MARQUES provides input to trade mark study

The Max Planck Institute is set to submit its report on the functioning of the trade mark system in Europe to the European Commission by November this year, after receiving input from users organisations during meetings held during two days in June.

MARQUES was one of 15 associations that made presentations to those writing the report, and took part in discussions, in Munich on June 8. The following day, **MARQUES** along with representatives of AIM, BusinessEurope, ECTA and INTA took part in further, less formal, meetings.

Tove Graulund, who was one of those representing **MARQUES**, said: "The meetings went very well, and everybody had an opportunity to say what they thought. Everyone agreed that harmonisation should be the main goal." Till Lampel of Harmsen Utescher and **MARQUES** Vice Chair Diana Versteeg also took part in the meetings.

Tove added that the users were also able to gauge the thinking of those working on the report:

"I got the impression they want to have a clean register. There seemed to be an over-zealous wish to protect consumers from being confused. That was a bit of a surprise and a little bit concerning."

In particular, she said, there were suggestions that registries could become less cluttered through the regulation of coexistence agreements or the creation of a financial incentive for withdrawing an application.

While the first of these suggestions was not welcomed by users, Tove said the second was "an interesting thought".

There was also discussion about the genuine use of a Community trade mark, harmonisation of practices and the role of national offices.

However, the Institute has said that it is impractical to review practices in all 25 offices in the EU, and its report is likely to focus mainly on the CTM and OHIM.

Brussels meeting

MARQUES also met with representatives of the European Commission's DG MARKT in Brussels in May to discuss the study and other related issues.

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MARQUES provides input to trade mark study Cont.

The meeting focused on four issues: harmonisation (including procedures, enforcement and unfair competition), the perceived cluttering of the Registers, the transfer of funds to national offices and the remaining OHIM surplus.

Tove said the meeting was very positive:
"I think there is a good understanding of our concerns and priorities at a high level within the Commission, and a willingness to take them into account in any future reforms."

What happens next?
The Institute will accept written submissions for its report up until the end of July.

MARQUES is considering making further comments, and is also working with AIM and BusinessEurope on a list of items where harmonisation of office procedures is needed.

The Institute has also said it will publish the results of the questionnaire conducted among users by the Allensbach Institute, which ran from 8 February to 20 March.

In addition to the questionnaire and formal feedback from users organisations, it has held meetings with OHIM and 14 national offices in Europe. Other offices have provided comments in writing.

Once the report is submitted in November, the Commission will review it and is likely to consult further before acting on its recommendations.

Any proposals to change the Trade Marks Directive or Community Trade Mark Regulation are likely to be made before summer 2011.

Further information and detailed reports on **MARQUES's** activity regarding the study are available on the devoted page on the website.

MARQUES visit to WIPO

A **MARQUES** delegation travelled to WIPO headquarters in Geneva in April to meet the Director General Francis Gurry, Deputy Director General Binying Wang and other representatives of the Trademarks, Industrial Designs and Geographical Indications Sector.

The **MARQUES** delegation included Guido Baumgartner, Chairman; Jane Collins, Past Chairman; Tove Graulund, Past Chairman and a member of the External Relations Committee; Alessandra Romeo, External Relations Officer; Markus Frick, member of the Trade Mark Law & Practice Team; and Miguel Ángel Medina, Chair of the Geographical Indications Team.

The WIPO officials included Ernesto Rubio, Special Advisor; Juan-Antonio Toledo, Senior Director, International Trademarks Registry; Debbie Rønning, Director, Legal and Promotion Division; Gregoire Bisson, Head, International Resigns Registry; Matthijs Geuze, Head, International Appellations of Origin Registry; and Marcus Höpperger, Acting Director, Brands and Designs Division.

Submissions filed in Nokia transhipment case

MARQUES has made submissions to the UK and Polish governments in the pending Court of Justice of the EU case Nokia Corporation v her Majesty's Commissioners of Revenue & Customs.

The case concerns whether counterfeit goods that are merely passing through the EU and which are destined for a country outside of the EU can be seized by customs authorities in an EU member state.

It arose after a large number of Nokia mobile phones were intercepted in the UK, but Customs argued that it did not have the power to seize them under the 2003 Counterfeit Goods Regulation.

When Nokia challenged that decision, London's Court of Appeal referred a question on the interpretation of the Regulation to the Court of Justice.

Roland Mallinson, a partner of Taylor Wessing in London and member of the Amicus Team, said that as **MARQUES** was not formally an intervener party to the English litigation prior to the reference being made, the Team decided instead to make recommendations to member states.

In its submissions to the UK IP Office and the Polish government, **MARQUES** recommended that customs authorities should be able to detain goods bearing a Community trade mark that are in transit through the EU, even in the absence of evidence that they will be diverted on to the market in member states.

"A fake is a fake wherever you are in the world. If customs manage to spot it, that's great but it then can't be right to let it go."

Following the submission, the Polish government said it has filed observations with the Court consistent with **MARQUES'** position. It said that a well-founded suspicion that goods infringe IP rights is sufficient to detain them. It should then be for a court to decide whether the detention is justified.

Roland said denying customs the power to seize transhipments misses an opportunity to remove "blatant counterfeits" from the market:

"A fake is a fake wherever you are in the world. If customs manage to spot it, that's great but it then can't be right to let it go. It just shifts the burden over to the customs authority of other countries, which may have fewer resources. It's morally wrong to wash our hands of such goods. We're effectively saying our consumers merit protection but those in non-EU countries don't."

The case, reference C-495/09, is expected to be heard within the next year.

The Amicus Team has made an amicus submission to the Court of Appeal in the Netherlands in the Onel case, which concerns whether use in one country alone can constitute genuine use of a CTM in the EU.

In the submission, **MARQUES** argues that the CTM Regulation should be interpreted in a way that it does not depend on the use of the trade mark in a specific number of EU member states but takes into account all facts and circumstances of the individual case and will therefore have to be assessed by the national court in each individual case.

It adds: "The opposite interpretation would affect the main principles of the CTM system."

WIPO discusses design convergence

David Stone, chair of the MARQUES Designs Team and a Member of Council, attended the 23rd session of the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) in Geneva on 30 June. The meeting had been delayed from April because of the volcanic ash cloud.

The SCT is a committee of the General Assembly of the World Intellectual Property Organisation (WIPO) aimed at dealing in some detail with issues of trade marks, industrial designs and GIs. **MARQUES** was represented at this session particularly in relation to the discussion of possible areas of convergence in industrial design law and practice.

MARQUES's written submission is available here in French, Spanish and English.

The world has changed significantly in the past 50 years, particularly in the increasing speed of communications, the internationalisation of markets for designer products and the ability to copy representations digitally without loss of clarity or detail. These three issues, particularly, mean that designers (whether multinational organisations, SMEs or individuals) now need international design filing procedures that are streamlined and cost effective.

The aim of the SCT discussion is to determine whether it is possible to move towards a design law and practice harmonisation treaty similar to the Singapore treaty for trade marks.

There were significant discussions on the day in relation to areas of convergence of design filing practices in the various member states of the SCT.

Unfortunately, it was not possible to agree to move towards a formal treaty at this time, as several member states consider that further discussion is required. Pleasingly, all 27 member states of the EU, and the European Union itself, support movement towards a treaty.

The meeting also agreed to publish WIPO study documents on Grounds for Refusal of all Types of Marks and on Technical and Procedural Aspects Relating to the Registration of Certification and Collective Marks.

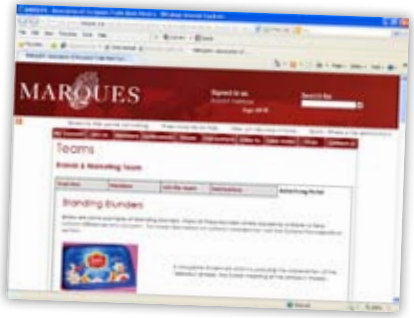
"Unfortunately, it was not possible to agree to move towards a formal treaty at this time"

These documents will shortly be available on the WIPO website in the six official languages of WIPO.

MARQUES members with particular experience of international design filing are welcome to pass their stories to David Stone at: david.stone@simmons-simmons.com for potential inclusion in the next **MARQUES** submission to the SCT: putting the perspective of users should help move member states towards harmonisation.

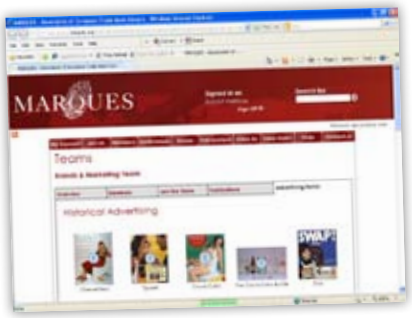
Advertising portal launched

The Brands & Marketing Team is pleased to announce the launch of its new advertising portal on the MARQUES website. The portal is intended to be a useful information resource providing access to a wide range of interesting material on branding and marketing issues and developments. Team Chair Claire Mounteney explains more.



On the portal, you will find advertising regulations, a variety of articles, surveys, videos and case studies including classic branding blunders and shock advertising treats! Current contributors include IP professionals as well as organisations such as the British Brands Group and the Museum of Brands & Advertising. In addition, the portal contains the results of the Brands & Marketing Team's advertising research project, which investigated advertising issues in over 40 countries.

More recently, the team embarked upon an international cultural research project. With the assistance of IP contacts around the globe, the team has collated information from a number of countries. Initially, the project focused on four key areas to determine what colours, flowers, numbers and animals were significant in each territory. The results have revealed extremely interesting insights into different cultures.



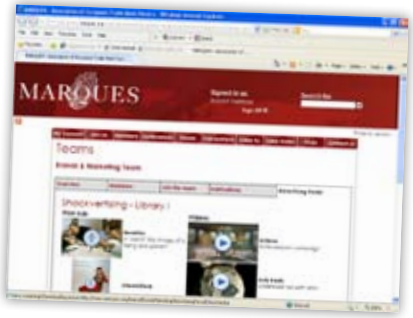
The cultural research is intended to assist IP professionals and marketeers to be more culturally aware and help them to accurately predict the success of a brand an a given market. It is an invaluable tool both at the concept and trade mark clearance stages.

For instance, a search may return as being positive vis a vis third-party conflict but this will not necessarily indicate that the path is clear for marketing purposes. The cultural interpretation of the results could reflect a different story, particularly if the logo is a national symbol or has a culturally offensive or negative meaning. A classic example is the numeral 4.

In Chinese, this number is phonetically identical to the word for "death", so a product including the number 4 in its name or logo is unlikely to be a success in China.

By contrast, the portal contains an amusing selection of actual "branding blunders" and "inappropriate" trade marks.

The Brands & Marketing team is passionate about bridging the gap between the legal and marketing worlds and continues to develop new initiatives to help raise awareness of key marketing issues amongst IP professionals and at the same time promote the understanding of legal issues among marketeers. We are always keen to take on new initiatives or to receive new material, so please contact any of our members with your comments or contributions for the portal.



Taking IP beyond legal

Intellectual property strategy is invaluable in leveraging business strategy. In this third IAM Team article, Rebecca Huselius of The Absolut Company and Stuart Durham of Melbourne IT DBS share their views on how to improve your ability to create and capture intellectual property during the product development process.

Protecting IP has traditionally been a task for the legal department only, whereas new product development and other brand-building activities are usually managed by creative teams such as R&D and marketing departments. However, there is an indisputable link between product development, branding and IP protection.

This is why it is crucial to break down barriers that may exist between the different areas of expertise in order to make sure that creative and financial investments are not wasted on initiatives that infringe another party's already established rights and to ensure the IP aspect of marketing activities and new product development.

Apart from the obvious possible legal and financial consequences, failing to include the IP aspect in new product development can also seriously damage your goodwill and your brand.

Create an IP-conscious culture

Successful companies treat their IP problems as business problems. The need and reason for creating and capturing IP must be understood and communicated from the very top of the organisation. Ideally, a single person on the senior executive team should have the overall responsibility for intellectual property management. It is important that the entire organisation is IP-conscious, not only the legal department.

"Failing to include the IP aspect in new product development can also seriously damage your goodwill and your brand."

Organise cross-functional teams

The best ideas are often generated in groups of people with different experience and expertise. Organised meetings should therefore be attended by people from various backgrounds within the organisation (e.g. R&D, marketing, business development, legal, manufacturing) An in-house or external IP specialist should also attend project meetings to contribute with an IP perspective and to ensure the IP aspect of new products or marketing initiatives.

In order to avoid disappointment and frustration within the organisation it is crucial that the IP team is involved at the right time. It is therefore worth approaching the legal check as another valuable step in the brand development process. Remember; too early can be just as bad as too late.

Learn to speak the language

The IP conversation can easily get narrowed down to the details of IP law. IP strategy is only really successful if you can take a different view and focus on the big picture of what decisions are important, and how they matter to the company. Whether you are an in-house IP attorney or an external counsel, do not stay by your desk, but make yourself involved in brand building activities and product development projects.

Do not get stuck in points of law but try and keep an open mind towards the commercial needs of your business. By asking questions, being pro-active and positive, you will soon become an obvious and natural part of your organisation's or your client's brand development projects.

A new step in the overall impression of trade marks

On 25 March, the General Court held in Société des Produits Nestlé SA v OHIM and Master Beverage Industries Pte Ltd (joined Cases T-5/08 to T-7/08), that the Board of Appeal erred in finding that label marks shown here were dissimilar. The General Court annulled the decision of the Board because a more global approach should have been applied to assess whether a likelihood of confusion existed between them. Franck Soutoul and Jean-Philippe Bresson of INLEX IP Expertise explain.

On 7 May 2003, Master Beverage filed three CTM applications combining the phrase "Golden Eagle" with several device elements in respect of coffee products in class 30. In February 2004 and April 2004, Nestlé filed a notice of opposition against the registration of these marks on the basis of international and national trade marks representing a red mug on a bed of coffee beans. In 2006, the Opposition Division rejected the oppositions because of the dissimilarity between the marks.

On 1 October 2007, the Board of Appeal also dismissed Nesté's appeal. Before the General Court, Nestlé pointed out in particular that (i) its products bearing the opposed figurative marks raise more than €1 billion a year in the European Union, (ii) the nine elements of its marks were entirely reproduced in the contested trade marks and (iii) the similarity of the marks relied on the common elements which have an independent distinctive role in the challenged CTMs.

Contested trade marks

Opposed trade marks

The General Court said that the red mug and the coffee beans were not "entirely negligible" in the overall impression created by the marks given, for instance they occupied half of one mark.

They consequently had to be included in the comparison of the signs, which could not be focused only on elements considered as being of greater importance, such as the words "Golden Eagle".

When making the overall assessment, the General Court upheld that the marks were slightly similar on a visual level and that some conceptual similarity could not be ruled out with regard to the device parts of the signs.

The Court pointed out that the distinctive character of an earlier mark was a factor to take into account when assessing the likelihood of confusion but not the similarity of the signs.

"The distinctive character of an earlier mark was a factor to take into account when assessing the likelihood of confusion."

Nestlé strikes again! The judgment of the CJ of 20 September 2007 had already reversed the General Court decision in the proceeding involving the marks Quick and Quicky for failing to compare the marks globally and omitting the device element in the assessment of the likelihood of confusion.

The latest case strongly reiterates this earlier position and interestingly removes distinctiveness from the list of factors considered in assessing similarity.

The new Romanian Trade Mark Law

On 9 May a new, long-awaited, trade mark law entered into force in Romania. The process for the adoption of this new law started back in 2006 and it was initially intended to come into force in 2007 once Romania joined the EU. Due to some political disputes that exceeded the object of the law itself, the law was adopted by the Romanian Parliament in March 2010.

The new law brings a number of important changes in the registration procedure as well as in the enforcement area and also deals with the new status of Romania as a member of the EU. Andrew Ratza of Ratza & Ratza discusses the main points.

Ex officio examination for relative grounds
Perhaps the most important change brought by the new legislation is the exclusion of the ex-officio examination for relative grounds of refusal.

This, in turn, implies a lot of changes in the registration procedure.

According to the new law, a trade mark application is published for opposition within seven days from the application date.

The opposition period is two months (as opposed to three months in the previous legislation). Within this period of time, observations based on absolute grounds of refusal can also be submitted.

The oppositions are communicated to the applicant who has 30 days to submit its reply. The oppositions are examined by an Opposition Commission, which will issue a conclusive decision for the examination process.

The examination process (until a first decision is issued) must not take more then six months. The new law also provides for the possibility to request an expedited procedure (on payment of a surcharge) that will bring the examination procedure down to no more than three months.

All the details regarding the particulars of the procedure will be laid down by the Implementing Regulations that are not available at the time of writing.

Community exhaustion
The previous legislation provided for international exhaustion of trade mark rights for national and international trade marks valid in Romania.

The new trade mark law provides for Community exhaustion of trade mark rights, in an attempt to eliminate any discrimination between CTM owners and the owners of national and international trade marks.

Since Romania is one of the border states of the European Union, this modification in legislation is bound to have an impact on the parallel imports that have been entering Romania and subsequently the rest of the EU in the past few years.

Community trade mark courts
The new law dedicates an entire chapter to CTMs, the scope of their protection and the conflicts with national rights. All these provisions are taken from the CTM Regulations and their presence in the national law was not particularly necessary.

However, one provision that was absolutely necessary and was long awaited by practitioners was the appointment of a CTM court.

The law solved this lack in the Romanian legislation by appointing the Bucharest Municipal Court as the only CTM court in Romania. This was a logical decision since this court is the most experienced court in the country in dealing with IP matters and is the Romanian court that deals with all the trade mark cancellation actions and all the appeals against the decisions of the Romanian PTO.

Continued

The new Romanian Trade Mark Law cont.

Provisional protection
According to the previous legislation a trade mark enjoys provisional protection subject to registration once the mark is published for oppositions after the examination procedure is completed.

"Perhaps the most important change brought by the new legislation is the exclusion of the ex-officio examination for relative grounds of refusal."

The new law takes a different approach to this issue, and provides for a provisional protection for the trade mark application from its first publication (seven days from the application date) before any examination is performed (not even the examination for absolute grounds of refusal).

Practically, the new law grants a provisional protection to the trade mark application, subject to registration within a week from the application date. How exactly will this work in practice remains to be seen, with a lot of problems being foreseen for, at least, the first few months after the new law comes into force.

Wider protection
The new legislation responds to the requests of practitioners, police officers and prosecutors alike and provides for a wider criminalisation of counterfeiting and infringement.

According to the previous legislation, counterfeiting was considered a crime only if it was proved that the products were placed on the market by the defendant. This sometimes was an issue when the products were seized in one's house or car, or in a truck or container in customs.

This problem is eliminated by the new law, which goes so far as to criminalising the mere possession with the intent of selling counterfeited products.

"The new legislation responds to the requests of practitioners, police officers and prosecutors alike and provides for a wider criminalisation of counterfeiting and infringement."

The law also provides for the possibility of a considerable criminal fine being imposed as an alternative to imprisonment (up to €40,000 compared to a maximum of €400 in the previous legislation).

These new provisions promise to make this new law a much more effective anti-counterfeiting tool at the disposal of trade mark owners, police and prosecutors alike.

Transitory provisions
All the trade mark applications still under examination will follow the procedure set forth by the new law. This includes all the trade mark applications that have been provisionally refused (based on relative grounds of refusal) as long as the decision has not become final. In these cases the provisional refusal will be withdrawn and the application will be published for oppositions.

The Implementing Regulations are due to be adopted within three months form the date the law comes into force.