New focus on external relations

An interview with MARQUES External Relations Officers Alessandra Romeo and Paola Tessarolo.

A new **MARQUES** external relations committee is set to coordinate activities with IP offices and other institutions, in a recognition of the need to support the work of various teams in addressing IP policy issues. Among those working on the committee will be **MARQUES** External Relations Officer Alessandra Romeo and her deputy, Paola Tessarolo. Speaking last month, they explained what their roles involve and some of the issues they are working on.

New roles

Paola moved to Barcelona eight years ago and is now head of IP prosecution for Baker & McKenzie in Spain, where she leads a group of six people. "I moved to Spain after the 2002 crisis in Argentina," she says. "It was a good time to travel and study and I thought I would only stay one year, but I got a good job and am still here!"

An attorney admitted in Argentina, Paola is now validating her law degree in Spain. She took on the role with **MARQUES** last June and spends about eight hours a week on **MARQUES** work.

Alessandra lives and works in Turin, Italy. She has been a chartered Italian and European trade mark attorney since 1996. After working out of town, she returned to Turin in 1999 and after her second baby, in 2001, joined the IP firm Buzzi, Notaro & Antonielli d'Oulx. Her expertise is mainly in trade marks as well as domain name issues and ICANN proceedings.

Having discovered **MARQUES** in 2003, she joined the Unfair Competition Team on its launch in 2004 and at last year's Brighton conference was invited to take over from Cristina Duch as external relations officer. "Cristina did huge and valuable work," she says. "I have been working with her from about mid-January before taking over officially on February 1."

Alessandra devotes four hours per day to her duties as **MARQUES** External Relations Officer.

Among her first tasks, Alessandra assisted the Trade Mark Law and Practice Team on the survey on class headings and she also planned the 10th Forum of European national IP offices,

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New focus on external relations continued

which **MARQUES** organises twice a year, along with AIM and BusinessEurope.

After attending this meeting in Brussels last March, she has been in charge of co-ordinating the preparation of the official meeting between **MARQUES** and the new Director General of WIPO, Francis Gurry.

She will join the **MARQUES** Council delegation, which will be headed by Council Chairman, Guido Baumgartner.

Meanwhile, Paola recently attended the OHIM users meeting, along with representatives of **MARQUES** Designs and Trade Mark Law and Practice Teams, and is helping organise the third meeting with CTM judges in Europe, which will be held in Germany at the Patent Office in Munich, after the **MARQUES** Annual Conference and before the end of this year.
She is also involved in monitoring the discussions on the UNCITRAL agreement and co-planning some **MARQUES** activities during the INTA Annual Meeting in Boston in May.

"It is really interesting to be able to talk as equals with OHIM and WIPO and know they value our opinions,"

Working with MARQUES Teams
Alessandra and Paola say that one of their most important commitments is to assist external **MARQUES** teams in proposing, devising and implementing new projects and to provide them with any required intermediation with the relevant functions and organisational bodies, including OHIM, WIPO and the national trade mark offices. Both hope that teams can take advantage of any such assistance in achieving their goals.

Alessandra is also a member of the Study Task Force that was created under the direction of Tove Graulund to draw up and coordinate the **MARQUES** position paper in response to the study into the trade mark system in Europe being conducted by the Max Planck Institute.

Alessandra says this is "exceptional – a once in a lifetime opportunity" and is a good example of an area where **MARQUES** can play a role in shaping the future of the trade mark system. "It is really interesting to be able to talk as equals with OHIM and WIPO and know they value our opinions," adds Paola.

IP due diligence: a standard of care

IAM Team members Ralph Thomas, a trade mark attorney with DSM and Jean-François Vanden Eynde, sales manager with Vayton Brand Capital, discuss due diligence.

A due diligence aims to define the strengths, weaknesses, opportunities and threats affecting a company's IP rights.

Buying a company, its assets and goodwill can rapidly become a tricky business. Before launching any investigation, the auditor must have a clear view of the company's standard operating procedures and understand the strategic departments.
- The legal department or external counsel will outline the registered and unregistered intellectual assets.
- The marketing department will sketch the brand development.
- The R&D department will inform about the technologies and know-how.
- The accounting department will report on all financial aspects of the brand.

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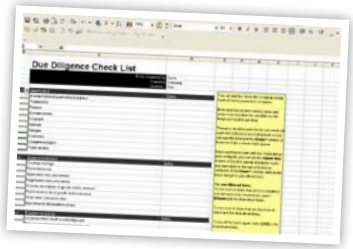
IP due diligence: a standard of care continued



Information should finally be cross-checked to define the accuracy of the files provided.

Once the IP rights have been defined, the auditor will work on the scope of protection, the freedom to operate and the business development. The scoreboard should at least include the following items:

Scope of protection

- Country coverage: The auditor should focus on relevant jurisdictions, taking into account where the brand is protected, produced and marketed. He should also pay attention to the short-, medium- and long-term marketing strategy.

- Class protection: The auditor must be acquainted with the company strategy and the brand business development. It is not unusual that a brand is used for new or different products and services which were not foreseen initially and which are not always protected.

- Obsolescence of the IP: The auditor must pay close attention to renewal dates as most IP rights such as patents and designs have a limited lifetime. It is important that he discuss with the management and/or the legal department to find out what will be put in place to expand the scope and time of protection.

"Once the IP rights have been defined, the auditor will work on the scope of protection, the freedom to operate and the business development."

Freedom to operate

- Licence: The auditor must gather and analyse each licence agreement signed with third parties. He will then better understand the rights and limitations granted to the different licensees and will be able to evaluate the potential of the brand in each jurisdiction.

- Co-ownership: The auditor must examine the co-ownership agreement as it grants rights since the creation of the innovation. If this process is common to reduce the R&D costs, it has an important impact on the company's IP.

- Partnership: The auditor must find out the freedom to use granted to third parties and evaluate the associated threats especially in terms of counterfeiting and unfair competition. In some cases, a company might allow the use of a trade mark without a licence but with permission.

- Coexistence agreement: The auditor must find out if all registrations have been made successfully and without infringing any other parties' rights. If a consent agreement has been signed he must assess the limitation that has been contracted.

Business development

- Financial statements: The auditor will have to work on the financial reporting and the sustainability as well as the return on investment of the brand. It is his duty to assess the financial potential of the brand

- Business development and strategy: The auditor must understand when and how the next investments are going to take place. He will be able to forecast the development of the brand as well as the future IP investments that will be requested to secure the portfolio.

Links:
http://www.marques.org/downloads/DueDiligenceCheckList.xls

GeoNews: dumplings, GI law in Serbia and more

Miguel Angel Medina, of Elzaburu in Madrid, rounds up the latest GI developments in Europe.

Thüringer Klöße cannot be registered as GI in Germany (decision of the Bundespatentgericht, 2nd October 2009)

The German Bundespatentgericht has ruled that the application for registration of potato dumplings known as "Thüringer Klöße" does not meet the requirements of EU Regulation 2081/92. Using the ECJ Feta ruling as the standard, the Bundespatentgericht considered:

- the true manufacturing and marketing situation, where the court has given much weight to the circumstances in the region of origin;
- what the prevailing practice is with regards to indications for this type of product; and
- the perception of the relevant public.

The Bundespatentgericht is of the persuasion that Thüringer Klöße lacks the required non-generic nature in the perception of the relevant public.

New GI Law in Serbia
On 3rd April 2010, a new Law on Geographical Indications replaced the existing law in Serbia, which had entered into force as the law of the former State Union of Serbia and Montenegro in 2006.

The new law harmonises Serbian legislation with relevant international and European regulations, namely the TRIPs Agreement, the Madrid Agreement and the Lisbon Agreement.
Unlike the existing law, the new law incorporates EU provisions that allow protection of goods made from raw materials outside of the processing region (only if all of certain conditions are met).

The quality control of agricultural and food products is to be conducted by administrative bodies authorised by the relevant ministries.

No more CHAMPAGNE THERAPIE!
On 25th March the Spanish Patent and Trademark Office accepted an opposition filed on behalf of the Comité Interprofessionnel du Vin de Champagne against the Spanish trade mark application CHAMPAGNE THERAPIE, in classes 3 (cosmetics) and 5 (pharmaceutical and hygienic products, dietetic substances for medical use).

The opposition was based on infringement of the Protected Designation of Origin (PDO) Champagne in the European Union as provided under EC regulations regarding protected designations of origin and geographical indications of wines and absolute grounds for refusal of misleading trade marks, according to the Spanish Trade Mark Act, and the Spanish-French bilateral agreement for the protection of designations of origin and indications of source of 27th June 1973.

This led to the rejection of the application, but the decision might be appealed before the Spanish Patent and Trademark Office. Better a toast with real Champagne than a therapy!

Latest activities of the GI Team
The GI Team has compiled a quick reference to International and Community Legislation, including EU Regulations, Bilateral Agreements and Treaties on Geographical Indications and a list of Geographical Indications Databases organised in a user-friendly manner. Both are available in the GI Team area on the **MARQUES** website.

Oppositions based on unregistered marks in Turkey

Isik Ozdogan and Ezgi Baklaci of Moroglu Arseven Law Firm provide a guide to opposition proceedings based on unregistered trade mark rights in Turkey, following a recent case involving Luella.

The Turkish Trade Mark Registry frequently receives applications seeking to register well-known trade marks, celebrities' names, and trade marks owned by foreign companies that have not been registered in Turkey. Some trade mark owners are not disturbed by these applications as they are not active in the Turkish market. But most trade mark owners do not file oppositions against these applications because they assume that it is necessary to have existing Turkish registrations in order to file oppositions.

Therefore, the applications are being registered and tragically becoming obstacles for trade mark owners to register or use their trade marks in Turkey in the future. A good example of this is the Luella case.

Lessons of the Luella case

The Turkish owner of the trade mark Luella seized some Luella branded goods of the famous English fashion company from the luxurious shop of its distributor. The Italian clothing company Gorotto SPA alsp had to pull its Gas branded goods out of the Turkish market because the trade mark Gas was registered in the name of a Turkish company years before.

Once the trade marks are registered, it becomes harder to overcome the obstacles to proper registration by the original owners. A cancellation lawsuit takes a long time, and the cost of such cases is much greater than the opposition procedure. Therefore, filing an opposition against the published trade mark application is the most advantageous way to protect your trade mark.

As a rule in Turkey, only the owner of a Turkish registration or application can file an opposition against a published application. Although this is the common rule, in some cases unregistered trade mark owners' oppositions can also be accepted.

The "earlier right" exception

One of these exceptions is the unregistered trade mark owners' "earlier right" as defined in Decree Law number 556 article 8/3. According to this article, if the unregistered mark has been used in the course of trade before the filing date of the published application, the application will be refused upon receipt of the unregistered trade mark owner's opposition.

Therefore, if the unregistered trade mark owner uses the trade mark in Turkey before the filing date of the published trade mark and if this usage can be proved by various arguments (invoices, purchase orders, brochures, catalogues, etc), the Institute may consider an unregistered trade mark owner's opposition and refuse the trade mark application.

Also, when the agent or the representative of the unregistered trade mark owner files an application to register the trade mark with no valid grounds, the unregistered trade mark owner's opposition will be accepted.

According to Decree Law number 556 article 8/2, the application of an applicant who uses the unregistered trade mark with the consent of the unregistered trade mark owner such as a representative, agent or distributor,

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Unregistered marks in Turkey continued

will be refused upon the opposition of the unregistered trade mark owner. The relationship between unregistered trade mark owners and applicants is not numerous clauses. Any relationship that gives an applicant the right to use the unregistered trade mark can be considered within the scope of this article.

Even if the relationship between the unregistered trade mark owner and the applicant ends, the trade mark owner can base its opposition on this article as the former relationship between the applicant and the unregistered trade mark owner proves the applicant's bad faith.

On the other hand, the Turkish Patent Institute or the courts refuse not only identical trade mark applications with the unregistered trade mark, but also similar trade marks that will likely cause confusion for the relevant public.

Further, an applicant's bad faith is one of the important and comprehensive arguments upon which the unregistered trade mark owner can base his/her opposition.

Although Decree Law 556 stipulates bad faith as one of the grounds for an opposition, the circumstances that define the application as having been done in bad faith are not given.

"The Institute may consider an unregistered trade mark owner's opposition and refuse the trade mark application.

The Institute refused the applications Curious Britney Spears, Paris Hilton, Emilio Pucci, Marc Jacobs, Beyonce, Boucheron and Gossip Girl."

However according to the Institute and the Appeal Court's decisions, applications filed to take advantage of other trade marks, to blackmail the unregistered trade mark owner, to sell the trade marks for large amounts, or applications which are submitted on a date by which the applicant knew or should have known of the unregistered trade mark are considered as having been made in bad faith.

In addition to these, the Institute also considers applications filed to register international celebrities' names or well-known trade marks in which the applicant and the unregistered trade mark owner are active as having been made in bad faith. Therefore, the Institute refused the applications Curious Britney Spears, Paris Hilton, Emilio Pucci, Marc Jacobs, Beyonce, Boucheron and Gossip Girl for the reasons mentioned above.

Check the records

It is advisable that before filing an opposition based on these grounds, the unregistered trade mark owner should check the Institute's records to determine whether the applicant owns an earlier trade mark registration for the same mark.

If the applicant has previously registered the unregistered trade mark, the Institute will refuse the unregistered trade mark owner's opposition because of the acquired rights of the applicant.

In that case, it will be more advantageous to wait for the application to be registered and then to start a cancellation action against all the applicant's registrations.

Comparative advertising addressed in India

A recent case over the Mr Muscle trade mark has provided guidance on comparative advertising in India, explains Manisha Singh Nair of Lex Orbis.

One aspect of trade mark law that has perhaps the most significant of commercial implications is comparative advertising. It has the greatest impact on fast-moving consumer goods (FMCGs) owing to their sales volumes, relatively low cost and relatively short shelf life. In India, comparative advertising is addressed in the Trade Marks Act, 1999 and has also evolved through several judicial decisions.

The Trade Marks Act 1999

In the Trade Marks Act 1999, the prevailing statute governing the arena, Section 29 deals with the Infringement of Registered Trade Marks, while limits on the effect of a registered trade mark are covered under Section 30(1). A reading of the two provisions together leads one to conclude that comparative advertising is allowed so long as the use of the registered trade mark does not amount to infringement. In effect, one may continue to practise comparative advertising, so long as the following acts of infringement, as described in Section 29(8), are not committed:

A registered trade mark is infringed by any advertising of that trade mark if such advertising:-

a. takes unfair advantage and is contrary to honest practices in industrial or commercial matters; or
b. is detrimental to its distinctive character; or
c. is against the reputation of the trade mark.

The Mr Muscle case

In the latest case SC Johnson & Son Inc and Anr v Buchanan Group Pty Ltd, an interim injunction was sought against the use of an advertisement relayed by Buchanan (manufacturers of CIF), which was alleged to be derogatory of SC Johnson's product Mr Muscle.

The advertisement that was relayed for close to three months displayed an orange-coloured container with a unique indentation and nozzle similar to Mr Muscle's container and presented an advanced product like CIF, which was capable of removing tough kitchen stains better than any others.

A statement to the effect that the cleaning efficacy of CIF was greater due to micro particles in the product was also made in the last frame of the advertisement and laboratory test results were claimed to corroborate this.

While granting an interim injunction, the Court pronounced its view on three aspects. On the aspect of a comparison being drawn by innuendo, the Court ruled that in view of the short time span of 30 seconds when the advertisement was relayed, the specific use of a container having an appearance similar to the plaintiffs, led to the belief that an attempt to compare existed.

On the question of usage of laboratory test results to corroborate their assertion, the Court stated these to be factual and hence was meant to be decided upon during the trial.

The Court also pronounced its view on the effect that the advertisement had on the sales figures of the products. The Court stated that the figure was neither known immediately nor is it directly proportional. The Court observed that while some factors affected sales negatively, there were others that led to an increase. While the ground was raised to decide on the aspect of damages, the Court ruled that an increase in CIF's sales did not, in absolute terms, give the entire picture.