MARQUES conference in Baveno

The annual MARQUES conference was held in September in the beautiful town of Baveno, by Lake Maggiore, Italy.

Loredana Gulino, Director General, Directorate for Combating Counterfeiting, Italian Patent and Trademark Office, formally opened the conference, which had the theme "Reality Check".

Contents:

About 600 trade mark professionals attended the meeting, which was sold out weeks in advance. It included a mix of presentations, workshops and social activities.

Marco Boglione, President, BasicNet Group, was the conference keynote speaker. He explained his experience of building and developing brands including Kappa, Superga and Jesus Jeans. Other speakers discussed topical challenges such as social media and green marketing, and there were also updates on developments at WIPO and OHIM.

Brief reports and photos from the conference are on the following pages. For full descriptions of the presentations, see class 46 at **www.marques.org** where you can also view video from the conference.

There was beautiful weather all week, and many delegates spent time outside either networking, enjoying the various social activities or spending time by the hotel pool.

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Conference highlights

Francesco Morace of Future Concept Lab and Derrick de Kerckhove of the University of Toronto opened the conference with entertaining speeches on branding and marketing trends.

On Friday morning OHIM President António Campinos spoke about the latest developments in the Office and answered questions about issues including the IP Translator case.

Former **MARQUES** chairs were among those enjoying lunch in the hotel, with Lake Maggiore in the background.

Marcus Höpperger and Debbie Roenning of WIPO provided updates on the latest developments in Geneva.

Social events in Baveno

Tuesday night's opening reception featured a buffet supper of local cuisine and a lively cookery demonstration.

Wednesday night's reception was held at the beautiful Borromeo Palace, Isola Bella on Lago Maggiore. It involved a short boat trip to the island, a tour of the historic palace, a drinks reception in the grounds as the sun set over the lake and dinner in local restaurants.

A team of acrobats provided entertainment during Thursday night's Gala Dinner and Dance.

Panels discuss topical issues

Mark Hodgin of Kraft took part in a panel covering traditional and non-traditional trade marks and their value and enforcement in real life.

Vanni Volpi of Gucci and Lisa Pearson of Kilpatrick Townsend & Stockton were among the speakers in a session on brands and social media.

Daretia Austin of Time Warner Inc spoke in a session covering topics including charity and green branding, celebrity marketing and ambush marketing.

The Lewis Gaze Memorial Scholarship was presented to Monica Riva of the University of Milan for her paper on "Misleading the public in the legislations on trademarks and business communication".

MARQUES News

Tov Graulund represented MARQUES at the launch of the second group of the Cooperation Fund projects in Alicante at the end of September.

She joined 80 other experts from EU member states and user organisations to discuss the harmonisation of practices between OHIM and national IP offices, in particular the project CF 3.20 on common e-learning tools on CTM and RCD.

The Unfair Competition Team has compiled a chart summarising the regulations concerning the Protection and Infringement of Look-Alikes throughout Europe. **MARQUES** members can view the chart on the **MARQUES** website here: *http://www.marques.org/Teams/TeamPage.asp?PageID=305&TeamCode=UnfaTeam&DS=*

Recent events
A seminar on the first RCD decision from the CJEU was held at the MAQS Law Firm office in Copenhagen on October 27. **MARQUES** Design Team chair David Stone led a panel discussion about the ruling in PepsiCo v Grupo Promer and its implications for designers.

A one-day meeting with Benelux judges was held at the Benelux IP Office in The Hague on 4th November.

Among the speakers were judges from The Netherlands Supreme Court, Appeal Court and Court of First Instance as well as the director general of the Benelux Office.

Questions for the Trade Marks Judges took place in London on 16th November.

The Community Trade Mark in the German Practice took place in Munich on 25th November.

Reports on these events will be published in the next issue of **HouseMARQUES**.

Summary: CJ provides more guidance on AdWords

The latest ruling in the quest for clarification of trade mark law in relation to online use, particularly in relation to keywords, was handed down on 22nd September (Interflora Inc and another v Marks and Spencer plc and another, case C-323/09). In this summary of a detailed analysis available on the MARQUES website, John Coldham welcomes the Court's opinion.

The judgment is refreshingly clear and concise, drawing together a number of recent decisions of the CJEU, while also providing guidance in relation to the role of the other functions of a trade mark in double identity cases and introducing details of the "investment function".

However, the Court rightly leaves a number of issues for the national court, and the best guidance for brand owners will only be possible once we know which side of the line M&S's activities fall.

Background
In this case, Marks and Spencer bid on a number of keywords including "Interflora", which is a registered UK and Community trade mark of the flower delivery network Interflora. It was common ground between the parties that the mark "Interflora" had a substantial reputation in the UK and EU, and that M&S was not one of the independent companies in the Interflora network.

Mr Justice Arnold of the England & Wales High Court referred 10 questions to the CJEU in the early stages of the case (before the trial), which were later whittled down to four.

The judgment
The Court's judgment addressed issues including double identity and the effects on the functions of the trade mark of use as an AdWord, in particular indication of origin, the advertising function and the investment function. It also discussed Article 5(2) of the Trade Marks Directive (marks with a reputation), in particular regarding dilution and free riding.

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For the parties to this dispute, there is a lot still to play for, as so much was left to the national court to decide. Once the High Court has ruled on whether M&S has fallen the right side of the line, brand owners and advertisers will be in a better position to know how to deal with the issue of AdWords in future.

> **"It is quite possible that advertisers will be able to engage in free competition using a trade mark belonging to another."**

Following this judgment, it is quite possible that advertisers will be able to engage in free competition using a trade mark belonging to another, but there are so many hurdles to get over that before more guidance is received on how those hurdles will be assessed, they would be well advised to continue to approach with caution.

In addition, brand owners should reconsider their dealings with Google and other search engine providers in light of the warning about "tacit consent" arising from inaction, especially in light of Google's policy allowing brand owners to raise complaints.

Read the full article on the **MARQUES** website here: *www.marques.org*

Regulation threatens brands in South Africa

South Africa is undergoing changes in its food labelling and advertising legislation that will have an impact not only on the selection of new trade marks, but could also compromise the validity of existing trade marks on the Register.

In an extract from an article on the MARQUES website, Simonnee Moodie of Von Seidels explains.

Regulation 146 of 2010 governing the labelling and advertising of foodstuffs in South Africa will come into effect on 1st March 2012.

The aim is to promote the social and economic welfare of consumers in South Africa and in particular to ensure that companies and marketers convey information on food labels and advertising in a standard manner and with accurate, factual information to help consumers make more informed and healthier choices in their brand purchases.

The result is that almost every food package in South Africa will have to be redesigned by 1st March 2012 and all brand owners will need to examine and modify trade mark portfolios to ensure they comply with the new law.

Impact on brand owners

It is a long-established principle in South Africa that laudatory or descriptive words are not registrable, or are vulnerable to opposition or removal from the register, unless they have become capable of distinguishing through extensive use prior to the application for registration. This is specifically outlined in Section 10(2) of the Trade Marks Act, which covers trade marks not capable of distinguishing.

However with the introduction of the Regulation, trade marks containing any prohibited word would fall foul of Section 10(12) of the Trade Marks Act, which covers trade marks that are contrary to law.

> **"Any form of trade mark used on the labelling or advertising of foodstuffs that causes deception or confusion is likely to offend."**

As such, and even if the mark contains a laudatory or descriptive term that has become distinctive through use, if it is prohibited by the Regulation then it is prohibited in terms of the Trade Marks Act.

Further, Section 10(13) of the Trade Marks Act covers trade marks which, as a result of the manner in which they have been used, would be likely to cause deception or confusion.

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Any form of trade mark used on the labelling or advertising of foodstuffs that causes deception or confusion is likely to offend against this Section.

Brand owners must review existing trade mark portfolios and all trade marks must comply with the Regulation, otherwise they are not registrable, or are vulnerable to opposition, or may be cancelled.

The penalties on conviction of an offence under the Regulations are outlined in the Foodstuffs, Cosmetics and Disinfectants Act and include a fine and/or imprisonment for six to 24 months (depending on the number of convictions). In addition, the court may declare the foodstuffs in respect of which the labelling or advertising offence has been committed to be forfeited to the State to be destroyed or otherwise dealt with.

Read the full article on the **MARQUES** website. *http://www.marques.org/Teams/TeamPage.asp?PageID=283&TeamCode=IPMaTeam&DS=*

Threat to well-known marks in Turkey

The Council of Appellate Circuits of the Turkish Court of Appeals recently gave a decision (2010/11-695 E., 2011/47 K. decision) on use requirements for well-known trade marks in different classes. Isik Ozdogan and Ezgi Baklaci of Moroglu Arseven Law Firm explain.

The Council decided that a well-known trade mark cannot be protected in different classes and will be partially cancelled if the mark is not in use in these classes. But this decision might create a paradox with the expanded well-known trade mark protection in different classes.

In this case, a foreign company started a non-use action against a well-known Turkish furniture company that only actively uses its trade mark in class 20, seeking the partial revocation of the mark for all classes other than class 20. The First Instance Court dismissed the case on the grounds that well-known trade marks should be protected for all the goods and services covered.

On appeal, the Appeals Court reversed the decision reasoning that well-known trade marks can be subject to non-use actions. It stated that well-known trade marks are not excepted form the usage requirement provisions. A well-known mark can be subject to a non-use action and to partial revocation for the classes in which it is not in use. The file was sent back to the First Instance Court.

The First Instance Court insisted on its original decision, which was appealed and sent to the Council. The Council reversed the First Instance Court's decision in keeping with the Appeals Court, but with more detailed grounds.

It stated that there is no exception for well-known trade marks with regard to the five-year usage requirement.

> **"There is no reason to immunise well-known trade marks from the usage requirement."**

Articles 7/1 (i) and 8/4 of the law give the trade mark owner the right to oppose or start a cancellation action against any trade mark that is similar/identical to the well-known trade mark in different classes. These articles protect well-known trade marks where the owner can prove that the other party will gain an unfair and unlawful benefit from the well-known trade mark and that the average consumer will link the other party's trade mark to the well-known trade mark.

The Council said that there is no reason to immunise well-known trade marks from the usage requirement. The Turkish Patent Institute cannot ex officio reject a trade mark application that is similar/identical to a well-known trade mark but covers classes that the well-known trade mark does not cover or actively use.

The Council decided that well-known trade marks can also be subject to partial revocation for classes which are not in use. Although this decision might be considered fair for this case, since it will be binding precedent, it will create a paradox with the expanded well-known trade mark protection in different classes and may lead to difficulties for owners of well-known marks.

Africa: regional update

There are 16 African states that have joined the Madrid System. Mariëtte Du Plessis of Adams & Adams provides an updated guide.

North Africa

The oldest members of the Madrid System in Africa are Algeria, Egypt and Morocco, who have all recognised their obligations in international law and have ensured that these (and the ramifications of membership of the Madrid System) have been included in their national laws.

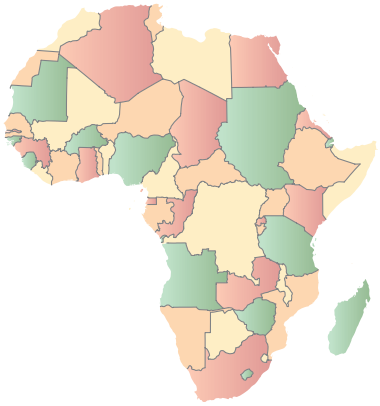
Thus, with effective enforcement measures in place, at national level, a trade mark owner who has designated Algeria, Egypt and/or Morocco in his international application, is assured that his rights will be recognised and enforceable in terms of the national laws of those states. His international right, if challenged or infringed in these countries, will be recognised as if it were a national registration.

Namibia, Mozambique and Kenya

Namibia deposited its instrument of accession at WIPO on 31st March 2004. A new IP bill has been drafted, but the regulations still have to be written. Until Namibia has promulgated its new IP Act, an international right will not be enforceable there.

Mozambique became a member of the Madrid System when its Industrial Property Code was passed in 1999. The legislation, at the outset, made specific provision for the recognition of international trade mark registrations and for the filing of international applications by Mozambican nationals.

Kenya has passed enabling regulations, giving effect to a number of amendments contained in the 2002 Trade Marks Amendment Act, including a provision dealing with Madrid applications.



Other states

The remaining African member states have failed to fulfil their obligations under the Agreement and/or the Protocol and have not amended their national laws to give effect to an international registration at state level.

The laws of Sierra Leone and Zambia still do not make provision for the registration of service marks. It is unlikely that the incorporation of international obligations into the national laws (to provide for effective recognition of international registrations) will happen in the near future.

In addition, Botswana, Ghana, Lesotho, Liberia, North Sudan and Swaziland still need to pass the necessary legislative amendments before an international registration designating any or all of those countries is capable of being legally recognised and enforceable there.

Madagascar and Sao Tome

Although it has been claimed that legislative amendments have been put in place, nothing has been confirmed. In view of the political unrest in Madagascar, it is unlikely that IP law amendments will receive any priority.

Our advice, for the time being, is to continue to register trade marks at national level in those African countries where legislation is still to be amended or where the position remains unclear. The same would apply to any new members of this system, until national legislation has been suitably amended.

South Sudan

In the past year a new state, the Republic of South Sudan, has been constituted. The situation remains unclear but we understand that the Republic of South Sudan, while it appears to be using the same Sudanese trade mark legislation, will not be bound by any of the international obligations of North Sudan.

A full version of this article including analysis of ARIPO and OAPI is available on the **MARQUES** website.