

New MARQUES team formed

At the Winter Meeting in February a new MARQUES team was created to be responsible for communications and membership – The Communication and Membership Team. This team combines the expertise of the former Membership Team and the Publications and Website Team. Its members will work on all aspects of promoting MARQUES and expanding the membership, including online and paper communication, professional and social media and targeted initiatives.

The Team has 17 members, who will each have specific responsibilities.

Hanne Weywardt of MAQS Law Firm is Chair of the Team. There are four Vice Chairs, each with

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responsibility for one aspect of communications and membership:

- Dor Cohen Zedek, Pearl Cohen Zedek Latzer – Website
- Anja Frank, Grünecker Kinkeldey – Membership
- Maarten Haak, Hoogenraad & Haak – Social Media
- Bas Kist, Chiever – Newsletter and News Channel

The Team also includes people responsible for the website, House **MARQUES** and Class 46 blog: Robert Harrison of the secretariat, Ingrid De Groot, Jeremy Phillips and James Nurton.

Among the priorities of the Team are improving and coordinating **MARQUES** publications, identifying

potential new **MARQUES** members and developing **MARQUES**' presence in professional and social media. The Team is also looking to develop new services for **MARQUES** members, including by partnering with other organisations where appropriate.

Hanne Weywardt said: "I am very pleased for **MARQUES** with the combining into this one team. Over the years we have had several overlaps between the two former teams but found it difficult to deal with the mutual issues. We are a big team now and we have many subjects on the table so I am highly reliant on my good team members and vice-chairs to get things moving forward, but I hope and believe that **MARQUES** will prosper from the teams joining forces. "

“ ...I hope and believe that **MARQUES** will prosper from the teams joining forces ”



Latest MARQUES news

Recent additions to the MARQUES website

An article on domain names in China has been added to the Cyberspace Team section of the website. The article, by Angus Forsyth of Stevenson Wong, examines trends in registration of domain names in China, and explains how the Chinese government is exercising tighter control over the internet.



The Cyberspace Team has also posted a guide to the Icanm new gTLD Applicant Guidebook.

The China Team has published an article on intermediary liability in China, which is available on the Team's section of the website. It discusses issues arising from the sale of goods on online auction sites.

Events

MARQUES has recently hosted a dinner in Toronto and a workshop in Buenos Aires. Full details and pictures will be published in the next issue of House**MARQUES**.

IP developments in Europe

OHIM and the European Patent Office (EPO) have signed an agreement to cooperate more closely on projects to increase the efficiency of the IP system within the EU and globally.



More details here. <http://oami.europa.eu/ows/rw/news/item1902.en.do>

Two significant cooperation projects on classification being run by OHIM in partnership with national IP offices have taken a step forward. Three new offices – Lithuania, Estonia and Greece – have joined the EuroClass project, which now provides a common access point for comparing the classification terms of 20 offices comprising OHIM, Benelux, Bulgaria, Denmark, Germany, Estonia, Ireland, Portugal, Switzerland, Czech Republic, Malta, Spain, Poland, Finland, Sweden, Slovakia, Lithuania, Italy, the UK and Greece. In addition, trade marks from the French national office have now been added to the TMview search tool which provides free access to trade mark applications and registrations from offices including OHIM. This expansion brings the total number of offices contributing data to 14: OHIM, WIPO, the UK, Czech Republic, Italy, Benelux, Portugal, Denmark, Spain, Slovakia, Slovenia, Estonia, Bulgaria and now France. With the addition of almost 1 million French trade marks, TMview provides access to about 6 million trade marks.

Access it here. <http://www.tmview.europa.eu>

Trade mark reform proposals expected in October

MARQUES took part in a meeting of trade mark users' groups with the European Commission last month, at which the recommendations made in the recent Max Planck Institute study on trade marks in Europe were discussed.

"The meeting went well and even though the Commission specified that they were not there to answer questions, the Commission seemed very keen to listen to us," said Tove Graulund, who represented **MARQUES**. "There is also a lot of agreement between the associations. Our priorities are quite similar, and there was broad agreement on all issues, which is very good for the process in my opinion. We all want to see improvements but not major changes."



Among the issues discussed were the Institute's proposals on genuine use, which would allow a mark to be registered if a similar mark used in another part of the EU has not been used for 15

years, and the alleged cluttering of the register. All organisations rejected this proposal from the MPI.

The level and distribution of renewal fees was also discussed. All the organisations agreed that the fees should only be distributed for "services rendered". Most organisations agreed that just one class should be included in the filing fee. **MARQUES** stressed again that the change, however, was only acceptable if the filing fee was reduced to reflect this, and that a filing fee for three classes should remain the same as it is today.

The 10-point agenda of the meeting is available on the **MARQUES** website page devoted to the study. <http://www.marques.org/EuropeanCommissionStudy>

Also available on this site are the MPI report, the Allensbach survey and **MARQUES'** submissions and statements, among other materials.

The Commission has said it plans to publish draft revisions to the Trade Marks Directive and the CTM Regulation in October this year. It will take into account the MPI Report, as well as consultation among users and other interested parties.

MARQUES has also responded to the five-year OHIM Strategic Plan, announced by President António Campinos and approved by the Administrative Board last month. The plan restructures the Office, sets out new priorities for quality and cooperation and provides for the Office to take on extra responsibilities, such as for the EU Counterfeiting

“...very reasonable in view of the scope of the plan”

Observatory. It also covers human resources and an improved IT strategy.

The plan involves an increase in expenditure of some €120 million, but this figure includes nearly €70 million to improve and enlarge OHIM's office in Alicante and some of the €50 million co-operation fund.

Tove called the plan "very positive" and "thorough" and said the costing was "very reasonable in view of the scope of the plan". She particularly welcomed Campinos's initiatives to improve the quality of examination: "The time has come to look at quality. Yes, we want things done fast but we also want them done really, really well."

The video of the **MARQUES** seminar on the Max Planck report, held in London in April, is available on the MARQUES website. <http://www.marques.org/Elink?ID=0197>

“...just one class should be included in the filing fee”

Law and brand valuation

IAM Team member Jürg Simon of Lenz & Staehelin in Zürich discusses ISO 10668 “brand valuation – requirements for monetary brand valuation”.



ISO is a worldwide federation of national standards bodies. After some work, it has adopted the international standard **ISO 10668** “Brand valuation – Requirements for monetary brand valuation”. The aim of this standard is not to unify existing methods of monetary brand valuation but to establish a best practice standard for these methods.

Need for a standard

Brand valuation is nothing new. Numerous methods exist and are described in scientific and sales publications. But the validity of the results of these valuations was ever a matter of dispute and doubt. This is why many wished to develop a standardised method or – at least – a standard against which a specific method could be validated.

The **ISO Standard 10668** can be applied to different purposes of valuation, such as management information, strategic planning, value reporting, accounting, liquidation, legal transaction, licensing, litigation support, dispute resolution, taxation

planning and compliance and loan and equity financing. According to the **ISO Standard 10668**, brands shall be valued by applying the well-known income, market or cost approach. Which approach is utilized will be determined by the purpose of the valuation.

“ Brand valuation is nothing new... ”

In addition to that, the **ISO Standard 10668** defines additional necessary valuation inputs such as market and financial data and – which might be astonishing for some – behavioural aspects. The key financial parameters and valuation assumptions shall be adjusted based on an analysis of these behavioural aspects of a brand. The valuation shall directly address these aspects, such as the brand situation in a market and the brand value drivers, brand strength (e.g. awareness, perceptual attributes, knowledge, attitude and loyalty). It shall incorporate effects of demand by evaluating the brand’s relevance in its specific market.

Legal assessment

According to the **ISO Standard 10668**, legal aspects must be considered. This comprises an assessment of the brand’s legal protection. Most importantly, this appraisal shall take into account all legal parameters affecting positively or negatively the value of the brand, including its distinctiveness, its scope of use and/or its scope of registration (territory, goods, services), the extent of its use, its notoriety and/or the extent to which it is well-

known, the risk of cancellation, its priority, possible dilution (past and probable) and the ability and/or willingness of its owner to enforce legal rights. The **ISO Standard 10668** makes it clear that the result of the brand valuation process is not just a figure but a full-fledged report stating in detail elements such as the purpose of the valuation, the approaches and methods used and the limitations of such a valuation.

Anyone who expected a real methodological breakthrough from the **ISO Standard 10668** will be disappointed. The standard is a summary of best practices, however guaranteeing a consistent, transparent and repeatable approach to brand valuation. What might be seen as really new is the emphasis on the legal analysis including such tricky questions as dilution and distinctiveness. All in all, the **ISO Standard 10668** is a step forward with a view to creating better reliability of brand valuation. Brand valuation reports can and will be tested now against this standard.

“ ...this appraisal shall take into account all legal parameters affecting positively or negatively the value of the brand... ”

GeoNews

Members of the GI Team provide a regular update on geographical indications developments in Europe and beyond.

NEW! Table of links to national GI databases
(Miguel Angel Medina)

The GI Team website has been enriched with the addition of this new tool, which allows access to information on GIs protected under many national offices around the world and enriches the group of supranational and international GI databases already available at the team's website.



Visit the "GI Databases" area within the GI Team website. <http://www.marques.org/Teams/TeamInfo.asp?TeamCode=GelnTeam1>

Special Thanks to Alessandro and Louise!

Lisbon System discussed (Miguel Angel Medina)

The **MARQUES** GI Team (represented by Miguel Angel, Keri, Alessandro, Peter and Sébastien) was present and active in the Third Session of the WIPO Working Group on the Development of the Lisbon System which took place in Geneva from 23rd to 27th May.

18 contracting parties and 19 observers (12 states, OAPI, European Union) and five international non-governmental organisations (including **MARQUES**) took part in the session.

The Working Group agreed to submit a proposal to amend rules 5(3) and 16(1) of the Lisbon Regulations, whereby more information and clarity would be introduced, and discussed other draft provisions making considerable progress on the development of the Lisbon System.

“Work is expected to continue more quickly to prepare a process that might result in a revision of the Lisbon Agreement”

Of special interest was the submission of a statement by the Delegation of the European Union, which anticipated the launch of a feasibility study concerning the possible creation of a new EU title for protection of non-agricultural geographical indications, which are most important in developing countries (e.g. handicrafts).

Work is expected to continue now more quickly with a view to further preparing a process that might result in a revision of the Lisbon Agreement and/or the conclusion of a protocol or a new treaty supplementing the Lisbon Agreement.

The EU has expressly supported this initiative.

Rioja Argentina v Spanish Rioja (Miguel Angel Medina)



The Argentine Federal Administrative Litigation Court of First Instance No 4 has rejected the complaint by the Spanish Regulatory Council of the Designation of Origin "Rioja" against the use of the geographical Indication "La Rioja Argentina".

According to the Court it was not proved that there could be any confusion or mistake among consumers because of the use of the expression "La Rioja Argentina" and the Spanish DO "Rioja". That is considered by the Court as sufficient to allow coexistence of these partially homonymous geographical names according to TRIPs. The decision has been appealed to the High Court.

US and European practice compared

Janet Satterthwaite of Venable summarises 13 key differences between trade mark protection in the US and Europe.



1. Common law rights are strong in the US: This means that a registry clearance search will not guarantee that you will not be sued by a prior unregistered user. Most US companies invest in full common-law searches.

2. Relative examination: The US Trademark Office still cites prior confusingly similar applications and registrations.

3. Bases for a US TM application: US trademark registrations are granted only after use is shown unless the sole basis is a registration from your home country or an IR. You can *file* based on intent to use or a foreign application under six months old, but you must show use or a home registration before the registration will issue.

4. Use in the US is required for all maintenance filings: Even if you filed your application in the US based only on a home country registration under the Paris Convention, or an extension of an IR, you still need to show use to maintain the registration between the fifth and sixth anniversary and for all renewals.

5. Infringement: You can base an *opposition* on a US trademark registration, but if you actually want

to sue someone for infringement, you should be able to show use of your mark in the US to establish an actual likelihood of confusion.

6. Madrid Protocol: The docketing for maintenance filings is different from the WIPO dates. You still have to file a declaration of use before the sixth anniversary of the US registration date, which is the date that the US registration issued, not the date of the central IR registration, and you still must file a separate renewal application and declaration of use (with specimens) based on the US registration date.



7. Identification of goods and services: You need to be a lot more specific in your identification of goods and services than you do at OHIM or in many European countries. And if the application is based on use, you must have use on all the goods and services.

8. Oppositions are more complicated (and expensive): Oppositions and cancellations are a

lot more complicated than at OHIM. Full discovery including written questions, documents requests, and depositions are provided for. Know what you are getting into!

9. Geographical indications: The US does not recognise all geographical indications per se. If a geographical product name has become generic in the eyes of the US consumer, then it is not geographically mis-descriptive (eg Cheddar cheese).

10. Parallel imports: The US permits parallel imports of authentic goods. You have to find a way to argue that the goods are not authentic, such as that the labelling is different and may not comply with US law; or that the instructions are in the wrong language.

11. Supplemental Register for non-distinctive marks: If a mark is descriptive but in use, you can file or convert an application to the Supplemental Register (this is not available for an IR). This does not give you a right to sue, but it has some benefits.

12. Certification marks are registrable: Anyone who meets the criteria may use the mark without needing a licence. Collective membership marks are also permitted.

13. Designs: The US does not have a system that is directly comparable to an RCD. You have to file either a design patent application or a trade mark application claiming trade dress rights in the design.

Trade mark opposition kicks off in Italy

The Ministerial Decree that sets the starting date for the trade mark opposition proceedings provided for by the Italian Industrial Property Code should be published shortly. Andrea Klein of Società Italiana Brevetti provides a guide.



Trade marks subject to opposition

1. Italian applications filed as of 1st May 2011.
2. Italian designations of international trade marks, irrespective of their registration (or subsequent designation) date, published on WIPO's Gazette as of July 2011.

Time limit

Three months starting from the publication date of the application in the National Bulletin or from the first day of the month subsequent to the publication of the Italian designation of international trade marks in WIPO's Gazette.

Official fees

€250 must be paid before filing the opposition.

Grounds

- Earlier trade mark registrations or applications in force in Italy concerning trade marks that are identical to the trade mark in the application

to be opposed and covering identical goods/services or identical or similar to the trade mark in the application to be opposed and covering identical or similar goods/services when there exists a likelihood of confusion on the part of the public.

- Image rights if the trade mark in the application to be opposed consists of a portrait of a person.
- Personal names if use of the trade mark in the application to be opposed can be detrimental to the reputation, credit or dignity of the person entitled to the name.
- Well-known personal names, signs used in artistic, literary, scientific, political or sports fields, denominations and abbreviations of exhibitions or events and of non-profit bodies or associations as well as their emblems.

“The Office may award costs of up to €300 in professional fees and €250 in official fees.”

Additional grounds can be invoked only in invalidity actions.

Procedure

There is a two-month cooling-off period which may be extended, with both parties' consent, by up to a year from the first communication of the Office. Supporting documents (registration certificates,

translations and the like) may be filed after the cooling-off period.

Applicants may request proof of use of the marks on which the opposition is based that were registered more than five years prior to the publication date of the application. The Office forwards this request to the opponent setting a 60-day term for filing proof of use.

The Office may award costs to the winning party of up to €300 in professional fees and €250 in official fees.

According to the implementing regulations, decisions will be rendered within 24 months from the opposition date.

Since official forms and guidelines have not yet been issued, some aspects of the procedure are still to be clarified – most importantly, whether supporting arguments should be filed with the notice of opposition itself or at a later stage.

Appeal

Any decision can be appealed before the Commissione dei Ricorsi (Board of Appeals) within a non-extendable term of 60 days from the communication of the decision.

Darjeeling row boils over

Kolkata's High Court ruled in April in a dispute between the Tea Board and ITC Limited over the name Darjeeling. Manisha Singh of Lex Orbis examines the arguments.



The Tea Board is the registered owner of two sets of marks in connection with tea. One is the word Darjeeling and the other is a round device featuring a profile of a lady holding two-leaves-and-a-bud and the word Darjeeling spelt out on the edge running from 9 o'clock to 12 o'clock. The word and device marks are independently registered as a geographical indication and as a certification trade mark.

The Tea Board's grievance concerns the naming of a section of ITC's luxurious hotel (ITC Sonar) as the Darjeeling Lounge. It claims that the use of Darjeeling in the name of the exclusive lounge is an infringement and passing off of the Darjeeling geographical indication and the certification mark and also a dilution of the Darjeeling brand.

Goods vs services

ITC sought to cut the claim contending that grievances with respect to rights breached under the GI Act are restricted to goods rather than services. The argument made was that the GI Act seeks to protect indications with respect to goods

only, identified on account of quality or reputation or other characteristics attributable to their geographical origin, and cannot be extended to any services.

“ ITC sought to cut the claim contending that grievances with respect to GIs are restricted to goods rather than services ”

The Court looked through the provisions of the GI Act and also the Trade Marks Act with respect to certification marks as the complaint of the Tea Board also encompassed the violation of its rights under its registered certification mark. The Court, while observing that there would be a cause of action in an unauthorised use of a good's certification mark by any service provider, felt that in the case of a GI there could not be a complete exclusion of a cross-category complaint in the face of the provisions on use of a GI constituting unfair competition and an action for passing off.

Unfair competition and passing off

The Court held that the use of Darjeeling by ITC is not in connection with any designation or presentation of goods. Therefore infringement in S 22(1) of the GI Act is not available to the Tea Board. Reading from S 22(2) on use of a registered GI in a manner constituting unfair competition including passing off, the Court also drew a parallel with what passing off implies in trade mark law.

“ The Court held that the use of Darjeeling by ITC is not in connection with any designation or presentation of goods. ”

The Court, while reiterating the factors on which an action of passing off would lie, did not find any exclusive nexus of Darjeeling with the product of Tea Board, and concluded that the word Darjeeling could not be under the Tea Board's exclusive use by virtue of its registration as a GI or as a certification mark.

Read the decision here. <http://www.spicyip.com/docs/darjeeling.pdf>

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