

Anti-Counterfeiting Conference

Interview: Diana Versteeg

Apple versus Pear

L'Oréal v Bellure welcomed

Alcohol advertising in Turkey

Tiffany takes on eBay

Google wins UDRP blogging case

## Enforcement event held in Amsterdam

The **MARQUES** Anti-Counterfeiting and Parallel Trade (ACPT) Team recently held another successful event on IPR enforcement.

**“More Bang for Your Buck”** was a workshop on working to protect brands with customs services. It underlined strategies in hotspot counterfeiting jurisdictions.

The event was held on 17th June 2009 in Amsterdam and examined the twists and turns of working with customs organizations worldwide. Around 40 delegates attended and also took part in lively question-and-answer sessions.

**MARQUES** Vice Chair Diana Versteeg of Akzo Nobel gave a warm welcome to the morning and afternoon sessions, which were chaired by John Anderson of Pakharensko and Partners and GACG and Joachim Hoffman of Syngenta.

**“The panels provided an overview of developments in the BRIC group of countries”.**



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John kicked off with a general introduction to national and international customs laws and the importance of relations with customs services generally.

International highlights were given by Leticia Provedel of Veirano Advogados (Brazil), Oxana Pishvanova of Salans (Russia), Shravan Bansal of United Overseas Trademark Company (India) and Michael Ellis (China), in interesting panels, which provided an overview of developments in the BRIC group of countries.



Participants also gained insight from Lisette Heslenfeld of SNB React, Ayche Linsen of Tommy Hilfiger, Peter Sannes of Dutch Customs and Alejandro Angulo of Grau & Angulo on the European side.

The ACPT has also welcomed nine new members who will be joining the group in the forthcoming 2009 Annual Meeting in Brighton.

More details about MARQUES events:  
[www.marques.org/Conferences](http://www.marques.org/Conferences)



**Brighton 2009**

**23<sup>RD</sup> ANNUAL CONFERENCE**

15<sup>TH</sup> - 18<sup>TH</sup> SEPTEMBER 2009

Full report & photos in the next issue.

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## Interview: MARQUES Vice-Chair Diana Versteeg of AkzoNobel



### How long have you been working in trade marks?

I have been working in trade marks since 1998, starting in private practice.

I have worked both as a lawyer for a law firm and as in-house trade mark counsel.

### What does your current job involve?

Currently I work as Business Manager Legal & IP, which means that I am responsible for the operational management of our in-house Legal and IP Department worldwide.

This varies from budgeting to staffing and from IT to internal communications. In this capacity I no longer directly deal with trade mark registration and prosecution, although I still work for the IP lawyers and support staff.

### How long have you been involved with MARQUES?

I am rather new to **MARQUES**: I became a member when I joined AkzoNobel, in 2007. Being a corporate member, I was invited to join Council during the winter meeting in Barcelona in 2008, and was appointed as second vice-chair during the winter meeting in Venice this year.

### Do you have any particular responsibilities within MARQUES?

I am slowly starting to build up a closer relationship with the Development Officer in relation to the various teams and the internal work of the association, including the membership, publications and website as well as developing new projects.

**“Trade mark owners are looking at their trade mark portfolio, to assess whether it is as lean and mean as possible”**

### What issues do you think will be important for trade mark owners now and in the future?

In these economic volatile times, trade mark owners are more and more focused on costs and cost-saving opportunities.

Many companies with in-house trade mark departments are now dealing with issues such as outsourcing (or not), outside counsel convergence (how can we cover the world with a minimum of outside agents), etc.

At the same time, from the inside, trade mark owners are probably more and more looking at their trade mark portfolio, to assess whether it is as lean and mean as possible.

We seem to have left behind us the time where we would simply register each brand in dozens of different varieties.

As far as the (near) future is concerned, I believe it remains important for trade mark owners to continue to stimulate trade mark awareness throughout their business, which will probably have to be done in a more cost-aware manner, for example by exploring online conferencing facilities and setting up trade mark e-learning modules.

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## Apple forced to tolerate pear



**Bas Kist of Shieldmark.Zacco in Amsterdam discusses a recent opposition case involving Apple Inc in the Benelux.**

US computer giant Apple Inc has failed in its attempt to prevent the Benelux registration of a logo depicting a pear with a single bite out of it as a device mark for an advertising agency. This was announced on 11th May 2009 in a ruling on an opposition submitted to the Benelux Office for Intellectual Property (BOIP).

### No comparison between apples and pears

According to Apple, which based its opposition on two Community trade mark registrations of its famous Apple device mark, the pear registered by Belgian Marc Verhulst too closely resembled its own apple logo, leading to a risk of confusion.

Verhulst however countered by claiming that consumers were well aware that Apple would never communicate through a pear and that – as was more than obvious – there was no comparison between apples and pears.

### Similarity, but for different services

The BOIP upheld Apple's claim that the two device marks were similar but was reluctant to prohibit registration of the pear for the services of an advertising and design agency.

This was because Apple had registered and used its own Apple device mark for other services – mainly computer-related – rather than for advertising services.

In the Benelux, an opposition to the registration of a similar trade mark can only be upheld if it has been requested for identical or similar products and services.



### Design services

Although one of Apple's Community trade mark registrations also mentions "design services", the BOIP concluded that Apple could not appeal on these grounds. According to the ruling, Apple was unable to demonstrate that it had also regularly used its device mark for design services. Designing your own products did not, it said, fall within the definition of class 42 design services.

The BOIP therefore concluded that the pear could not be registered for "administrative services" or "training" in classes 35 and 41, since Apple holds valid trade mark rights for these services. However, when it comes to advertising and design services, Apple will have to tolerate the pear, since it no longer holds any rights to these services.

### Opposition in the Benelux

Since the opposition system was introduced in the Benelux in 2004, it has been used frequently by trade mark owners. In the last two years, the BOIP has issued nearly 250 rulings on oppositions, half of which were (at least partially) successful.

There are more than 1,200 pending opposition procedures.

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## Why L'Oréal v Bellure is a step in the right direction

**David Stone of Simmons & Simmons in London gives a UK perspective on the recent ECJ ruling on free-riding.**



Much has already been written about the European Court of Justice's recent decision in L'Oréal v Bellure, so I hope you will forgive these personal musings from a UK practitioner's perspective, because the cheers that greeted the decision in the UK surprised those on the continent who felt that L'Oréal v Bellure merely restated current law.

### Unlawful free-riding given weight

One source of the cheers was those who consider the decision something of a put down for the way English courts have been narrowly deciding trade mark matters.

The ECJ has rejected, wholesale, the doctrine that trade mark law only protects consumers from confusion and has instead given real weight to unlawful free-riding.

English judges will now have to grapple with the notion that trade mark law is also there to protect the innovation and investment of trade mark owners, something practised on the continent for years.

This is good news for brand owners, because it has the potential to provide a remedy for unfair competition in the UK (where previously we have had to rely on passing off), although it does require the brand owner to have a registered mark with reputation. The notion of a single European market remains a fantasy while most member states provide strong laws to protect brand owners from unfair competition, but the UK does not.



The ECJ emphasised that in assessing whether there is free-riding, the court in particular can take account of the infringer's intention to take advantage of the well-known mark.

Again, this is contrary to the British doctrine that there is no such thing as "attempted passing off" – either an act creates misrepresentation or it doesn't. Behind this flimsy curtain many scoundrels have hidden, particularly supermarket look-alikes.

L'Oréal v Bellure now creates real opportunities for brand owners to use the English litigation processes of compulsory disclosure of documents and cross-examination of witnesses to force the alleged infringer to disclose their intention in adopting particular marks or get-up: if no smoking gun can be found in the instructions to the design department, the executives of the copyist can be cross-examined on oath as to why they chose the marks or get-up they did.

This, alone, should have a welcome dampening effect on copying behaviour.

(At the time of writing, the Court of Appeal has not yet ruled in L'Oréal v Bellure following the ECJ's guidance on the law.

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## L'Oréal v Bellure continued

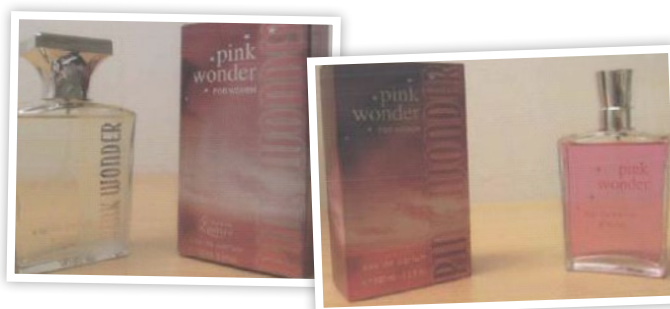
However, a differently constituted Court of Appeal has looked in some detail at L'Oréal v Bellure in an unrelated case about food mixers. That court emphasised the importance of intention to free-ride, to prove the "unfair advantage".

The court held that establishing advantage is not sufficient; there has to be an additional element of unfairness, which could be demonstrated by the alleged infringer's intention to gain an advantage, or from something other than intention, which the court did not specify.)

### Beyond the essential function

After several prompts from Advocates-General in earlier cases, the ECJ has also for the first time both recognised that the functions of a trade mark go beyond its "essential function" – namely the guarantee of origin – and listed what some of the other functions might be. We now know that they include in particular the guarantee of quality and the functions of communication, investment and advertising.

Again, this is a big shift for UK law.



The degree to which the UK was out of line with continental trade mark law is demonstrated by Bellure's success at first instance, and the tightly worded questions sent to Luxembourg by the Court of Appeal.

The ECJ has provided, in admirably clear language, the ammunition that brand owners need to take up the fight against copyists and all those who seek to gain an advantage from the hard work of others.

The English courts have made large and obvious efforts in relation to patent law to observe, understand, and – where possible – follow continental jurisprudence. It is hoped that, with this clear guidance from the ECJ, similar harmonisation will now be possible in relation to trade mark law.

### Read the judgment here:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en&alljur=alljur&jurcdj=jurcdj&jurtpi=jurtpi&jurtfp=jurtfp&numaff=&nomusuel=L'oréal&docnodecision=docnodecision&allcommjo=allcommjo&affint=affint&affclose=affclose&alldocrec=alldocrec&docor=docor&docav=docav&docsom=docsom&docinf=docinf&alldocnorec=alldocnorec&docnoor=docnoor&radtypeord=on&newform=newform&docj=docj&docop=docop&docnoj=docnoj&typeord=ALL&domaine=&mots=&resmax=100&Submit=Rechercher>

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## Alcohol adverts regulation causes controversy

Selma Toplu Ünlü and Deniz Merve Ersoy of Mehmet Gün & Partners examine the discussions on the new Regulation on Alcohol Advertisements in Turkey.



Thanks to the amendment to the Communiqué Regarding the Principals for Alcoholic Beverage Advertisements, alcoholic beverage adverts have become a controversial issue in Turkey.

Under the Turkish Advertising Law, alcoholic beverage adverts on television, radio, cable or public broadcasting are forbidden. However producers can still advertise their products in cinemas or publish advertisements in newspapers and other print media.

Advertisements cannot carry any content that might have harmful public, social or medical effects; they may only introduce the qualities of the product. The regulations also forbid campaigns encouraging alcohol consumption and adverts targeting young people.

The main aim of the advertisements should be to simplify the consumer's brand selection by informing them correctly.

Adverts that can be published or broadcast only in a limited way are regulated by the Communiqué prepared by the Tobacco and Alcohol Market Regulation Board (TAPDK).

### “The Amendment makes the Communiqué more restrictive and it may prevent competition”

#### More restrictive

The Amendment, which came into force on 20th July, is a very hot topic in Turkey since it makes the Communiqué dated 18th January 2005 more restrictive and it may prevent competition between producers. Most people believe that the new restrictions will lead to the disappearance of alcoholic beverage adverts and that it has been made specifically to remove them.

Under the amendment, in adverts, alcohol consumption may not be related to food stuffs



or to geographical, historical, cultural or artistic values. Visuals or phrases that may be considered as a misuse of sexuality or as pornographic may not be used, and adverts cannot be placed in pages of newspapers, magazines etc that are prepared for children and young people or which contain news on sporting activities. Moreover, ads prepared for cinemas may only be broadcast at the end of films that are classified 18+.

The restrictions have been criticised by producers since some of them are considered to be ambiguous. Producers would clearly like to know how the notion of “misuse of sexuality” or “pornographic” will be determined and which pages should be accepted as “addressed to children or young people”. Furthermore, prevention of the use of foods, geographical sites and historical or cultural places are also evaluated as unacceptable: raki, which is a Turkish traditional alcoholic beverage, is often identified with fish, melon and cheese as well as the Bosphorus, Bodrum Castle and similar historical and geographical places.

It is claimed that TAPDK aims to protect society from the harmful effects of alcohol consumption. However it seems that the debate will continue until the unbalanced structure of the regulation has been improved.

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## US appeals court hears arguments in Tiffany v eBay

An appeals court in New York is addressing eBay's liability for fake goods sold in online auctions, as Janet Satterthwaite and John Cooney of Venable LLP in Washington DC explain.



On 16th July 2009, the US Court of Appeals in New York heard oral argument in Tiffany v eBay, a case that seeks to define the duty of online auction sites to prevent sales of counterfeit goods. A ruling is expected by early 2010.

### The lower court decision

The trial court found that eBay had "generalized notice" that a significant percentage of Tiffany-branded goods on its website were counterfeit, but ruled that this knowledge did not impose a duty to take proactive steps to prevent sales of counterfeits. The court held that eBay's duty was limited to removing specific offers that Tiffany informed it were counterfeits and that eBay was not liable for contributory trade mark infringement because it had undertaken extensive measures to combat counterfeits after it received notice.

### Arguments on appeal

The court recognised that it faced "a very interesting but difficult responsibility" to apply prior US Supreme Court precedents to technology that was in the realm of science fiction when those decisions were issued. The judges focused on two questions:

- (1) What is eBay's duty of care when it has notice that a large number of counterfeits are being sold through its website, but does not know which specific offers are fraudulent?
- (2) If the court decides that eBay is liable for failure to take proactive steps to prevent counterfeiting, what order should it enter? What instructions should it give the trial court about how to devise a proper remedy?

Tiffany relied heavily on the trial court's finding that eBay knew that a substantial percentage of Tiffany-branded goods sold on its website were counterfeit and that this finding satisfied the legal standard for liability – that a party "knew or should have known" that infringement was occurring.

Tiffany argued that eBay's knowledge triggered an obligation to take affirmative steps to prevent sales of counterfeits and that eBay's defence that it need not act until Tiffany brought specific

fraudulent offers to its attention was refuted by the doctrine of "willful blindness", which allows imposition of liability on an entity that ignores explicit evidence of misconduct.

The court enquired at length about how the trial court could devise a remedy if eBay were found liable. Tiffany responded that eBay should be required to use available technology to make good-faith efforts to prevent sales of counterfeits and that there were feasible measures that eBay could adopt.

eBay relied on two defences:

(1) its legal duty is limited to responding when Tiffany notifies it that specific offers are counterfeit and that it did not have a broader duty to take proactive measures to compensate for Tiffany's failure to police its own trade mark; and (2) it had responded effectively whenever Tiffany informed it that specific offers were counterfeits. eBay's counsel correctly emphasised the lower court's factual findings about its extensive compliance efforts.

The questioning suggested that the court was troubled by the testimony from eBay's expert that even after all its defensive measures, more than 30% of the Tiffany goods sold on the website were counterfeit.

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## Tiffany v eBay continued

One judge also articulated the institutional problem the court faces.

How does it permit the law to evolve as technology improves, and avoid giving auction sites a disincentive to develop better technology by creating a safe harbour for websites that use the same measures eBay employed in 2009?

Janet Satterthwaite is Vice-Chair of the **MARQUES** Cyberspace Team. The authors submitted an amicus curiae brief on behalf of **MARQUES** member Coty Inc in support of Tiffany's position

**Read the lower court judgment here:**

<http://www1.nysd.uscourts.gov/cases/show.php?db=special&id=83>

## WIPO transfers Goog Blog to Google



**Manisha Singh of Lex Orbis discusses an interesting UDRP case involving Google.**

With the advent of online blogs, disputes concerning deceptive similarity between blog addresses and domain names are coming to the fore. The first Indian case regarding the similarity of domain names saw the Supreme Court extrapolate certain principles of traditional trade mark law to the concept of domain names owing to the commercial functions of a domain name. However, a recent dispute at the WIPO Arbitration and Mediation Centre witnessed a domain name dispute involving a blog name deceptively similar to the Google search engine.

The dispute involved the use of the domain name Googblog.com by a Gujarat-based Indian, which was registered in September 2008. Googblog.com – which hosted a web portal providing technology news, mp3 downloads, lyrics etc – was accused of cybersquatting. Google took action in March 2009 on the grounds that the registration infringed its domain name and trade marks used since its inception in 1997. Google also stated that Goog had been used as a NASDAQ financial stock ticker since 2004.

Pre-complaint correspondence between the parties failed to resolve the dispute and on 2nd May administrative proceedings commenced at WIPO. The registrant admitted before the panel that the registration of the domain name was in

bad faith and infringed and misused intellectual property. He admitted having bad faith and apologised. The WIPO panel found the consent-to-transfer request replaced the need to assess the matter under the UDRP Policy and duly ordered the transfer of the domain name to Google.



WIPO is often seen to transfer deceptively similar domain names to the parties adversely affected. As the trend to acquire space online rapidly expands, with even individuals opening websites for a variety of purposes, such disputes are bound to increase. Meanwhile, as ICANN also prepares to increase the number of generic top-level domains, WIPO has agreed to administer disputes during the pre-application phase based on a legal rights objection, while agreeing to support the establishment of a broad post-delegation dispute resolution procedure. With the internet acquiring greater prominence, steps must be taken to ensure the efficient adjudication of disputes arising.

**Read the decision here:**

[http://www.wipo.int/amc/en/domains/search/case.jsp?case\\_id=15439](http://www.wipo.int/amc/en/domains/search/case.jsp?case_id=15439)