of a mark can be established if the mark is well-known by a substantial number of persons in the relevant sector. It has, however, been found that evidence of advertising, marketing and sponsorship asserting substantial awareness of

a mark can still fall below the standard required to constitute what is “well-known” (*Zespri Group Case*).

This was found to be the case in *SANY Group Co Ltd T27/2008*, 29 September 2008, which held that despite substantial awareness of the Mercedes-Benz three pointed star in a ring device, the evidence fell short of supporting a finding that those marks were well-known. It has also been suggested that well-known requires something more than “reputation”, but less than what would be required to be “famous”.

What Constitutes “Indicating a Connection in the Course of Trade”?

The test is whether or not consumers may consider the later mark to be an extension or variation of the well-known mark. Courts have been prepared to find that “dissimilation [of the goods] is a strong indication against there being a trade connection”, such that TICK TOCK, whilst suitably similar to TIC TAC, did not indicate a connection in the course of trade because “tea”, for the former, and “mints”, for the latter, were products deemed by the Court to be too dissimilar (*Wistbray Limited v Ferrero S.p.A (CIV 2007-485-460, 11 December 2008)*).

What is meant by “likely to prejudice the interests of the owner”

Whilst *obiter*, the Court has held that more is required than simply an assertion by the owner of the famous mark of resulting prejudice. However, whether such comment demands expert evidence is still unclear. The Court has been prepared to accept that a connection in the course of trade would “*result in free-riding on the coattails of the opponent’s well-known mark, or an attempt to trade on its reputation; blur the distinctiveness of the opponent’s well-known mark, undermining its capability of arousing immediate association with the goods for which it is registered; and deny ... real and valuable licensing and brand-extension opportunities if the opponent’s ... mark were registered*”.

The dissimilarity of the goods is also relevant in an assessment of whether it is likely to prejudice the interests of the owner, where in the *Wistbray* case above, the Court was also inclined to find no real prospect of harm as a result of the distinct differences between the goods.

Section 89(1)(d)

The wording of this section provides that a person infringes a registered mark if he, without right, uses a mark that is identical or similar to the well-known registered mark, regardless of the goods or services in relation to which it is used, provided that the use of the sign takes unfair advantage of, or is detrimental to, the distinctive character or repute of the mark.

This provision is yet to be considered by the New Zealand Courts, but such provision appears to apply to use, which will not only result in deception or confusion on the part of consumers, but will also extend to dilutive actions in a similar way as the provision does in the United Kingdom.

Conclusion

New Zealand does provide protection of famous marks, even in relation to non-related goods or services. New Zealand also appears to have included an anti-dilution provision in line with both the position adopted in Europe and the United States.

PAKISTAN

Contributor: M. Yawar Irfan Khan

UNITED TRADEMARK & PATENT SERVICES

Lahore

Pakistan

Prior to 2001, Famous Marks were protected by the courts under the tort of Passing Off. In 2001, the Trade Marks Ordinance was passed, but was enforced from April, 2004. The Ordinance of 2001 provided for statutory recognition of well-known marks. Thus, a well-known mark is now also protected in Pakistan by law, whether or not the mark has any domestic use or goodwill and remedies by way of injunction have been provided. Relevant provisions are Sections 85 and 86 of Trade Marks Ordinance of 2001. In addition, based on the well-known character of the mark, a trademark application can also be opposed and refused by the Registrar.

Section 85. Meaning of “Paris Convention” and “Convention country”

In this Ordinance:

- (a) “Paris Convention” means the Paris Convention for the Protection of Industrial Property of the 20 March 1883, as revised or amended from time to time; and
- (b) a “Convention country” means a country other than Pakistan, which is a party to the Paris Convention.

Section 86. Protection of a well-known trade mark

- (1) References in this Ordinance to a trade mark which is entitled to protection as a well-known trade mark shall be to a mark which is so entitled under the Paris Convention and which is well-known in Pakistan as being the mark of a person who:
 - (a) is a national of a Convention country; or
 - (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country,
 whether or not that person carries on business, or has any goodwill, in Pakistan and references to the proprietor of such a mark shall be construed accordingly.
- (2) For the purposes of this Ordinance, the tribunal while determining whether a trade mark is well-known, without having to require registration or actual use in the form of sales of goods or services under the trade mark in Pakistan, shall consider the following factors as relevant criteria for establishing the well-known status of the trade mark, namely:-

- (i) the amount of Pakistan or worldwide recognition of the trade mark;
 - (ii) the degree of inherent or acquired distinctiveness of the trade mark;
 - (iii) the Pakistan or worldwide duration of the use and advertising of the trade mark;
 - (iv) the Pakistan or worldwide commercial value attributed to the trade mark;
 - (v) the Pakistani or worldwide geographical scope of the use and advertising of the trade mark;
 - (vi) the Pakistan or worldwide quality and image that the trade mark has acquired; and
 - (vii) the Pakistan or worldwide exclusivity of use and registration attained by the trade mark and the presence or absence of identical or deceptively similar third party trade marks validly registered or used in relation to identical or similar goods and services.
- (3) The owner of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark shall be entitled to restrain by injunction, the use in Pakistan of a trade mark which, or the essential part of which, is identical or deceptively similar in the well-known trade mark:
- (a) in relation to identical or similar goods or services, where the use is likely to cause confusion; or
 - (b) where such use causes dilution of the distinctive quality of the well-known trade mark.
- (4) Rights conferred under sub-section (3) shall be subject to the provisions of Section 81 (relating to acquiescence) and nothing in the said sub-section shall affect the continuation of any *bona fide* use of a trade mark begun before the commencement of the Ordinance.

Relevant Case Law

At the outset, Pakistani courts have provided protection to Famous Marks and in particular, in those cases where foreign (well-known) marks have been dishonestly adopted in Pakistan. There have been some relevant cases, brief extracts from which appear below.

On the issue of well-known marks and the internationalization of trade in Pakistan, Mr. Justice Wajihuddin Ahmed, in 1992 MLD 2506 Karachi at page 2513 observed and stated:

“...an enactment on Trade Marks is essentially an international statute, catering to national and international sensibilities.....We are living in an information age where the Earth has veritably become a global village.”

In another case, PLD 1979 Karachi 83 at page 87, Mr. Justice I. Mahmud stated that:

“With the revival of International Trade and international publicity, the rights of owners of foreign Trade Marks ought to receive some safeguard unless it is clear from the evidence that the foreign owners have abandoned their intention of marketing their products under the mark in this country”.

In PLD 1987 Kar. 356 at page 363, Mr. Justice Syed Abdur Rehman commented as under:

“In a recent conference on Trade marks and Patents-Intellectual Property as it was termed held at Islamabad the necessity of safe-guard to the rights of owners of foreign trademarks and patents was universally accepted. Mr. Justice Muhammad Haleem Chief Justice of Pakistan in his presidential address reported in PLD 1986 Jour.353 has dealt with the subject in a beautiful manner and has urged the need for protecting such rights and at the same time he has taken due note of the interests of the developing countries”.

In PLJ 1991 SC 57 at Page 62 (TOSHIBA CASE), it is stated that:

“The respondent has shown no reason tenable at law to pick up an invented word of foreign firm enjoying inside the country and outside a reputation for electrical goods of various descriptions....it is against public interest to register such a trademark.”

In PLD 1990 SC 1074, the Supreme Court approved the following observation of the High Court:

“With the proliferation of means of communication media the names and products of world renowned big companies are catching the eyes and ears of the public at large in all civilized countries of the world and Pakistan is no exception. Extensive traveling abroad in the recent past has made it possible for the people of Pakistan to have knowledge of the internationally renowned companies and their products. Respondent 2 is no doubt a company of world renown and its products are marketed in Pakistan as also in other countries.”

THE PHILIPPINES

Contributor: Ms. Editha Hechanova

HECHANOVA & CO., INC.
Makati City
Philippines

I. Republic Act No. 8293 (Intellectual Property Code) which took effect on 1 January 1998

A. General Provisions:

Section 3 in relation to Section 231 - International Conventions and Reciprocity; Reverse Reciprocity of Foreign Laws.

“Any person who is a national or who is domiciled or has a real and effective industrial establishment in a country which is a party to any convention, treaty or agreement relating to intellectual property rights or the repression of unfair competition, to which the Philippines is also a party, or extends reciprocal rights to nationals of the Philippines by law, shall be entitled to benefits to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of an intellectual property right is otherwise entitled by this Act.”

“Any condition, restriction, limitation, diminution, requirement, penalty or any similar burden imposed by the law of a foreign country on a Philippine national seeking protection of intellectual property rights in that country, shall reciprocally be enforceable upon nationals of said country, within Philippine jurisdiction.”

B. Trademark Provisions

Section 123 - Registrability

123.1. A mark cannot be registered if it:

.....

- (e) Is *identical with, or confusingly similar to*, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be *well-known internationally and in the Philippines, whether or not it is registered here*, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services: Provided, That in *determining whether a mark is well-known*, account shall be taken of *the knowledge of the relevant sector of the public*, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark;

Section 124 - Requirements of Application

124.1. The application for the registration of the mark shall be in Filipino or in English and shall contain the following:

.....

- (c) The name of a State of which the applicant is a national or where he has domicile; and the name of a State in which the applicant has a real and effective industrial or commercial establishment, if any;

.....

- (e) The appointment of an agent or representative, if the applicant is not domiciled in the Philippines;

- (f) Where the applicant claims the priority of an earlier application, an indication of:

- (i) The name of the State with whose national office the earlier application was filed or it filed with an office other than a national office, the name of that office,

Section 131 - Priority Right

131.1. An application for registration of a mark filed in the Philippines by a person referred to in Section 3, and who previously duly filed an application for registration of the same mark in one of those countries, shall be considered as filed as of the day the application was first filed in the foreign country.

131.2. No registration of a mark in the Philippines by a person described in this section shall be granted until such mark has been registered in the country of origin of the applicant.

131.3. Nothing in this section shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country: Provided, That, notwithstanding the foregoing, the owner of a well-known mark as defined in Section 123.1(e) of this Act, that is not registered in the Philippines, may, against an identical or confusingly similar mark, oppose its registration, or petition the cancellation of its registration or sue for unfair competition, without prejudice to availing himself of other remedies provided for under the law.

Section 160 - Right of Foreign Corporation to Sue in Trademark or Service Mark Enforcement Action

“Any foreign national or juridical person who meets the requirements of Section 3 of this Act and does not engage in business in the Philippines may bring a civil or administrative action hereunder for opposition, cancellation, infringement, unfair competition, or false designation of origin and false description, whether or not it is licensed to do business in the Philippines under existing laws.”

Section 168 - Unfair Competition, Rights, Regulation and Remedies

“A person who has identified in the mind of the public the goods he manufactures or deals in, his business or services from those of others, whether or not a registered mark is employed, has a

property right in the goodwill of the said goods, business or services so identified, which will be protected in the same manner as other property rights.”

II. Implementing Rules and Regulations for Trademarks:

Rule 101 - Registrability. A mark cannot be registered if it:

.....

- (e) Is identical with, or confusingly similar to, or constitutes a translation of a mark which is considered by the competent authority of the Philippines to be well-known internationally and in the Philippines, whether or not it is registered here, as being already the mark of a person other than the applicant for registration, and used for identical or similar goods or services; Provided, That in determining whether a mark is well-known, account shall be taken of the knowledge of the relevant sector of the public, rather than of the public at large, including knowledge in the Philippines which has been obtained as a result of the promotion of the mark.

Rule 102 - Criteria for determining whether a mark is well-known. In determining whether a mark is well-known, the following criteria or any combination thereof may be taken into account:

- (a) the duration, extent and geographical area of any use of the mark, in particular, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- (b) the market share, in the Philippines and in other countries, of the goods and/or services to which the mark applies;
- (c) the degree of the inherent or acquired distinction of the mark;
- (d) the quality-image or reputation acquired by the mark;
- (e) the extent to which the mark has been registered in the world;
- (f) the exclusivity of registration attained by the mark in the world;
- (g) the extent to which the mark has been used in the world;
- (h) the exclusivity of use attained by the mark in the world;
- (i) the commercial value attributed to the mark in the world;
- (j) the record of successful protection of the rights in the mark;
- (k) the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and,

- (l) the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services and owned by persons other than the person claiming that his mark is a well-known mark.

III. Villafuerte Memorandum dated 20 November 1980 (Villafuerte was former Minister of Trade).

Under the old Trademark law, which is Republic Act No. 166, the then Minister of Trade, Luis Villafuerte issued a Memorandum to the Director of then Philippine Patent Office (now the Intellectual Property Office), to reject all pending applications for registration of signature or other world-famous trademarks other than by the original owners or user, and listed the following marks as being well-known:

- (a) LACOSTE
- (b) JORDACHE
- (c) VANDERBILT
- (d) SASSOON
- (e) FILA
- (f) PIERRE CARDIN
- (g) GUCCI
- (h) CHRISTIAN DIOR
- (i) OSCAR DE LA RENTA
- (j) CALVIN KLEIN
- (k) GIVENCHY
- (l) RALPH LAUREN
- (m) GEOFFREY BEENE
- (n) LANVIN
- (o) TED LAPIDOUS

This Memorandum has not been repealed.

IV. Ongpin Memorandum dated 25 October 1983.

Ongpin was a former Minister of Trade. The Ongpin Memorandum laid down the following criteria or combination thereof, in determining whether a mark is well-known:

- (a) Declaration by the Trade and Industry Minister that the trademark is well-known;
- (b) International use of the trademark;
- (c) Registration of the trademark in other countries;
- (d) Possession of substantial goodwill and international consumer recognition;
- (e) Trademark actually belongs to a party claiming ownership and has right to registration thereof under the Paris Convention.

This Memorandum has not been repealed.

V. OTHER SOURCES:

A. Supreme Court Decisions (some examples):

1. Mirpuri vs. CA, et al, G.R. No. 114508, Nov. 19, 1999

In this case, the Supreme Court citing the Villafuerte Memorandum and the Ongpin Memorandum, and the broad powers of the Minister of Trade under Executive Order No. 913, affirmed the declaration of the mark “BARBIZON” as well-known.

2. Sehwni, Incorporated v. In-N-Out Burger Inc., G.R. No. 171053, Oct. 15, 2007

“The Court further affirmed the Decision dated 22 December 2003 of the IPO Director of Legal Affairs holding that herein petitioner had the legal capacity to sue for the protection of its trademarks, even though it was not doing business in the Philippines, and ordering the cancellation of the registration obtained by herein respondent Sehwni, Incorporated of the *internationally well-known marks of petitioner*, and directing respondents to stop using the said marks. The IPO declared the mark IN-N-OUT BURGER, as well-known.

VI. CURRENT INITIATIVES OF THE INTELLECTUAL PROPERTY OFFICE

Heeding the suggestions of the IP practitioners, the IPO has informally stated that it is working on and including in its program the setting up of a well-known mark registry.

ROMANIA

Contributor: Ms. Doina Tuluca (Partner) and Delia Belciu (Senior Associate)

NESTOR NESTOR DICULESCU KINGSTON PETERSEN

Bucharest

Romania

Romanian law no. 84/1998, regarding trademarks and geographical indications, as republished, (“Law 84/1998” or the “Trademarks Law”), contain provisions regarding both notorious trademarks and those that have a reputation in Romania or in the European Union.

The concept of **notorious trademark** is expressly defined by the Trademark law as opposed to the concept of reputed trademarks, as a mark largely known in Romania in the sector of the public targeted by the products or services for which the mark is applied, **without being necessary for the mark to have been registered or used in Romania** in order to be opposed. The opposed trademark has to be notorious on the filing or priority date of a trademark application.

The Trademark Law provides among the relative grounds for refusal at registration of a trademark application or of cancellation of a registered trademark, the marks that (i) **are identical** with a **notorious trademark** and are to be registered or have been registered for **products and services** which are **identical** with those for which the notorious trademark is protected or (ii) the marks that due to their **identity or similarity** with a **notorious trademark** and the **identity or similarity of the products and services** for which such are to be registered or have been registered there is a **likelihood of confusion on the part of the public, including the likelihood of association** with the notorious trademark. Moreover, the titleholder of a notorious trademark may request to the competent court to forbid a third party from using, without his consent, a sign which due to its identity or similarity with the notorious trademark and the identity or similarity of the products or services there is a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark.

With respect to the trademark that has a reputation in Romania or in the European Union, the Trademark Law provides among the relative grounds for which a trademark application is refused at registration or cancelled, if registered, the marks that are **identical or similar** to an earlier Community trademark or national trademark and are to be registered or have been registered **for products and services that are not similar with those for which the earlier Community or national trademark is registered**, when the earlier Community or national trademark has a **reputation in the European Union or Romania** and if by **the use of the subsequent trademark it would take unfair advantage of the distinctive character or of the reputation** of the earlier Community or national trademark. Moreover, the titleholder of a trademark that has a reputation in Romania or in the European Union may request to the competent court to forbid a third party from using, without his consent, a sign identical or similar to its trademark for products or services different from those for which the trademark is registered if by such use it would be taken unfair advantage of the distinctive character or of the reputation of the earlier Community or national trademark.

The trademarks that have a reputation in Romania or in the European Union are registered trademarks as opposed to notorious trademarks that do not have to be necessarily registered. Nevertheless, no specific criteria are provided by the law in order to establish if a trademark has a reputation in Romania or the European Union. SOIT's examiners and the competent courts establish at their sole appreciation, on a case by case basis, depending on the provided evidence and the factual situation, if a trademark has a reputation in Romania or in the European Union.

The Romanian doctrine sustains that the trademarks that have a reputation are those that have become known to a significant part of the targeted public, fact that might be proven by any means of evidence. In addition, it has to be also proven the manner in which it would be taken unfair advantage of their distinctive character or of their reputation by the registration of a subsequent trademark.

In what concerns the notorious character of a trademark, the Trademark Law provides the following criteria in order to determine such:

- (i) distinctive character, initial or acquired, in Romania;
- (ii) duration and the extent of use in Romania of the notorious trademark in relation to products and services for which the mark is requested at registration;
- (iii) duration and extent of the advertising of the notorious trademark in Romania;
- (iv) geographical area of use of the notorious trademark in Romania;
- (v) degree of awareness of the notorious trademark on the Romanian market by the sector of the public to which such is addressed;
- (vi) existence of identical or similar trademarks for identical or similar products belonging to other person than the one that claims that its trademark is notorious.

When examining the relative grounds on the basis of the criteria mentioned herein above, Romanian State Office for Inventions and Trademarks ("SOIT") may request to public authorities, institutions, as well as to the private law legal persons documents in order to establish the notorious character of a trademark in Romania.

The Regulation for the implementation of the Trademark law, as approved by Government Decision no. 1134/2010, (the "Implementation Regulation"), provides that in order to establish if a trademark is notorious it is sufficient for such to be largely known on the Romanian territory and to the sector of public in Romania to which such is addressed.

The sector of public is to be established, according to the Implementation Regulation, on the basis of the following elements:

- (i) category of consumers targeted for the products or services to which the trademark refers to; the identification of the category of consumers is made on groups of consumers of certain products or services in relation to which the trademark is used;
- (ii) distribution networks of the products or services to which the trademark refers to.

Neither the Trademark Law or the Implementation Regulation establish a certain percentage of the targeted sector of public in order to determine the largely known character of a notorious trademarks, leaving thus at the sole appreciation of SOIT's examiners and of the competent courts the task of determining, on a case by case basis, if a trademark is notorious or not.

The degree of awareness of a trademark by the public may be appreciated, according to the Implementation Regulation, by taking into account its promotion, including advertising and promotion of the products or services to which the trademark is applied at fairs or exhibitions. In a case, a Romanian court has appreciated that even if a certain volume of sales and stocks has been proved, as well as the fact that the trademark in question has been promoted at fairs and exhibitions, obtaining several distinctions, all these evidences having thus the nature of proving that that trademark is known to the targeted segment of public, the lack of any proof as to the percentage of public that knows this trademark has been considered as not proving the largely known character of the trademark and therefore its notorious character has not been proved beyond any doubt.

The notorious character of a trademark may be proven by any means of evidence, as such is not retained *ex officio* by SOIT or by a competent court.

In order to sustain the notorious character of a trademark on the Romanian territory it might be presented documents as those regarding:

- (i) the commercialization or the placing for sale of products or the supply of services under the notorious trademark;
- (ii) import or export of the products on which the notorious trademark is applied;
- (iii) advertising of the products and services under which the notorious trademark is known in Romania.

Although notorious trademarks have a legal defined framework and to a certain extent also the trademarks that have a reputation in Romanian or in the European Union, the lack of express and determined criteria lead to a subjective interpretation and to a case law that is sometimes not uniform.

SINGAPORE

Contributor: Mr. Kim Tean Ng

Nanyang Law-H² Alliance
Singapore

It is trite law that the trinity of classic elements of (1) goodwill, (2) misrepresentation and (3) damages must be present in order to succeed in an action of tort of passing off. Traditionally, the Singapore Courts adopt a ‘hard-line’ approach which emphasizes the divisible nature of goodwill and Intellectual Property Rights. If a trader conducts a business in several countries, a separate goodwill is attached to the trader’s business in each jurisdiction, and it follows that if a foreign trader does not have a business presence in the Singapore market, there will be virtually no goodwill and therefore, there will be no remedy under the law of passing off.

In year 2004, the 1998 Singapore Trade Marks Act was amended to invoke statutory remedy for the proprietor of ‘well-known’ marks *“to restrain by injunction the use in Singapore, in the course of trade and without the proprietor’s consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor’s trade mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.”*

Section 55(1) of the Trade Marks Act stipulates that:

“A well-known trade mark shall be entitled to protection under this section:

- (a) whether or not the trade mark has been registered in Singapore, or an application for the registration of the trade mark has been made to the Registrar; and*
- (b) whether or not the proprietor of the trade mark carries on business, or has any goodwill, in Singapore.” [our emphasis]*

The wording of Section 55 of the Trade Marks Act suggests provision of statutory rights for a proprietor of well-known marks to restrain unauthorised use of an identical or similar mark by other traders, whether or not the proprietor of the well-known mark has goodwill in Singapore.

The doctrine of well-known marks and relevant statutory provisions were discussed in detail by the Singapore courts in the recent High Court decision of *Amanresorts Ltd and another v Novelty Pte Ltd* and more extensively in the Court of Appeal decision *Novelty Pte Ltd v Amanresorts Ltd and another* (hereinafter collectively referred to as “the Amanusa Case”)

In this case, the Defendant was a real estate developer while the Plaintiff was an umbrella of management owning a chain of ultra-luxurious “AMAN” resorts and spas worldwide. The Defendant had named its latest real estate development as “AMANUSA”, identical to one of the Plaintiff’s chain of resorts located in Bali. The Plaintiff did not have a trade mark registration of the mark “AMANUSA” in Singapore and thus brought an action of passing off against the

Defendant, and sought protection of their mark under Section 55 of the Trade Marks Act. The Plaintiff only relied on Section 55(3)(a) of the Trade Marks Act. For purposes of this paper, we set forth below Section 55(3) of the Trade Marks Act as follows:

“Subject to subsections (6) and (7), the proprietor of a well-known trade mark shall be entitled to restrain by injunction the use in Singapore, in the course of trade and without the proprietor’s consent, of any trade mark which, or an essential part of which, is identical with or similar to the proprietor’s trade mark, in relation to any goods or services, where the use of the trade mark

(a) would indicate a connection between those goods or services and the proprietor, and is likely to damage the interests of the proprietor; or

*(b) if the proprietor’s trade mark is **well-known to the public at large in Singapore***

(i) would cause dilution in an unfair manner of the distinctive character of the proprietor’s trade mark; or

(ii) would take unfair advantage of the distinctive character of the proprietor’s trade mark.” [our emphasis]

The Judge not only found that the Plaintiff’s claim in the tort of passing off was made out, but also held that “AMANUSA” is a well-known mark in Singapore, within the interpretation of Section 2(7), 2(8) and 2(9) of the Trade Marks Act. Despite the Defendant’s arguments that “the relevant sector of the public in Singapore” in Section 2(8) of the Trade Marks Act refers to the actual and/or potential consumers of the defendants, the Judge found that the trade mark in question, refers to the plaintiff’s trade mark and therefore, the goods or services in question shall be the plaintiff’s. The degree of recognition of the alleged well-known mark by the relevant sector shall be taken into consideration, when determining whether a mark is considered ‘well-known’. Holding that the Plaintiff’s mark is a well-known trade mark, the Judge granted a declaration that the Plaintiff’s mark is a well-known trade mark in Singapore and an injunction against the Defendant and anyone acting on its behalf from using the Plaintiff’s well-known trade mark.

Qualifiers as a “well-known trade mark in Singapore” to be bestowed protection under Section 55 of the Trade Marks Act was discussed more extensively in the Singapore Court of Appeal (hereinafter referred to as “the SGCA”) decision of the Amanusa Case, but the findings of SGCA were the same as the trial Judge.

The endorsement of Section 55 as statutory rights for protection of well-known marks in Singapore was reinforced again in the decision of *Louis Vuitton Malletier v City Chain Stores (S) Pte Ltd and another matter* and in relation to an action against the Defendant’s use of a flower device (“the Solvil Flower”), which is identical or similar to the Plaintiff’s flower devices, “the Flower Quaterfoil” and “the Flower Quaterfoil Diamond” (collectively referred to as “the Plaintiff’s Trade Marks”) on their watches under Section 27 and Section 55(3) of the Trade Marks Act for trade mark infringement and protection of well-known marks, respectively. The Judge in considering Section 55(3)(b) of the Trade Marks Act on whether the mark is “well-known at large in Singapore”, held that:

“In my view, the individual elements, namely the (Plaintiff’s) Trade Marks here, are distinctive in their own right. They are conspicuous in design and each element is clearly and repeatedly set out in the whole. I see little room for doubt that they would be as easily recognisable as the Monogram by the public at large here. I find the Trade Marks do qualify as well-known trade marks under the Act”.

Since the Plaintiff’s flower devices were found to be well-known, the Plaintiff succeeded in its claims for dilution of well-known mark under Section 55(3)(b). Interestingly, the Judge did not discuss the test to be applied to render the Monogram well-known to the public at large in Singapore in detail.

When the Defendant appealed the trial Judge’s decision, the SCGA held that in order to fall within the ambit of “well-known to the public at large in Singapore”, the mark must necessarily enjoy a much higher degree of recognition and must be recognised by *most* sectors of the public. The SCGA was unable to agree with the trial Judge’s decision that by virtue of the fact that because the mark is distinctive on its own, it is considered well-known. The SCGA reversed the trial Judge’s decision that the Plaintiff’s mark is well-known to the public at large under Section 55(3)(b).

Grounds of refusal for acceptance of marks identical or similar to a well-known trade mark can also be found in Section 8(3) and 8(4) of the Trade Marks Act (*See also Mobil Petroleum Co, Ltd v Hyundai Mobis [2009] SCGA 38 in relation to opposition under Section 8(3)*).

The landmark decision of the Amanusa case clearly defines the endorsement of protection of well-known marks in Singapore and somewhat erodes the concept of territorial nature of Intellectual Property Rights taken in the traditional ‘hard-line’ approach. Nevertheless, the decisions by the Courts certainly inject a balancing act as to whether a trade mark ought to be considered well-known, based on the merits of each case.

SOUTH AFRICA

Contributor: Mr. Alan Smith

ADAMS & ADAMS
Johannesburg
South Africa

South Africa is a member of the Paris Convention for the Protection of Industrial Property. South Africa's obligations are effective from 31 August 1991.

What is protected?

In terms of Section 35(1) of the Trade Marks Act, the proprietor of a trade mark that is entitled to protection under the Paris Convention as a well-known trade mark is entitled to restrain the use in the Republic of a trade mark that constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of the well-known trade mark in relation to goods or services which are identical or similar to the goods or services in respect of which the mark is well-known.

The scope for the enforcement is narrower than that in respect of a registered trade mark. The proprietor of a well-known trade mark must prove that the infringing mark is a reproduction, imitation or translation of the well-known mark, whereas the proprietor of a registered trade mark may prevent the unauthorised use of marks that are confusingly similar to the registered trade mark.

Criteria to qualify

A claimant may enforce its Convention rights in South Africa if it meets the requirements of Sections 35(1)-(4) of the Trade Marks Act 194 of 1993. Based on the principle of reciprocity that is central to the Paris Treaty, Section 35(1) of the Trade Marks Act indicates that persons who are entitled to claim convention rights are those persons who are nationals of convention countries or those who are domiciled, or have a real and effective industrial or commercial establishment, in a convention country.

Persons who qualify for protection in terms of Section 35(1) need not carry on business in or otherwise have any goodwill based on trade in South Africa, provided that the mark in question qualifies as a "well-known" trade mark for the purposes of the Trade Marks Act.

The legal criteria for "well-known"

Section 1 1(A) of the Trade Marks Act indicates that, in determining whether or not a mark is well-known in South Africa, due regard shall be given to the knowledge of the trade mark in the relevant sector of the public.

Section 1 1(A) is an amendment to the Trade Marks Act that followed the only significant decision of the Supreme Court of Appeal that dealt with the meaning and definition of a “well-known” trade mark, *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd. and Another; McDonald's Corporation v Dax Prop CC and Another; McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd. and Another* 1997 (1) SA 1 (SCA). The amendment brings the Trade Marks Act in line with the findings of the Supreme Court of Appeal.

In the McDonald’s case, the Supreme Court of Appeal considered carefully that South Africa is an extremely diverse country with large differences in wealth, education and consumer knowledge. The Court *a quo* had struggled to admit the survey data submitted by McDonalds due to those disparities.

In deciding whether or not the trade mark **MCDONALDS** was well-known in South Africa, the Supreme Court of Appeal indicated that the test to determine if a foreign mark is well-known in South Africa is whether or not a “substantial”, that is “not negligible”, number of persons who are interested in the goods or services of the proprietor are aware of the mark. As the mark **MCDONALDS** is used globally in relation to services, the Court determined that persons in the food franchising industry constituted the relevant sector of the public. McDonald’s was successful in proving that a significant number of those persons was aware of the mark **MCDONALDS**, which was held to be well-known in the services industry in South Africa.

Exemption from non-use

Trade mark registrations may be removed from the Register if there has not been relevant use for 5 years. In terms of Section 27(5) of the Trade Marks Act, a mark that is well-known in terms of section 35(1) may not be removed from the Register of Trade Marks after the expiry of the 5 year non-use period. However, proprietors of well-known trade marks must be aware that the exemption only applies to goods or services in respect of which the mark is well-known. It is therefore possible that, after the 5 year non-use period expires, registrations for well-known marks that are registered broadly in respect of all the goods or services under a class heading may be partially cancelled so that the registrations are restricted to the specific goods or services in relation to which the proprietor can show that its mark is well-known.

SPAIN

Contributor: Ms. Elia Sugrañes

SUGRAÑES

Barcelona

Spain

Well-known trademarks have been regulated by the Directive (First Council Directive 89/104 EEC of 21st December 1988 to approximate the laws of the member states relating to Trademarks) providing that any member may stipulate the protection of a well-known national trademarks under the same conditions. The provision also foresees the concept and definition of a well-known trademark and the cases in which it is stated that a trademark infringement exists. The referred provision was harmonized in the national Trademark Act 17/2001 of 7 December 2001. Following the Trademark Law Revision of 2001, well-known trademarks in Spain have been more clearly defined and granted broader protection in the concept of being “well-known” and “reputed” trademarks.

Under the Spanish legal system, well-known trademarks are defined as being those that are broadly known to the pertinent sector of the public for the goods, services or activities covered by the trademark, as a result of the volume of sales, the extent of duration, the geographic scope of use, the value of prestige attained in the marketplace or for any other reason. Also, provided the requirements stipulated above are duly satisfied, the greater the degree of knowledge of the trademark in the pertinent sector of the public or in other related sectors, the more dissimilar in nature may be the goods, services, or activities to which protection will extend. The provision ends by stating that when trademarks are familiar to the public in general, they shall be deemed to be well-known, and the scope of protection shall extend to all goods, services or activities.

There are two basic concepts to conclude from the definition stated at the Act: that it is precisely a higher than normal degree of knowledge that causes a sign to be deemed to be well-known or reputed, stating consequences to block registrations later filed and to the scope of the *ius prohibendi*, as well as the differences between “well-known” and “reputed” trademarks.

Thus, the Spanish terms “*notoria*” translated as “well-known” and “*renombrada*” translated as “reputed” can be deemed equivalent to the English terms “well-known trademark” and “famous trademarks”, and that is how these terms will be used in the two languages in this Report, although there are some specific references to the “reputed trademarks” in laying down the scope of *ius prohibendi*, or when laying down conditions relating to situations in which damages arise, and as a cause of compensation for damage suffered, or for refusing registration for confusingly similar names of legal persons.

One of the basic conclusions when summarizing the status of well-known trademarks in Spain is that in keeping the principle of requiring trademark rights to be acquired through registration, the Trademark Act has laid down mechanisms for enhanced protection where a sign is not only well-known, but has also been registered, given that registration always removes ambiguity attaching to rights and offers legal certainty for third parties, *via* their access to the entries made in the corresponding Trade Marks Register. Another relevant aspect, is that protection of well-known and reputed marks in Spain extends not only to the defence of these rights at the administrative

level, but also to legal actions that can be taken against conflicting third parties, as well as to the legal safeguards that can be brought to bear against infringements of rights in the course of trade.

Finally, it is relevant to mention that the Commission is reviewing the protection of trademarks in Europe, including the European Community and each of the National legislation and some changes might occur during this year, although it is not expected that much will change in relation to famous trademarks.

TAIWAN

Contributor: Wu-Shung Houng

LOUIS INTERNATIONAL PATENT OFFICE

Taipei

Taiwan

I. General Information

Except for the World Trade Organization (WTO), Taiwan has not yet become a signatory to most of the international conventions that provide for transnational trademark protection, including the Madrid Agreement Concerning the International Registration of Marks, the Paris Convention for the Protection of Intellectual Property and the Convention Establishing the World Intellectual Property Organization, due to some political and diplomatic reasons. However, in order to harmonize with the global community and to meet with the Trade-related Aspects of Intellectual Property Rights (TRIPs), Taiwan has legislated in her Trademark Laws to protect well-known trademarks by adopting rules stipulated in Item (12), Paragraph 1 of Article 23 of the Trademark Act and the Fair Trade Act. As for the Fair Trade Act, it is not to be detailed here because this article merely defines the scope of the protection covered by the Trademark Act.

It is stipulated in Item (12), paragraph 1 of Article 23 of the Trademark Act that “*a trademark application shall be rejected if the proposed trademark is identical or similar to another person’s well-known trademark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of said well-known trademark or mark.*” That is, a well-known trademark can be protected under either of the two following cases: (i) “*where the source identified by a well-known trademark is likely to be confused,*” and (ii) “*where the distinctiveness and the reputation of the well-known trademark are likely to be diluted.*” The implementing details of this article are specified in the Examination Guidelines for the Protection of Well-known Trademarks under Item (12), Paragraph 1 of Article 23 of the Trademark Act which was promulgated on November 9, 2007. In addition, the Examination Guidelines on “*likelihood of Confusion,*” which was promulgated on May 1, 2004, can also be applied to decide whether “*likelihood of confusion*” in this Article has been taken place or not.

Further, it is stipulated in Item (1) of Article 62 of the Trademark Act that “*knowingly using a trademark identical or similar to a well-known trademark of another person, or using the word(s) contained in said well-known trademark as a company name, a trade name, a domain name or any other representation identifying the body or source of whose business, and hence diluting the distinctiveness or reputation of said well-known trademark, shall be deemed trademark infringement if consent of the well-known trademark holder is absent.*”

To apply the above-mentioned regulations, the following rules shall also be adopted. First, to decide whether a trademark is well-known or not, shall be based on the fact at the time of filing

(Paragraph 2, Article 23 of the Trademark Act). Second, any invalidation against a trademark of which the registration violates a well-known trademark shall be requested or inquired within five years from the publishing date thereof. Nevertheless, the prescribed five-year period shall not apply to a trademark which is registered in bad faith.

Registration of a trademark with the Office in Taiwan is not a pre-condition for determining if the trademark is well-known. As a member of the WTO, Taiwan also has to comply with Article 6*bis* of the Paris Convention to protect unregistered well-known trademarks.

It must also be reminded that there is currently no special system for a trademark holder to file a request for recognizing his/her trademark as a well-known trademark in Taiwan. In other words, every one of the well-known trademarks in Taiwan is individually determined by the Examiner or the Judge in each invalidation case of civil case.

II. Recent Cases

In 2008, the Intellectual Property Office collected all cases regarding well-known trademarks from 2003 to mid-2008 in Taiwan, including the cases decided by the Intellectual Property Office, the Courts, and the Fair Trade Commission and Taiwan Network Information Center. These cases are compiled into a case directory, which was updated on June 30, 2009 to include the cases decided from July, 1 2004 to June 30, 2009. Some of the most important issues with regard to well-known trademarks are detailed as follows:

(i) Determination of Well-known Trademark

Whether a trademark is well-known or not should be determined by recognition of domestic consumers. However, a trademark, which has never been used domestically, can still be deemed well-known if objective evidence shows that the reputation of the trademark established through extensive use in other countries has also reached Taiwan. (“Bread Superman” case decided by the Taipei High Administrative Court as Case No. 93-Su-4268 dated December 30, 2005.) In considering the reputation of the trademark in Taiwan, any information proving that the goods of the trademark have been extensively covered by newspapers or magazines sold in Taiwan, or that the trademark has been widely and frequently discussed on the Internet in Chinese, can be regarded as objective evidence.

Generally, the Examiner or the Judge determines whether a trademark is well-known or not based on the following factors:

- (1) the strength of the distinctiveness of the trademark;
- (2) the extent to which the relevant enterprises or consumers know or recognize the trademark;
- (3) the duration, scope, and geographical area of use of the trademark;
- (4) the duration, scope and geographical area of promotion of the trademark;

- (5) whether the trademark has applied for registration or has been registered, and the term, scope and geographic area thereof;
- (6) any record of successful enforcement of the trademark, especially that the trademark has been recognized as a well-known trademark by an administrative or judicial authority;
- (7) the value of the trademark; and
- (8) other factors that could be considered in determining whether a trademark is well-known or not.

(“Intel” Case decided by the Intellectual Property Court as Case No. 97-Minsangsangen1-1 dated November 13, 2008.)

Further, when taking the above factors into consideration, the following information can be used as supporting evidence: invoices, distribution documents, detailed statistics concerning the sales, market shares, domestic and foreign advertising information from mass media, the ranking of sales, the ranking of advertising volume, a brief description of the company or the company’s history showing the time that the trademark was created and the continual use of the trademark, a certificate of registration or a list of worldwide registrations, a relevant certificate or a market survey report provided by a credible organization, and documents of an opposition decision, and invalidation decision or a Court decision.

Based on the above, it is recommended that the evidence for demonstrating the use of a trademark should include an expression of the trademark and the date of the evidence, or otherwise be supplemented by any information that may be used to identify the trademark in use and the date/period of use.

(ii) Determination of Likelihood of Public Confusion

In applying the forepart of Item (12), Paragraph 1, Article 23 of the Trademark Act, the Examination Guidelines on “likelihood of confusion” can be used for determining whether there exists a likelihood of confusion. According to the Examination Guidelines, the following factors shall all be considered: the strength of the distinctiveness of the trademark; whether the relevant goods or services are similar; the degree of similarity between trademarks; whether the prior holder has diversified operation in various fields and the extent to which relevant consumers are familiar with the respective trademarks. If two trademarks have been coexisting in the market for a considerable period of time that relevant consumers of the goods or services have come to know both of the trademarks and are able to distinguish them from each other, there is no likelihood of confusion.

(“Sanyang” case decided by the Intellectual Property Court as Case No. 97-Sinsangen1-1 dated August 6, 2009.)

(iii) Determination of Dilution

In Taiwan, the Trademark Act stipulates two types of trademark dilution, i.e., “likelihood of dilution of the distinctiveness of well-known trademarks” and “likelihood of dilution of the reputation of well-known trademarks.” In that mechanisms of anti-dilution protection may extend into the market where a conflict of interest is not obvious, it gives rise to a risk of monopoly of particular words, devices, or symbols. In order to reduce the risk of monopoly, the Examiner or the Judge requests that the trademark requiring anti-dilution protection should have a higher level of reputation.

(“San-jing” case decided by the Intellectual Property Court as Case No. 98pSinsansu-49 dated July 16, 2009.)

To determine if there exists likelihood of dilution, the following factors shall be considered:

- (1) the extent to which the trademark is well-known;
- (2) the degree of similarity between trademarks
- (3) the extent to which the trademark is used on other goods or services; and
- (4) the degree of inherent or acquired distinctiveness of the well-known trademark.

(“DaAiWuSen & Device” case decided by the Intellectual Property Court as Case No. 98-Sinsansu-132 dated October 29, 2009.)

THAILAND

Contribution: Mr. Kowit Somwaiya

LAWPLUS LTD
Bangkok
Thailand

Under Section 8 (10) of the Trademark Act, the Trademark Office is not allowed to register “a mark which is identical with a famous and well-known mark, registered or not, pursuant to the rules prescribed by the Minister or which is confusingly similar thereto that the public might be confused as to the proprietor or origin of the goods”.

It is also possible to seek cancellation of the registration of any trademark that is identical or confusingly similar to a well-known trademark upon application by the owner of the famous mark. In order to be successful, the owner must establish that because of the similarities between the two marks, the public might be confused as to the identity of the proprietor or of the origin of the goods.

A recent example is Judgment No. 8834/2542, where the Supreme Court upheld the Trade Mark Board’s decision to cancel five registrations of the logos of A.C. Milan, Parma A.C., Juventus F.C., Argentina Football Association and Ajax Amsterdam F.C. by a Thai national. The Supreme Court held that the marks were confusingly similar to the well-known football team logos and therefore would cause confusion to the public, if they were used to sell similar goods to those sold by the clubs.

There is also criminal action against a person who uses the mark in bad faith with intention to benefit from the good will of the famous mark. However, it remains unclear whether these provisions will have the effect of adopting the anti-dilution laws of the EU and the US.

Thailand has also set up a Famous and Well-known Marks Committee, which reviews applications for well-known marks to be registered. The committee will accept a mark that is well-known if the goods or services used with the mark have been continuously and extensively sold, used or advertised in Thailand or abroad to the extent that it is well-known and recognised by the general public in Thailand. As of April 2010, the committee has received applications to deposit 183 marks as well-known marks, approving 75 of them. Among them include Red Bull, Gucci, Seiko and Lacoste. This appears to be somewhat similar to defensive trade mark provisions as a trade mark that is given ‘well-known status’ under the ministerial notification will be given cross-class protection.

Consequently, Thailand, by adopting the Paris Convention and TRIPS Agreement, has provided protection of famous marks. It has also developed a rather unique committee which solely determines whether a mark is well-known. On the other hand, it appears that there are no provisions which will extend to protection against dilution of an owner’s reputation.

UNITED KINGDOM

Contribution: Mr. Stephen Geary

Bawden & Associates
Shropshire
United Kingdom

Well-known Marks

Section 56 of the *Trade Marks Act 1994* expressly makes Article 6bis of the *Paris Convention* and Article 16 of TRIPS protecting “well-known marks” part of UK domestic legislation.

To qualify for protection, a trade mark must be well-known in the UK. The owner must be a national of, domiciled in or have a real and effective commercial establishment in a Convention country.

The concept of “well-known” means a substantial degree of recognition amongst the public in a substantial part of the UK. It is clear that some very high percentage of recognition would be required but unlikely that a UK court would be so prescriptive as to follow the German Court’s requirement of 80% recognition.

In *Cipriani SRL and ors v Cipriani (Grosvenor Street) Limited [2008] EWHC 3032* the English High Court set out a flexible, non exhaustive, basic framework for assessment of whether the mark CIPRIANI was well-known. The court applied the six criteria contained in Article 2 of the 1999 *Joint Recommendation concerning the Protection of Well-Known Marks of the Assembly of the Paris Union for the Protection of Intellectual Property and the General Assembly of the World Intellectual Property Organisation* which are, in summary:

- the degree of knowledge or recognition of the mark in the relevant sector of the public;
- the duration, extent and geographical area of any use of the mark;
- the duration, extent and geographic area of any promotion of the mark;
- the duration and geographical area of any registrations or applications for registration of the mark to the extent they reflect use or recognition of the mark;
- the record of successful enforcement of the mark and in particular whether courts in other jurisdictions recognised that the mark was well-known; and
- the value associated with the mark.

There is no requirement for the owner of the well-known mark to carry on any business or have any goodwill in the UK.

Section 56 of the Trade Marks Act 1994 confers upon the owner of the well-known mark the right to an injunction to restrain use of an identical or similar mark in the UK which is used for identical or similar goods or services where there is a likelihood of confusion. These rights are lost if the owner acquiesces for five years or more or the third party commenced use prior to the 31st October 1994. Well-known marks may form the basis of opposition or invalidation proceedings.

Where a claimant has registered rights there may still be advantage in relying on Section 56 Trade Marks Act 1994. For example, it is a defence in UK registered trade mark infringement proceedings that the defendant is honestly using his own name. No such defence applies to a claim based on a right to a well-known mark.

Preparation of evidence that a mark is well-known is costly and time-consuming. As financial remedies are not available in the UK for the unauthorised use of a well-known mark, an owner should consider whether it has any grounds in passing-off in the absence of registered rights to provide a basis for financial remedy.

However, there are limitations to passing-off actions which make it attractive for claimants with businesses outside the UK to rely on rights to well-known marks. A claimant in a passing-off action has to establish that it has business goodwill in the UK as distinct from reputation. In *Anheuser-Busch Inc v Budejovicky* [1984] FSR 413 the absence of any trade in beer marked BUDWEISER in the UK meant there was no protectable goodwill even though the trade mark BUDWEISER had “reputation” in that it was well-known to the public as a famous American beer. However, in *Cipriani SRL and ors v Cipriani (Grosvenor Street) Limited* [2010] EWCA Civ 110 the English Court of Appeal held that the famous Venetian Hotel Cipriani could establish protectable goodwill in its name in the UK through targeting and attracting a significant number of UK customers even though it had no business premises in the UK. The distinction between the *Cipriani* and the *Anheuser Busch* cases is that the former applies to services and the latter to goods.

The *Trade Marks Act 1994* provides for a special kind of protection available to trade marks which have a “reputation”. Use of an identical or similar mark which would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character or the repute of a registered trade mark with a reputation is a trade mark infringement. There is no need to show likelihood of confusion. Protection for marks with a reputation extends to goods and services which are dissimilar to those specified in the trade mark registration. In *Intel Corporation Inc v CPM United Kingdom Limited* Case C-252/07 (ECJ*), the court confirmed that there must be a link between the marks the damage envisaged by Section 10(3) of the Act.

Opposition or invalidation proceedings may also be based on an earlier mark with a reputation.

**now called the Court of Justice of the European Union (CJEU)*

Marks with Reputation

Section 10(3) of the *Trade Marks Act 1994* provides for a special kind of protection available to trade marks which have a “reputation”. Such marks are sometimes called “well-known marks”.

Use of an identical or similar mark which would, without due cause, take unfair advantage of, or be detrimental to, the distinctive character or the repute of the registered trade mark with a reputation is a trade mark infringement.

Reputation means known by a significant part of the public concerned for the products or services covered by the registration. Reputation must be in the place where the trade mark registration pertains. This is relatively straightforward for a UK national registered trade mark. However, in *Pago International v Tyrolmilch registrierte Genossenschaft* Case C-301/07, the European Court of Justice (ECJ)*, considered what this meant for a Community Trade Mark (CTM) registration. A CTM registration is a unitary right enforceable by the national courts of each member state of the European Union (EU). The ECJ held that reputation in one member state of EU, namely Austria, was sufficient to establish reputation throughout the entire EU even though Austria accounts for only 1.7% of the EU population.

It is not necessary to establish likelihood of confusion. The protection extends to goods or services which are dissimilar to those specified in the trade mark registration.

However, there has to be a “link” between the registered trade mark and the defendant’s mark. In *Intel Corporation Inc v CPM United Kingdom Limited* Case C-252/07 the ECJ stated that a link was established if there was a likelihood of confusion on the part of the average consumer, or if the defendant’s mark called the mark with a reputation to the mind of the average consumer.

The court “globally appreciates” the factors relevant to this “link”. These include the degree of similarity between the two marks, the degree of similarity between the sets of goods and services sold by reference to the marks and the degree of reputation and distinctive character. There is interdependence between the factors. The closer the marks are, the more likely there is to be a link. However, the further apart the goods or services are, the less likely there is to be a link, regardless of how similar the marks are. Similarly, the greater the distinctive character and reputation of the mark, the more likely that there is to be a link. This too, may be offset by dissimilarity between the respective goods or services.

In addition to the link, the mark with a reputation must also suffer or be likely to suffer at least one of the following forms of damage:

- *Taking unfair advantage of the distinctive character or repute* of the mark with a reputation (free-loading) requires that some real economic advantage has been obtained by the defendant, such as misappropriation of goodwill. It has to be unfair in the sense that the defendant should have paid for it or made its own effort at marketing. There is no need to show detriment.
- *Causing detriment to the distinctive character* means damaging the capacity of the mark with a reputation to enable consumers to denote the origin of goods or services (also known as blurring or dilution). In *Intel*, the ECJ stated that causing detriment to the distinctive character of the mark with a reputation requires evidence of a serious likelihood of some change in the economic behaviour of consumers. According to the English courts, this must be likely to cause real and tangible harm. The most likely way to satisfy this requirement is to show that the average consumer is confused into believing that the owner of the mark with a reputation is extending its range of goods or services to those of the defendant.

- *Causing detriment to the repute* of the mark with a reputation means sullyng or debasing it by association with something unseemly. It is sometimes called tarnishing. In *Intel*, the ECJ did not comment on whether causing detriment to the repute of the mark with a reputation also requires evidence of a serious likelihood of some change in the economic behaviour of consumers which causes some harm. It is logical to assume so.
- *Without due cause* means that once the owner of the mark with a reputation has established the other factors the defendant has the burden to show that the use complained of is “with due cause”.

Opposition or invalidation proceedings may also be based on an earlier mark with a reputation.

The practical effect of the *Intel* decision is that proceedings based on causing detriment to the repute or distinctive character of marks with reputation are becoming more expensive because of the additional evidential burden of showing change in the economic behaviour of consumers. There is a temptation to rely on survey evidence. Compiling survey evidence is expensive and the English courts treat it with caution.

VIETNAM

Contribution: Mr. Nguyen Anh Ngoc

INVESTIP

Hanoi

Vietnam

Vietnam has also ratified the Articles of the TRIPS Agreement and Paris Convention in relation to Famous marks. Its legislative provisions replicate Article *6bis* of the Paris convention holding that where there is a likelihood of confusion as to the origin of the goods and/or services or an inaccurate impression of the connection between the owner of the well-known trade marks and others, the mark should not be registered, even if it is in respect of dissimilar and irrelevant goods and/or services.

Article 6.3(a) holds that the ownership of well-known-marks shall be established on the basis of use independently from registration procedures. This means that famous marks will be protected in Vietnam, regardless of their registered status.

Article 4.20 defines a well-known mark as a mark that is widely known throughout the territory of Vietnam. Article 75 then goes on to define the criteria to be taken into account when considering the well-known status of a mark as:

1. The number of the related consumers who are aware of the mark through purchase or use of the goods or services bearing the mark or through advertising;
2. the territorial scope of circulation of the goods/services bearing the mark;
3. the turn-over of the sale or supply of the goods or services bearing the mark or the volume of the goods sold or the services supplied;
4. the period of continuous use of the mark;
5. widespread goodwill of the goods/services bearing the mark;
6. the number of the countries granting protection to the mark;
7. the number of the countries recognizing the mark as well-known; and
8. the value of assignment, licensing price, or the value of investment capital contribution in respect of the mark”.

Consequently, in addition to providing protection for famous marks in accordance with the Paris Convention and TRIPS Agreement, Vietnam has gone further by attempting to compose a non-exhaustive list of factors that will be relevant when seeking to establish that a mark is well-known in Vietnam.