

## Interview: MARQUES Chair Nunzia Varricchio

**Nunzia Varricchio of DSM succeeded Guido Baumgartner as MARQUES Chair in February. She spoke to James Nurton about her background, role and expectations for the next two years.**



### What does your role at DSM involve?

As senior trade mark counsel responsible for the nutritional business I work closely with our global marketing directors to ensure optimal protection for our brands. That covers everything from creation to launch and beyond. It is partly about education and designing a best practice policy that is cost effective and aligned with the business strategy.

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DSM is primarily a business-to-business company, which poses particular challenges with ingredient branding playing a major role.

### What does DSM do?

It is a global science-based company active in health, nutrition and materials. We cover several industries and markets, including food and dietary supplements; personal care; feed; medical devices; pharmaceuticals; automotive; paints; electronics; and alternative energy.

There are more than 22,000 employees with annual sales of more than €9 billion. It is a Dutch company that was founded in 1902 as a mining company but has diversified and now globally focuses on life sciences and material sciences.

### What did you do before?

I had two short stints in law firms and then moved to the corporate world and never looked back. I began my career in trade marks in 1986 while working for a major food and beverage company in Canada and in 2000 moved to Belgium to work for the offshore entity that managed the non-NAFTA IP assets. I joined DSM in 2006.

I am of Italian parentage, born in the UK, and moved to Canada when I was 11. I find it very enjoyable being in Europe during its many changes – the EU becoming one market and the move to the euro. It has been a very rewarding experience.

### What do you like about working in-house?

I like the cross-functionality and diversity of working

with stakeholders internally and externally as well as the opportunity to work internationally. I've particularly enjoyed travelling and learning to work in other cultures and have met some exceptional people.

The role is varied – you really have to be connected to the business in a way that is very different to private practice. We are effectively the bridge between the marketing and legal side of IP and also have to be attentive to budgets and aligned with the business strategy. I think it's the best of both worlds.

Our IP department is quite large, the majority being in the patent group. There are 53 patent attorneys compared to three trade mark attorneys. The trade mark portfolio was consolidated and brought in-house when I joined in 2006 and consists of about 12,000 registrations worldwide.

We each manage particular business areas and my focus is on the nutritional cluster, which includes all businesses related to human and animal nutrition and personal care. My role is more consulting particularly as we are now moving to more of a marketing business strategy.

### How do you see your role at MARQUES?

I see myself as a facilitator as well as a spokesperson. I chair the MARQUES Council, which focuses and develops the association. We need to be committed to the mission and the membership.

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We will continue to expand the VIP programme in which our Teams play a critical role. I also think it's important to look at the inside of the organisation. We should conduct audits to check that the internal functions and Teams are aligned with the **MARQUES** strategy. Good governance moves an organisation forward and we have made sure our communications are sufficient and effective so that our resources are well spent. We are fortunate to have many experts who volunteer at **MARQUES** but they also have another professional life.

**MARQUES** actively contributes to IP initiatives and has become respected as a champion for trade mark owners. It is now routinely called on to make submissions. I think with a strong voice we can have a positive impact on legal frameworks by staying focused.

**Nunzia will contribute regularly to HouseMARQUES during her term as chair to discuss MARQUES priorities and activities.**

**You can read the Chair's new report online at [www.marques.org](http://www.marques.org)**

## MARQUES activities update

**The Winter Meeting took place in Madrid in February. The 17 MARQUES Teams met and reported on their work and there was also a workshop on ACTA. The Winter Meeting was held at the Hotel Meliá Castilla and was attended by some 120 people from the various Teams, who discussed the impressive activities that have taken place**

**recently and planned work for the coming year. There was also some minor reorganisation of some Teams, and these will be profiled in the next issue of HouseMARQUES.**

**For further details of the meeting, see the posts on the [Class 46 blog at marques.org](#)**

On 20th January, **MARQUES** hosted a seminar on parallel trade in Brussels. A full report will be in the next issue of **HouseMARQUES**.

A seminar on the recent study on the EU trade mark system was held in London on April 5. There will be analysis of the study and the discussion about it in the next issue of **HouseMARQUES**.

Planned events include meetings in Toronto and Buenos Aires. Details are on [marques.org](http://marques.org).

### MARQUES online

Recent additions to the [marques.org](http://marques.org) website include a new edition of the **MARQUES** Design Team's guide to RCD invalidity decisions, a report on the countdown to new gTLDs by the Cyberspace Team, an official response to the European Commission's IPR Survey 2010 (prepared by the Trade Mark Law and Practice Team) and a submission on the possible revision of the Tobacco Products Directive, by the Regulatory Team.

**MARQUES** members can view and download these and many other resources from the relevant Teams' pages.

## Geographically split brands

**Dieuwerke van der Schalk of Sara Lee and Leo Longauer of UBS, both members of the IAM Team, discuss the advantages and disadvantages of geographically split brands.**



Although most consumers are probably not aware of it, there are various examples of trade marks that do not have the same owner in the different countries where they are sold. In fact, sometimes even direct competitors own the rights in different countries. Persil for example is manufactured and marketed by both Henkel and Unilever in different countries.

The reasons for this dichotomy between owner and user are varied. In some countries, foreign companies are not allowed to operate wholly owned subsidiaries and are obliged to enter into joint ventures in which they have a minority stake. Often, the different ownership of the same brand has a commercial background, for example when a brand is licensed or transferred to an agent by the original owner, because he has no presence in the respective country or because his brand is only a part or is processed into another product. Litigation and co-existence agreements can also

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lead to a situation where the different owners operate the same or similar brand in different countries (for example the epic conflict between the American Bud and the Czech Budvar).



Whether a trade mark owner is forced or chooses to allow a third party (be it a partner or agent) to own or use its trade mark, he has to balance the short-term effects with the long-term consequences of third party ownership or use. Short-term profits could interfere with long-term planning as change in companies' strategies over time might be blocked by decisions made in the past. The production of certain goods cannot for example be freely moved to another country if the IP rights on the mark have been sold to a third party. The owner may also have to tolerate the fact that "his" products are subject to parallel imports which can circumvent the usual distribution channels.

“Although a strategy might seem clear and agreed upon, nothing is as changeable as a marketing strategy.”

### Marketing strategies change

Although a strategy might seem clear and agreed upon, nothing is as changeable as a marketing strategy. The difference between not having registered your mark in certain territories and having registrations that are liable to cancellation is that when you have actually sold your mark to another party there will be a commercial interest in this mark by the third party and new arrangements with this party will therefore be difficult to achieve.

Another option, therefore, is to license out the rights in countries (currently) not of interest. This way control is kept in relation to the image, quality and long-term strategy of the mark.

Losing control over a trade mark and its reputation should be a key concern for any brand owner and if possible he should make sure that certain standards are met. In today's globalised economy, a bad image in one country can quickly spill over and "infect" the general reputation of a brand. The licence should therefore allow the licensor to control the quality of the product in question and oblige the licensee to provide reports about quality etc.



“Losing control over a trade mark and its reputation should be a key concern for any brand owner.”

### Use requirements

Another issue that has to be taken into consideration is use requirements. Some countries consider that use by a third party (even if it's a subsidiary of the trade mark owner) does not constitute sufficient use. This may result in the cancellation of the trade mark because of non-use. A trade mark owner who does not use a mark in a given country, therefore needs to check the use requirements and take adequate measures (such as registering a licence with the respective national PTO).

Geographically split brands always represent a challenge as they can restrict a brand's freedom to operate and may negatively affect the brand image. The job for us as IP practitioners lies therefore in pointing out the long term risks and possible consequences to the decision makers and making sure that they are reflected in the respective agreements or otherwise taken care of.

## GeoNews

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

### **Bayerische Brauerbund v Bavaria concluded**

*(Paul Reeskamp)*

The trade mark saga between the Bavarian Brauerbund and Dutch beer brewer Bavaria has come to a conclusion. The Court of Justice of the EU decided that Bavaria's registered trade mark in Germany of 1995 has priority over the protected geographical indication (PGI) "Bayerisches Bier" registered in Europe in 2001 by Brauerbund. The Court ruled on 20th December 2010 that the date of entry into force of the registration of the PGI (2001) is decisive rather than the date of application.

### **Macedonia registers first AOs**

*(Miguel Angel Medina)*

As the Macedonian IPO informed on 24th December 2010, in November and December 2010 Macedonia registered its first international appellations of origin for the following dishes: Makedonski Ajvar, Krivopalanecki Med, Disan and Kocanski Oriz. The conditions for the registrations were created with the coming into force of the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration in Macedonia on 6th October 2010.

### **WTO resume negotiations on GI register**

*(Miguel Angel Medina)*

For the first time in 13 years of talks, the World Trade Organization (WTO) intellectual property negotiators have started work on producing a single draft text for setting up a multilateral geographical indications register for wines and spirits. On 13th January 2011 a draft of negotiations was circulated. The draft was developed in two days of consultations among representatives of the three groups that have submitted proposals. The aim in these intellectual property talks is to have a complete draft text on the multilateral register by the end of the first quarter of 2011.

**The six main topics to be covered are:** i) notification, ii) registration (how the system would be run and the WTO secretariat's role), iii) legal effects of registration, iv) fees and costs, v) special treatment for developing countries, and vi) participation (whether the system would be entirely voluntary or whether registration would have implications for all WTO members).

**Ajver:**



**Bavaria:**



## Movement marks move at OHIM

**After "the smell of fresh cut grass" and the opportunity to apply for a Community trade mark for a sound with a MP3 format file, movement marks have been under OHIM's**



**spotlight. Franck Soutoul and Jean-Philippe Bresson of INLEX IP Expertise discuss a recent case involving Sony Ericsson.**

On 29th September 2009, Sony Ericsson Mobile Communications AB applied to register in classes 9, 38 and 41 the movement trade mark number 8 581 977 represented by a sequence of 20 stills.

On 27th January 2010, the examiner however refused to register the mark because:

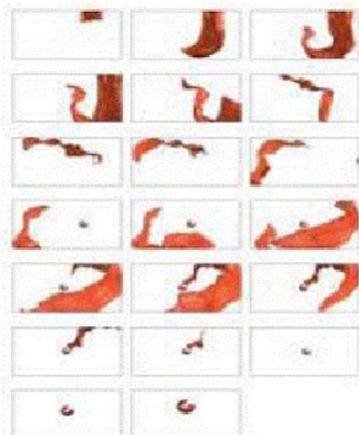
- i) the progress of the movement and how one image led to the next was not obvious;
- ii) while Sony amended the initial description of the mark, the amendment did not help in comprehending the movement of the mark; and
- iii) the representation did not consist of a clearly recognizable movement but rather a collection of stills which were unlikely to convey a tangible movement.

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Sony appealed arguing that:

- i) the mark applied for was as clear and precise as other movement trade marks accepted by OHIM;
- ii) OHIM concentrated on individual images rather than on the sequence of images as a whole.

**Sony also provided an MP4 format file consisting of a video showing the movement involved in the mark together with a flipbook of the 20 images of the application.**



On 23rd September 2010, the Board upheld the appeal and annulled the contested decision. The Board said that the stills read in conjunction with the description made the movement happening in the mark quite clear. The counter-clockwise sequence of the motion was regarded as not difficult to follow in light of the description. The flipbook actually allowed no more gaps in the progression of the movement between the stills.

For the Board, the test to apply was whether a reasonably observant person with normal levels of perception and intelligence would, upon consulting

the CTM register, be able to understand precisely what the mark consists of without expending a huge amount of intellectual energy and imagination. A movement mark would then only be refused if a reasonably observant person has to make particularly great intellectual efforts to perceive what the movement mark is. But expending no or some energy and imagination would not prevent the mark from being granted.

The decision also attached “considerable significance” to other movement trade marks accepted by the OHIM because the number of such trade marks was rather limited at the moment.

Movement marks are already part of the Community trade mark practice but the decision of the Board gives them a boost as a further alternative to traditional trade marks. Difficulties are however likely to further arise as to trade mark searches, watches, oppositions, assessment of counterfeiting situations and the risk of cancellation for non-use.

“**The decision gives movement marks a boost as a further alternative to traditional trade marks.**”

## US filing options – the pros and cons

**Trade mark practitioners should consider the various rules which apply to Protocol applications (or extensions of protection) compared to other filing bases under US trade mark practice. Elizabeth Atkins of Lathrop & Gage, a member of the Trade Mark Law and Practice Team, explains.**



**1(a)** Use-based filing: 1-6 apply, see below.

**1(b)** Intent to use-based filing: 1-6 apply, see below.

**44(d)** Filing within six months based on a foreign priority application: 1-6 apply.

**44(e)** Filing basis is an issued foreign registration: 1-6 apply.

**66(a)** Madrid Protocol - International Registration (IR)-based filing of extension of protection into the United States, or US-based IR: 1-6 below are different in some respects; see disadvantages of IR in the US below.

### Non-Protocol filings

**1)** The form of mark may be amended during prosecution if the mark as amended has not been materially altered (“The modified mark must... create the impression of being essentially

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the same mark..., (which) would not have to be re-published after the alteration in order to fairly present the mark for purposes of opposition" – Trademark Manual of Examination Procedures (TMEP) §807.14).

- 2) For 1(a), 1(b) and foreign-based priority filings under Section 44 where the mark in a drawing must be a "substantially exact" representation of the foreign mark, classes can be added to a US application where the foreign application identification of goods/services is broad. For example, a §44 application based on a foreign priority application/registration for "implants" in class 5 can be amended to "living implants" in

class 5, and class 10 can be added for "artificial implants". (This does not apply to a 66(a) application, where the classes are limited in the US to the classes listed in the IR.)

- 3) An affidavit of use with specimen for each class under §8 is required to be filed with the USPTO during the sixth year after the date of registration in the US, or within the six-month grace period thereafter (with surcharge).
- 4) Specimens for later maintenance/renewal of the registration can differ slightly from the original mark as registered if "the specimen supports the amendment and the amendment does not

materially alter the mark". However, the mark remains as originally of record unless a request to amend the mark is filed (this is not mandatory).

- 5) Every registration must be renewed at each 10-year period. The filing may be made within one year before and up to six months after renewal is due (with surcharge). An affidavit of use under §8 must be submitted to the USPTO each 10 years after registration in the US.
- 6) §1(a), 1(b) (once in use) and §44 applications can be amended, if required during prosecution, to the Supplemental Register (SR), which affords limited protections, and is intended for names/designs capable of becoming marks. Intent-to-use applicants must file evidence of use before being eligible for registration on the SR. (§66(a) applications cannot be filed on or transferred to the SR.)

## New fees in Turkey

By Isik Ozdogan and Ezgi Baklaci from Moroglu Arseven Law Firm in Turkey.

The Turkish Patent Institute has revised the official fees for trade mark applications and proceedings. With the Communiqué 2011/1, the Institute accepted a new official fee tariff which has come into effect as of 31st December 2010 and will be in effect through 2011.

With this change, the official fees of any trade mark-related matter are reduced by between 7% and 50%. Also, according to the new tariff, the official fees for "recordal of change of address", "pledging the trade mark as a security", "removal of licence, pledge or security" and "abandonment of a trade mark" are abolished.

Besides significantly reducing the official fees, the Institute has changed the fee system for trade mark applications. Before the change, the Institute measured the trade mark application fees for one class, two classes or three classes and for each additional class after the third class. With the change, the Institute only determined a basic one-class application fee and an additional class fee for extra classes (which are both 120 Turkish Liras (€59)). Now, the cost of a multi-class trade mark application is approximately 50% lower than before, for each additional class.

Also, in 2011, the Institute is reducing by 20 Turkish Liras (€10) the official fee for a trade mark application when it is filed online, regardless of the number of classes covered. The aim of the reduction in online fees is to encourage applicants and increase the number of online applications in Turkey.

Supplemental registrations may not be opposed, but may be cancelled. While the SR does not provide *prima facie* evidence of a valid mark, or authority to prevent importation of counterfeit products, it does indicate that the USPTO views the name/design, etc as capable of distinguishing an applicant's goods or services via distinctiveness acquired through use. Often, a **new** application for the mark registered on the SR will be accepted

“Applicants who expect the mark to be modernized periodically are advised to file a national application or a §44 application.”

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on the Principal Register after five years of continuous use or after a shorter period if acquired distinctiveness can be demonstrated through significant advertising/sales under the mark in the US. A Supplemental Registration allows for the right to use the ® symbol, protection against registration of a confusingly similar mark, and the right to sue infringers in federal court, although there is no presumptive validity of the mark. As with a common law use-based lawsuit, distinctiveness acquired through use of the mark must be proven, unlike a mark covered by a registration on the Principal Register.

#### Disadvantages of the IR in the US

- 1) The form of the mark/drawing cannot be amended (TMEP §807.13(b)), unlike marks with other filing bases as discussed above, except to delete non-material informational matter such as "net weight", contents or a ® symbol. Thus, applicants who expect the mark to be modernized periodically are advised to file a national application or a §44 application ("Similarly, after registration, a registrant generally cannot amend under §7 of the Trademark Act a mark in a registered extension of protection... except to add a standard character claim... (where applicable)").
- 2) Classes cannot be added to accommodate a broadly filed IR during the US prosecution stage – the applicant is limited to the goods/services that belong in the class of IR filing.
- 3) A §71 affidavit of use (equivalent to a §8 filing for US registrations) must be filed during the sixth year after the US registration date with the

USPTO. There is a six-month grace period (with surcharge), which has been conformed with applications under other filing bases. Subsequent affidavits of use are required to be filed with the USPTO within one year preceding each 10th year or within six months after each 10th year (with surcharge) to prevent cancellation of the US extension of protection registration of the IR.



- 4) The form of the mark in a 66(a) application must be a "substantially exact representation of the mark as it appears in the IR", as in the case of a §44 filing basis, and its foreign application/registration. However, specimens for later maintenance purposes must also match, rather than having minor variations which could be considered non-material, and could be accepted for registrations filed under other bases.
- 5) Renewal of an IR extension registration in the US is made with WIPO, according to the date of the registration of the IR, not the registration date in the US. However, as stated above, the affidavit of use with a specimen for each class must be filed with the USPTO during the sixth year and each 10 years after registration in the US.
- 6) Protocol applications may not be filed for or moved to the SR, but may only be on the Principal Register in the US.

## Registry delays should not prejudice assignee in India

In *Eveready Industries India Ltd v Sanjay Chadha*, the Delhi High Court laid down that a delay on the part of the Registry should not affect the rights of a dutiful assignee of a trade mark who has complied with the procedures laid down under the Trade Marks Act, 1999. The Court also held that the plaintiff should come to the court with clean hands otherwise the trial gets vitiated and thus the chances of his being granted interim relief are reduced. **By Manisha Singh Nair of Lex Orbis.**



#### The parties' contentions

Eveready Industries sued Sanjay Chadha, claiming that since 20th June 1934 it had used the marks Eveready and the Eveready device in respect of cell batteries, rechargeable batteries, flash lights, compact fluorescent lamps, general service lamps, insect repellants and packet tea. It further claimed that the mark was in use in respect of carbon zinc batteries since 1905 by its predecessor-in-title National Carbon Company (India) Limited.

Sanjay Chadha claimed assignment of the Eveready and the Eveready device marks from Ms Kamlesh Chadha, who had been the registered owner of two trade marks in class 8 since 1985/6

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and was using the marks in respect of screwdrivers and pliers. Kamlesh Chadha had earlier opposed the registration of the plaintiff's Eveready trade mark in class 8.

Eveready Industries sought an interim injunction against the use of the Eveready mark and any other mark that is identical or deceptively similar. The issues that came up for consideration before the court were:

- 1 whether Eveready Industries has concealed the fact of its knowledge of the defendants' use of the marks, thereby acquiescing in the use and thus whether or not it is entitled to the interim relief. (It claimed it only learnt of the use on 1st September 2008 when the opposition in class 8 was filed.)
- 2 whether Sanjay Chadha is the rightful owner of the mark Eveready for screwdrivers and pliers.

Eveready Industries contended that Sanjay Chadha was not the owner of the Eveready mark since the assignment deed signed in 2009, with retrospective effect since 2005, was not valid in the eyes of law, no business was carried out by the defendants during 2000-01 and 2004-05 and that the sales tax registration had already been surrendered by Ms Kamlesh Chadha in respect of certain hand tools.

“ **Nine years of inaction amounts to condoning the use of the mark, and acquiescence.** ”

But Sanjay Chadha claimed that the mark was adopted by Ms Kamlesh Chadha in 1985 while carrying out business under the name M/s Everest Tool Industries and that she assigned her rights in the mark, its goodwill and reputation to Sanjay Chadha on 6th January 2009. It was further alleged that the defendant's products are sold at shops where those of the plaintiff are not sold and, therefore, the goods of the defendant would not be passed off as those of the plaintiff.

#### The court's findings

After hearing both parties' arguments, the court observed:

- The plaintiff was aware at the latest by March 2000 of the defendant's registration covering screwdrivers and pliers. It therefore made a false statement claiming that it only knew from 1st September 2008: “Once the plaintiff was aware it ought to have made enquiry and survey in case it wanted to confirm the use of trademark by Ms Chadha.”
- Someone seeking an injunction must come to court “with clean hands and disclose all material facts and information which he has in possession with respect to the subject matter of the suit being filed by him”. Nine years of inaction amounts to condoning the use of the mark, and acquiescence.

- S45 of the Trade Marks Act 1999 required Sanjay to apply to register his title to the trade mark, which he had done: “If there is delay on the part of Trademarks Registry in registering the assignment, that does not affect his right to use the trademark, assigned to him.”

The court therefore disposed of the interim application, holding that there is no need to injunct the defendants against the use of the mark pending the decision of the case. But it directed that the defendants should not use the mark Eveready except in respect of screwdrivers and pliers.

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