

The **MARQUES** Trade Mark Law & Practice Team is seeking clarification from OHIM on opposition issues. Joanna Gray of Linklaters explains the two areas of concern.

Suspension of an opposition before OHIM following the expiry of the cooling-off period

Following the amendments to the Community Trade Mark Implementing Regulation (CTMIR), the old "indefinitely extendible" cooling-off period prior to the commencement of the adversarial stage of opposition proceedings before OHIM has been replaced by a fixed 24-month cooling-off term (Rule 18). This is a controversial amendment. The possibility of requesting the suspension of opposition proceedings to continue negotiations after the expiry of the maximum cooling-off term is consequently of primary interest in the event of protracted settlement negotiations. This issue has been taken up by the **MARQUES** Trade Mark Law & Practice Team.

Different approaches have been taken by OHIM examiners in response to such suspension requests. Some examiners have allowed the opposition proceedings to be suspended, while others have not allowed this, reasoning that the maximum negotiation period provided by the CTMIR is 24 months and that it is not, and should not be, possible to circumvent this.

“The date of publication of an opposed IR designating the EC for the purposes of Article 43(2) is neither specified in the amended CTMR, nor entirely clear.”



OHIM has now established an internal policy for handling such requests. Where the request for suspension is filed *during* the cooling-off period, it will be refused. This is the case regardless of whether the parties jointly request the suspension to start before or after the expiry of the cooling-off period. However, where the request for suspension is filed *after* the expiry of the cooling-off period, it will be granted (provided that the request is signed by both parties).

Relevant date for calculating the five-year proof of genuine use period for CTM designations via the Madrid Protocol

Another issue requiring clarification in opposition proceedings has arisen following the accession of the EC as a party to the International Registration system under the Madrid Protocol.

Pursuant to CTMR Article 43(2), a CTM applicant may request an opponent to furnish proof of genuine use of the registration on which the opposition is based where the mark has been registered for more than five years

preceding the date of publication of the CTM application. To calculate whether five years have elapsed for the purpose of this provision, both the registration date of the opposing registration and the date of publication of the opposed CTM application are required. This is an old provision that needed no clarification under the original CTM system.

With respect to the new International Registration (IR) system, the amended Community Trade Mark Regulation (CTMR) specifically provides under Article 155 that where an opposition is based on an IR designating the EC, the *date of registration* from which the five-year period is to be

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🗨️ **Where the request for suspension is filed after the expiry of the cooling-off period, it will be granted.** 🗨️

calculated for the purposes of Article 43(2) is the date of publication of the opposing IR by OHIM pursuant to Article 147(1).

However, the *date of publication* of an opposed IR designating the EC for the purposes of Article 43(2) is neither specified in the amended CTMR, nor entirely clear.

The date of publication in the case of a CTM application filed directly with OHIM marks the start of the opposition period (Articles 40 & 42(1)). The date of publication by OHIM

an IR designating the EC pursuant to CTMR Article 147(1) – essentially re-publication by OHIM – does not mark the start of the opposition period. This begs the question: what is the “date of publication” for the purpose of Article 43(2) in this case? Should the “date of publication” be taken as (1) the literal date that the IR designation of the EC is re-published by OHIM, albeit that this date marks the start of the six-month examination period, not the opposition period, or (2) the re-publication date plus six months, which is when the opposition period for a CTM designation via the Madrid Protocol technically starts (cf Article 151(2))?

Clarification of this issue was sought from a legal adviser within the OHIM Trade Marks Department. This prompted the question to be debated within OHIM’s internal Legal Group. The OHIM Legal Group recently

confirmed that the date of publication for the purposes of Article 43(2) is the date of [re-]publication of the IR by OHIM pursuant to Article 147(2).

It seems, therefore, that for the purpose of Article 43(2), the *date of [re-]publication by OHIM* is the relevant date all round. The date of [re-]publication of an IR is deemed to be the “date of registration” where the IR is the opposing mark, and it is also the “date of publication” where the IR is the mark being opposed.

Joanna Gray is a managing associate in Linklaters' Madrid office and a member of the EU sub team of the **MARQUES** Trade Mark Team.

More information on the Community trade mark:
<http://oami.europa.eu/en/mark/default.h>

Scotch whisky order prevails in India



A case involving Scotch whisky recently tested the limits of protection for geographical indications in India. Manisha Singh of Lex Orbis explains.

Competition in the national and global markets has intensified bringing issues of identification and positioning to the forefront. Every product in the market tries to carve a niche based on the strong customer base it builds up on the brand value, name or identification that it holds. When it comes to internationally marketed products named for the region, area or nation where they are produced, protecting the integrity of the products from manufacturers who would misuse the name associated becomes a major battle.

Scotch whisky battles

For the most famous export of Scotland, Scotch whisky, the battle for protection of the tag “Scotch” from manufacturers of spurious “scotch whisky makers” has been a tough process. In an effort to prevent other countries, cultures, or regions from cheaply reproducing Scotch-type whisky and marketing it for trade purposes, Scotland has had legal battles with many international bodies. This protection of their product is also in a way extending protection to something that is an expression of Scottish culture, taste and cleverness.

Scotch whisky has been one of Scotland’s favourite cultural products as well as one of its most profitable trade items for a long time. Scottish distillers have been the sole owners of the label “Scotch” for centuries. As with the case of Scotch whisky, there is an inherent speciality that is associated with such products. The distillation and maturation processes of making Scotch have been specific to Scotland for at least five centuries. This makes it impossible to conceive that this process could be replicated in another country with the same success. Moreover, if one analysed the production process from a Scot’s point of view, nowhere else in the world can one find the Scottish peat used to smoke the barley, or the Scottish oak to make the maturation casks, or the Scottish air to seep through the casks and give the spirit its character.

Thus goods having a specific geographical origin and possessing qualities or a reputation that are due to that place of origin demand to be protected and herein the law protecting geographical indications becomes relevant. The objective of the law in this regard has been threefold: to prevent

unauthorised persons from misusing geographical indications, to protect consumers from deception and to add to the economic prosperity of the producers of such goods.

Protection of geographical indications at the international level can be traced to a number of treaties administered by the World Intellectual Property Organisation (WIPO), most notably the Paris Convention for the Protection of Industrial Property of 1883, and the Lisbon Agreement for the Protection of Appellations of Origin and Their International Registration. In addition, Articles 22 to 24 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) also deal with the international protection of geographical indications within the framework of the World Trade Organisation (WTO).

At the national level, geographical indications are protected under a wide range of concepts, such as laws against unfair competition, consumer protection laws, laws for the protection of certification marks or special laws for the protection of

geographical indications or appellations of origin.

Preventing misuse

Courts actively contribute to prevention of the misuse and misrepresentation by dishonest commercial operators and protection of the interests of the consumers and legitimate producers. In India, recently, in *Scotch Whisky Association & Others v Golden Bottling Ltd*, 2006 (32) PTC 656 (Del) the issue was with regard to manufacture and sale of whisky under the name Red Scot by the defendants, against which an injunction was sought by the plaintiffs.

In this case, the plaintiff, Scotch Whisky Association, is an association, registered as a company in the United Kingdom incorporated with the object of protecting and promoting the interests of Scotch whisky trade both in the UK and abroad. The injunction was sought to restrain the defendants, Golden Bottling, from using the name "Red Scot" or any other name containing "Scot" or any word similar thereto so that defendant cannot pass off its whisky as Scotch whisky. The Scotch Whisky Act of 1988 and the Scotch Whisky Order were also placed on record by Scotch Association to prove that even in Scotland all whiskies that are produced there need not necessarily fall within the definition of "Scotch Whisky".

It was also contended by the Association and its members that the words "Scot" or "Scotch" were geographical indications in the purview of Article 22.1 of the TRIPs Agreement thus identifying it as whisky produced in Scotland. To substantiate their stand, they brought forth sample advertisements apart from sales figures worldwide.

Article 22.1 of the TRIPs Agreement defines geographical indications as indications that identify a good as originating in the territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

“The Court granted an injunction and also awarded damages for the offence of passing off committed by the defendants.”

Further, Article 22 mandates protection to be extended by member countries for specific geographical indications.

Further, Section 2(e) of The Geographical Indications of Goods Act, 1999 reads:

"geographical indication", in relation to goods, means an indication which identifies such goods as agricultural goods, natural goods or manufactured goods as originating, or manufactured in the territory of a country, or a region or locality in that territory, where a given quality, reputation or other characteristic of such goods is essentially attributable to its geographical origin and in case where such goods are manufactured goods one of the activities of either the production or of processing or preparation of the goods concerned takes place in such territory, region or locality, as the case may be.

For the purposes of this clause, any name which is not the name of a country, region or locality of that country shall also be considered as the geographical indication if it relates to a specific geographical area and is used upon or in relation to particular goods originating from that country, region or locality, as the case may be.

Injunction granted

Placing reliance on these provisions, the Court upheld the contentions of the Scotch Whisky Association and granted an injunction and also awarded damages for the offence of passing off committed by the defendants. The court also emphasised the necessity of preventing violations of the intellectual property rights of the parties before it.

The judgment of the Court upholding the legal protection guaranteed to the specific GI, herein Scotch Whisky, construing along the lines of the Indian GI Act of 1999, reveals a trend of protection and concern for extending legal protection to GIs by Indian courts and hence acquires the status of a landmark decision. This aspect is further highlighted by the recent move by the government to identify the products that needs to be registered as GIs so as to protect the country's trade interest.

Manisha Singh is a partner of Lex Orbis and India correspondent for the MARQUES Newsletter.

More information on Scotch whisky is available at www.scotch-whisky.org.uk

New IP laws in Cape Verde

Thirty-one years after its independence from Portugal, the west-African archipelago of Cape Verde has finally adopted industrial property legislation. Jose Amorim of Gastão da Cunha Ferreira in Lisbon introduces the new laws.

In order to expedite the filing procedures and to put an end to conflicting information that spread through the IP world within recent months, Cape Verde has started accepting applications for trade marks, patents, industrial models and designs, establishment names and insignias, within the terms of the Portuguese Industrial Property Code of 1940. The local authorities are preparing a new Industrial Property Law that will, at a still uncertain future date, replace the one now in force.

Taking into account that Cape Verde is not a member of the Paris Convention nor of the revision agreements, and that, therefore, it is not possible to claim the priority rights determined by them, trade mark owners should file, as soon as possible and regardless of the current effective use of their trade marks, the corresponding applications in order to ensure the protection of their rights in this country.

The trade mark filing requirements are as follows:

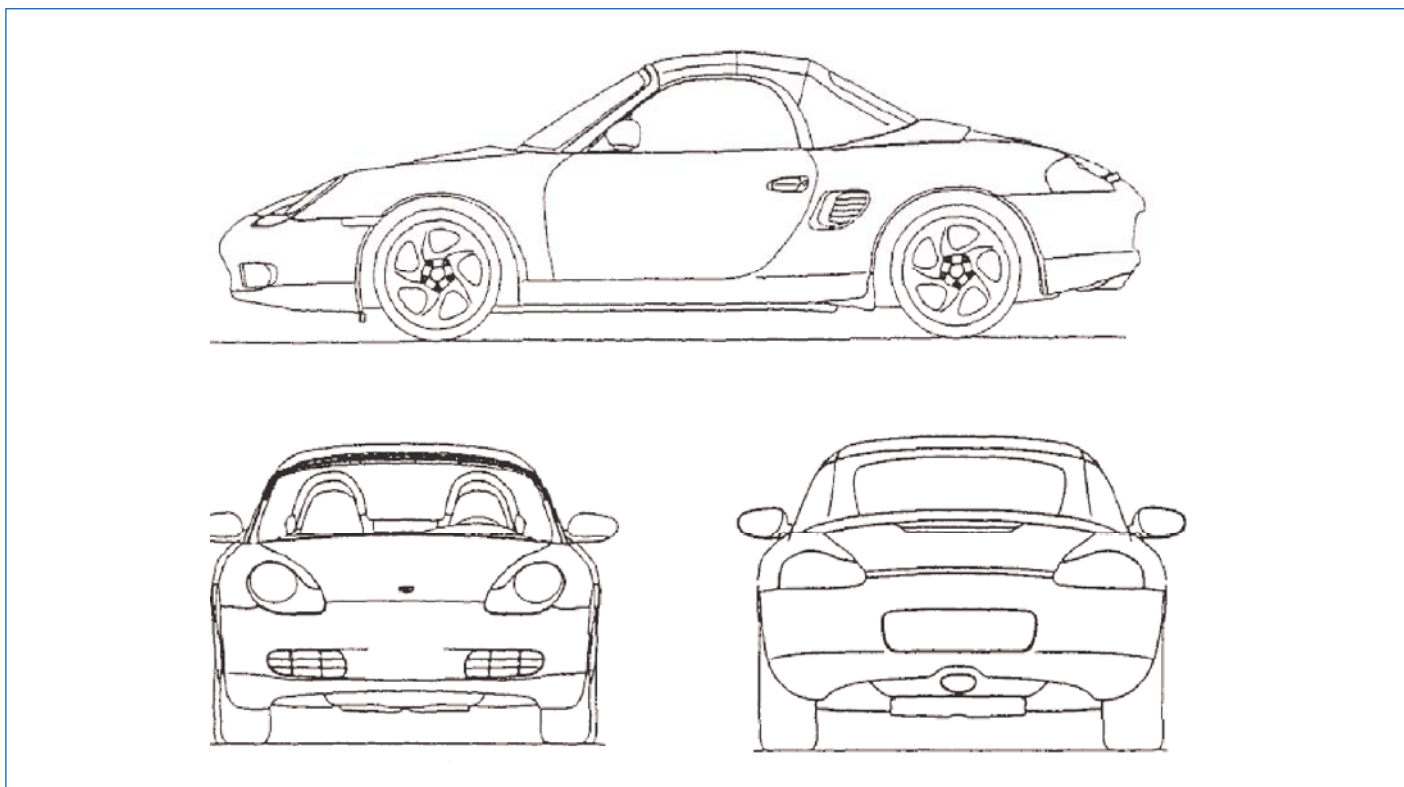
- applicant's full name, nationality, occupation, address or place of business;
- the products and services covered by the trade mark;
- copy of the trade mark;
- power of attorney signed by the applicant and legalised by an embassy or consulate of Cape Verde.

Bearing in mind that the early stages of the implementation of IP protection systems are often used by entities specialised in filing well-known trade marks belonging to third parties, and since many of these trade marks have already been divulged in Cape Verde by means of cautionary notices, it is strongly recommended that trade mark owners file the corresponding applications without delay.

Shape of car is normally a trade mark

In a recent decision of the German Federal Supreme Court the shape of the Porsche Boxster car was not found to be inherently distinctive, but could be granted protection as a trade mark owing to distinctiveness acquired by use within a short period from introduction of the new car.

Peter Munzinger of Bardehle Pagenberg explains.



Following an appeal as to the law, filed by the applicant for the three-dimensional trade mark for cars depicted above, the German Federal Supreme Court had to decide whether the Federal Patent Court had rightly refused registration of the mark for an eminent interest of the public in keeping the variety of shapes of sports cars available for use by the other participants of the trade, and a lack of evidence of distinctiveness acquired by use.

The Court overruled the German Federal Patent Court in its decision of December 15 2005 on the basis of the following findings:

1. The shape of goods is protectable as a trade mark in the abstract, because the shape is not that of an ideal car, but shows a multitude of specific design elements. Therefore, the three-dimensional mark consisting of the shape of the goods in question (cars) qualifies as a sign which is capable of distinguishing

the goods or services of one undertaking from those of others.

2. The sign is also not excluded from registration for consisting exclusively of the shape which results from the nature of the goods themselves, or a shape which is necessary to obtain a technical result, or a shape which gives substantial value to the goods. These provisions aim at excluding the monopolisation of technical solutions or characteristics of goods via the trade mark law, in the public interest.

The sign in issue, however, would not have any such blocking effect, as experience teaches there are numerous other design variations available in spite of the determination of many design elements of sports cars for technical reasons.

3. It could be left undecided whether the mark in question is distinctive as the Federal Patent Court had not based

the refusal of the mark on a lack of distinctiveness.

As a side remark, the Supreme Court explains that three-dimensional trade marks representing the shape of the goods claimed are not to be considered under any other or stricter rules than other trade marks, but the relevant consumers may not perceive the shape of the goods or

“The design is recognised when a car of the same model is seen at another occasion, and the consumer assumes a specific shape of a car to point to a specific origin.”

Who owns the copyright and trade mark?

Andre van der Merwe of D M Kisch, South Africa correspondent for the **MARQUES** Newsletter, looks at a problem affecting companies who commission devices or logos to be used as trade marks.

Certainly in South Africa, and possibly in other countries, copyright law provides that ownership in respect of certain so-called commissioned works vests not in the party commissioning the works, but in the artist/creator of the works (or his/her business or company).

Especially in respect of artistic works such as trade mark devices or logos, this can

have embarrassing and serious consequences for the party commissioning the work. It can happen that one party owns the copyright while another party owns the trade mark which of course is quite undesirable.

While it is submitted that amendment of such copyright statute(s) should be considered to deal with this anomaly, copyright and trade mark owners should meanwhile closely examine the position in their country, and in other relevant countries, seeking advice where necessary, and where required should take

assignment in writing of the copyright in each work in question to ensure that they own both the copyright and the trade mark.

For more details on this problem, see the author's article entitled "Who Owns the Copyright and Trade Mark?" in the supplement *Brands in the Boardroom* in the May 2006 edition of *Intellectual Asset Management*.

Andre van der Merwe is a patent and trade mark attorney and director of D M Kisch Inc in Sandton, South Africa.

their packaging as an indication of the origin of the goods. It must be considered whether the three-dimensional mark illustrates a certain term, for example car or sportscar.

When the mark shows specific design elements account is to be taken of the presumed perception of the consumer: if he or she will assume these design elements are merely design elements, the mark is not distinctive; if the consumer believes these design elements are an indication of the origin of the goods from a certain undertaking, then the mark is distinctive. In effect, the decision points into the direction that car designs are perceived as designs that are understood as a means of identifying the source of these goods, apart from the function of the design of being an aesthetically attractive design.

4. The mark is excluded from registration, however, as a descriptive sign under Section 8 (2) Number 2 of the German Trade Mark Act, because it consists exclusively of a sign which describes a characteristic of the goods, namely the outer appearance of cars. There exists an enormous public interest in keeping the aesthetic design variations of cars available for use of others. The freedom of designing cars like other products shall not be restricted unduly.

It has to be taken into consideration that others, not only car manufacturers, could protect a multitude of car designs by filing trade mark applications with the effect that these designs were henceforth prohibited at least during the initial grace period of such trade mark registrations. The consequence would be an undue restriction of the freedom of creating new designs of cars.

5. The mark can nevertheless be registered under the aspect of distinctiveness acquired by use: this fact can outweigh both non-distinctiveness and descriptiveness. The Patent Court had not accepted the evidence of use prior to filing of the trade mark application as sufficient on the ground that the period of only nine to ten months was not long enough. As a matter of every day experience, says the Supreme Court, it is known that consumers recognise at least those cars that are sold in considerable quantities within a relatively short period following their introduction into the market.

The recognition is not necessarily for the brand, but the design is recognised when a car of the same model is seen at another occasion, and the consumer assumes a specific shape of a car to point to a specific origin. It is helpful in this context if the car design incorporates special

“New car shapes are very soon after their introduction recognised by the interested consumers as to point to a certain car manufacturer.”

design elements that are anyway proprietary of the applicant and have already gained some recognition in the marketplace.

It is interesting to note that the Federal Supreme Court says it is general experience that new car shapes are very soon after their introduction recognised by the interested consumers as to point to a certain car manufacturer. Apparently, the Federal Supreme Court does not interpret this phenomenon as an indicator of inherent distinctiveness, but as an indicator of acquired distinctiveness which exists at least for the frequently sold car models in Germany.

Peter Munzinger is a partner of Bardehle Pagenberg Dost Altenburg Geissler in Munich.

Changes to New Zealand's IP laws

Sue Irwin Ironside of Baldwins reviews recent legislative changes and proposals for IP reform in New Zealand.

Intellectual property laws need to be continually reviewed to keep up with international trends. New Zealand is undertaking various reviews of its intellectual property laws that may result in amendments to current legislation and also result in new legislation being passed through parliament.

The following provides an overview of some of the areas that have changed or are under review.

Domain name dispute resolution for .nz

As at 1 June 2006 New Zealand's own domain name dispute resolution procedures became effective. Previously, domain name disputes regarding .nz domain names had to be heard through the Courts or resolved through negotiations.

The new .nz domain name dispute resolution procedure is provided through the Dispute Resolution Service Policy.

An action is initiated by the complainant filing a complaint with Internet NZ. Following this the respondent has 15 working days to file a response.

The complainant is then provided with a further five days to reply to the response, but this can only be in reply to any new items raised.

If a response is filed, the dispute is referred to informal mediation. The informal mediation process is not compulsory and either party can refuse to mediate. If mediation is not successful, or refused, the complainant must pay a fee to have the case referred to one of the expert panellists for determination.

Decisions will be made available on the Office of the Domain Name Commissioners website (www.dnc.org.nz). However, to date no decisions have been issued by the expert panellist.

The Madrid Protocol

New Zealand has not yet acceded to the Madrid Protocol and is unlikely to accede till 2008. Accordingly, unless a New Zealand company has a registered business interest in a member country of the Madrid

Protocol, this avenue of trade mark protection is not available.

This means that foreign brand owners must separately seek protection in New Zealand when filing a Madrid Protocol application.

New Zealand's accession to the Madrid Protocol will not only provide greater opportunity to local businesses, but will provide easier access for foreign business to protect trade marks in New Zealand, when previously it may have been overlooked.

Accession to the Madrid Protocol has been under review by New Zealand for some time without much forward movement. There is concern that applicants who would not normally consider New Zealand may flood the trade marks register, and in turn limit protection for local businesses.

The Ministry of Economic Development recently asked for discussion submissions on New Zealand's accession to the Madrid Protocol. It is hoped that following further review New Zealand could enter the Madrid Agreement by June 2008.

Geographical Indications Act (Wines and Spirits)

The Geographical Indications Act 1994 was passed by the New Zealand government to meet New Zealand's obligations under the TRIPs Agreement. However, this Act has not come into force.

Article 22.1 of TRIPs defines "geographical indications" as "indications that identify a good as originating in the territory of a Member, or a region or locality in that territory, where a given quality or reputation or other characteristic of the good is essentially attributable to its geographical origin".

The aim of the Geographical Indications (Wines and Spirits) Registration Bill 2005 is to replace the Geographical Indications Act 1994 by restricting the geographical indications to wines and spirits rather than all goods.

The Geographical Indications (Wines and Spirits) Registration Bill 2005 is before a Parliamentary Select Committee.

“*The Geographical Indications (Wines and Spirits) Registration Bill 2005 aims to restrict the geographical indications to wines and spirits rather than all goods.*”

Patents Bill

The Patents Act 1953 has been under review by the New Zealand government since 2000. The review of the Patents Act 1953 was undertaken in three stages.

At the third stage of the review a draft bill was publicly realised for submissions. Submissions closed in March 2005.

However, the bill has not yet been introduced to parliament and there may be some time before this happens due to legislative pressures and issues around harmonisation of business laws between New Zealand and Australia.

Copyright Act

Digital Technology and its effects on the Copyright Act 1994 have been under review since July 2001. A discussion document was released to encourage public submissions.

In December 2002 the government issued its preferred policy based on the public submissions received. The Copyright (New Technologies and Performers' Rights) Amendment Bill is in its final stages of drafting and will be publicly realised when introduced to parliament.

Following its introduction the Amendment Bill will be referred to a select committee for further public comment.

Sue Irwin Ironside is a partner of Baldwins in Auckland.

More information on IP in New Zealand: <http://www.iponz.govt.nz>

“*It is hoped that following further review New Zealand could enter the Madrid Agreement by June 2008.*”

Lancôme wins smell copyright case

The Dutch Supreme Court has upheld a Court of Appeal ruling in favour of Lancôme, clearing the way for smells to be protected by copyright law in the Netherlands.

In its decision on June 16, the Court rejected an appeal from rival perfume maker Kecofa, which had claimed smells could not be protected by copyright law.

In June 2004, the Court of Appeal of Den Bosch rejected Lancôme's allegations of trade mark infringement against Kecofa. But the Court ruled that the smell of Kecofa's Female Treasure product did infringe Lancôme's copyright in the Trésor smell.

That finding was based on physiochemical analysis that the two perfumes had 24 out of 26 olfactory components in common. The Court of Appeal said that Trésor was entitled to copyright protection as the scent could be sensorily perceived, was sufficiently concrete and stable to be considered as a work and had an original character bearing the stamp of its author.

Lancôme claimed the probability of a producer independently creating such a similar perfume was equivalent to winning the lottery every day for 100 years.

In its decision, the Supreme Court accepted that the evidence produced by Lancôme was admissible, and ruled that smells are not excluded from copyright protection under Article 10 of the country's Copyright Law, provided they are original.

The Court also said that smells are not necessarily technical effects and could be protected even though some of the usual requirements of the Copyright Act (such as the prevention of dissemination) do not apply. It added that infringements of smell copyrights can be substantiated based on laboratory tests and panels of smellers. But it is not necessary for judges to smell the scents themselves.

The Supreme Court's decision may provide for even broader protection than the Court of Appeal's ruling: the lower court had said that the composition of elements of a smell is copyrightable, but not the smell itself as it is changeable. But, says Bas Kist, a partner of Shieldmark in Amsterdam and member of the [MARQUES](#) Publications and Website Team: "The Supreme Court did not make this distinction. They simply say the scent of a perfume is eligible for copyright protection."

Willem Leppink of Simmons & Simmons in Rotterdam said the Supreme Court's judgment was "absolutely a landmark decision" which may set a trend in Europe. "Where there are restrictive trade mark rules, people will try to find another means of protection," said Leppink.

UK court backs adidas in tennis dispute

adidas has succeeded in winning an injunction against a dress code implemented by the major tennis tournaments, after it claimed that the code infringed European competition law.

The company claimed the dress code, if implemented, would stop players wearing its distinctive three-stripe sportswear.

The injunction, awarded on June 7 by Chancellor Andrew Merrett in the High Court, means that tennis players at major tennis tournaments can wear clothes featuring the distinctive adidas design. The injunction applies to the Wimbledon Championships, which started on June 27, the US Open and other international tournaments held in the EU.

The dispute arose in 2004 after rival sportswear makers, including Nike, Puma and Reebok (which has since merged with adidas), complained to the International Olympic Committee (IOC) and other bodies that the adidas three-stripe motif should not be allowed on players' clothing as it exceeded the size permitted for "manufacturer's standard logos".

In May 2005 the Grand Slam Committee (GSC), which represents the major tennis tournaments, amended its dress code.

On June 1 that year, the International Tennis Federation resolved that "beginning 1 January 2006, the so-called '3 Stripes' identification by Adidas on tennis apparel shall be considered a manufacturer's logo for the purposes of the enforcement of the size and placement limitations set forth in the relevant Regulations of all ITF Competitions".

adidas responded by alleging that the ITF had infringed Articles 81 and 82 of the EC Treaty, which regulate competition, by putting the company at a competitive disadvantage vis-à-vis its competitors. The company argued that it would be barred from using the three stripes while competitors could continue to use "their own distinctive design elements" including stripe designs.

adidas further claimed that the Grand Slam and ITF decisions constituted an unlawful agreement between undertakings and should be declared void and that the decisions constituted an abuse of a dominant position.

After reviewing adidas's claims and European competition law, the judge decided that the company "has a real prospect of success in its claim... that the GSC decision and the ITF decision were and are incompatible with Article 81 and may, at the trial, be declared to have been void". In addition, he declined to strike out or summarily dismiss the claims made under Article 82.

A full trial in the case will start on or about October 9 this year.

The Enforcement Directive in practice

Christina Berggren, Hanne Weywardt and Karolina Ullman review how the EU Enforcement Directive has been implemented and interpreted so far in Denmark, Estonia and Sweden.

The deadline to implement Directive 2004/48/EC on the Enforcement of Intellectual Property Rights was 29 April 2006. It aims to set a minimum level on sanctions on infringements in IP rights. EU member states – including Denmark, Estonia and Sweden – are all at a different stage in the implementation process:

- **Denmark:** The Directive is implemented but no case has been tried so far according to the new rules; however the Maritime and Commercial Court seems to have found inspiration from the new rules in its recent judgment issued on 4 May 2006.
- **Estonia:** The Directive will be implemented in the near future. Legal persons will however still not have a right to receive compensation for infringement of moral rights.
- **Sweden:** The Directive will not be implemented until the end of the year. A recent raid against a file sharing company has caused lively discussions.



Denmark

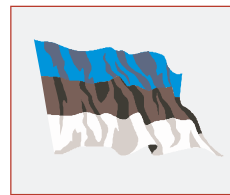
The provisions regulating the issue regarding compensation came into force on

1 January 2006. The remaining provisions came into force in April. Even though the rules have only been applicable for a short time and no cases have actually been tried according to the new rules, they have already influenced the court in a recent case. In this precedential case the court set the compensation payable by the defendant for the unlawful exploitation of trade marks belonging to Louis Vuitton and Chanel very high.

Compensation for trade mark infringement has previously been determined as a hypothetical licence fee of 5% to 10 % of

the retail price. In this case the court determined that compensation should correspond to 25% of the original product's retail price. By elevating the compensation the court has acknowledged that luxury brands are particularly dependent on their goodwill and therefore the compensation should be elevated and even though the case was not tried according to the new rules it gives a strong indication on the level of future damages.

The decision has not been appealed to the Supreme Court and is therefore a precedent.



Estonia

The Directive is partly implemented and some additional amendments

are expected to come into force during the summer.

In Estonia a legal person can only claim damages based on the actual proved loss. Legal persons are not able to receive compensation for infringement of moral rights.

With the amendments made, a court can now set damages to a lump sum based on hypothetical royalties or fees. The question whether legal persons can claim damages for infringement of moral rights has not been solved yet. This part of the Directive will remain unimplemented for the time being.



Sweden

Swedish law is in most areas already in conformity with the Directive.

Still to be implemented are the provisions that stipulate that the infringing party shall pay for spreading information of the outcome of

can be forced to give information regarding the supplier of the goods and of other actors involved.

The Directive will probably not be implemented in Sweden until the end of the year.

It has also been suggested that Swedish copyright law is changed with the aim of preventing file sharing. Recently, Swedish police raided and ceased servers from Pirate Bay, the largest site for file sharing in the world. For copyright owners the raid has been welcomed. The raid has however also been criticised, especially since it has been claimed that the raid was conducted after pressure from the US government.

Similarities and differences

It is interesting to see that neighbouring countries with many similarities meet different issues regarding the same Directive.

The judgment in Denmark recognises that luxury brands are entitled to a high compensation.

In Estonia, it is recognised that the Directive stipulates that legal persons should also have a right to claim damages for infringement of moral rights. It is, however, claimed that this amendment can only be made after changes in the Estonian Constitution.

The strengthening of copyright owners' rights in Sweden is turning into an important political issue. The results of the discussions remain to be seen!

Christina Berggren, Hanne Weywardt and Karolina Ullman are members of MAQS Law Firm in Sweden, Denmark and Estonia respectively.

Formal Notice of Annual General Meeting of the Association 2006

In accordance with the rules of the Association, all Ordinary (full voting) Members are hereby formally advised that the Annual General Meeting of **MARQUES** will be held on Friday, 15th September, 2006 in The Hilton Malta Conference Centre, Portomaso, Malta, starting at 0930 hrs.

The Meeting will receive the audited accounts for the year ended 31st March, 2006, the Report of the Chairman and the Council for the same period, appoint auditors for the year to 31st March, 2007, receive confirmation of the results of the annual electoral processes to fill vacancies on the Council and consider any other business details of which have been submitted in advance by Members in accordance with the procedures described below.

The AGM provides all Members with the opportunity to express views on the way in which the Association is developing, on the range and nature of services offered and on the performance of the Council and Secretariat.

All Members are free to contribute to the Agenda – whether they are present or not. In addition, any Member has the opportunity to raise any matter of concern by writing to the Secretariat *by not later than Friday, 18th August, 2006*. Full notice of all business to be discussed at the AGM is then sent to every Member at least 21 days in advance of the meeting to give time for due consideration of all of the issues involved.

All Members are entitled to put themselves forward as candidates to fill vacancies on the Council but each candidate, other than a retiring member of Council, must be nominated by three Ordinary Members. Further details and advice, if required, are available from the Secretariat.

Under current rules, one half of the Special Members and one third of the Ordinary Members currently serving on Council are required to retire each year by rotation but may offer themselves for re-election. In accordance with this rule, the following vacancies are created this year:

Ordinary Members: Tove Graulund (Denmark), Jane Collins (Switzerland), Carlo Imo (Italy), Susanne Skov Nilsson (Denmark) and Bruce Proctor (UK). In addition vacancies have been created by the resignation of Danielle Le Carval (France) and Nunzia Varricchio (Canada).

Special Members: Kay-Uwe Jonas (Germany), Shane Smyth (Ireland), Paul Steinhauer (The Netherlands), Carles Prat (Spain) and David Goldring (UK). In addition a vacancy has been created by the resignation of Ana Pallares Casado (Spain).

The following Special Member, was appointed by the Council subsequent to the 2005 Annual General Meeting and requires her appointment to be formally confirmed by the AGM: **Nunzia Varricchio** (The Netherlands)

Council may be composed of up to 40 members with not more than 6 from any individual European country, not more than 6 drawn from countries outside of Europe and not more than 14 Special Members. Except where indicated, all those due to retire have confirmed their intention to offer themselves for re-election. The nomination of candidates in excess of the declared number of vacancies in either category would require **MARQUES** to organise a postal ballot of all Ordinary Members to select candidates to fill the available places. Should such need arise, the process will be conducted under the direction of the Company Secretary who will announce the results at the AGM.

Nominations are therefore invited from and on behalf of Ordinary Members to fill these vacancies on Council.

Nomination Forms, which are available on request from the Secretariat, should be completed and returned to the Company Secretary *by not later than 1700 hrs (BST) on Friday, 18th August, 2006*.

By Order of the Council
Robert Seager
Company Secretary

1st July 2006

Blowing Bubbles

by Jeremy Phillips and Ilanah Simon

In *O₂ v Hutchison Communications* [2006] ETMR 55, the High Court of England and Wales recently resolved an unusual comparative advertising dispute that has implications for trade mark infringement throughout the European Union. Here we review the judge's analysis of confusion-based infringement in comparative advertising cases.

The facts

Both O₂ and H3G run mobile telephone networks in the UK. O₂ owns various trade marks consisting of photographs of bubbles for such services. Some of the bubble images had been used in advertising and on the packaging for and literature provided with O₂'s mobile phones.

H3G also offers mobile telephony services. In summer 2004, H3G embarked on an advertising campaign to promote its newly launched "pay as you go" service. Included in the campaign was the television advertisement that was the subject of this dispute. Essentially, the advertisement ran as follows:

1. a large number of bubbles appeared on screen;
2. a male voice said "On O₂ pay as you go the first three minutes peak call rate each day could cost you seventy 5p";
3. the bubbles were swept off-screen and a colourful numeral "3", the logo of H3G, appeared on screen;
4. a female voice said "Or with ThreePay, that exact same call could cost you 15p".

O₂ argued *inter alia* that the advertisement would confuse consumers into thinking that the advertisement was for O₂'s services, infringing Article 5(1)(b) of Directive 89/104).

Confusion and comparative advertising

The facts of this case are relatively unusual. Generally a comparison for the purposes of comparative advertising will refer to the goods or services that the later user is making a comparison to by using the name or figurative mark of the earlier user. For example "ILANAH'S COLA tastes better

than COCA COLA". However, in this case, H3G referred to O₂ by using the *concept* behind O₂'s mark (bubbles) rather than by using any of the specific embodiments of bubbles that O₂ had registered. This ruled out an identical goods/identical marks claim and meant that, to show infringement, O₂ had to demonstrate that consumers were confused.

The whole point of comparative advertising is to differentiate your product from that of your competitor by saying that your product is better or cheaper. If consumers viewing H3G's advertisement falsely believed that it was an advertisement for O₂'s services then the advertisement would have failed.

In any event, the confusion argument was improbable, because consumers would be unlikely to believe that O₂ was drawing attention to the fact that its services were more expensive than those of H3G.

Nevertheless, Lewison J found there was a likelihood of confusion:

...the bubbles (and the accompanying soundtrack and super [male voiceover]) were intended to and did identify O₂'s services. Thus the use of the bubbles... would have led the average consumer to believe that the services identified by the sign emanated from the same undertaking as the services identified by the mark (as in fact they did).

Thus consumers would correctly identify the bubbles as referring to O₂ and the services which were the subject of the criticism in the advertisement as also coming from O₂ and that constituted likely confusion. However, since consumers take away a truthful message from the use of the bubbles, it is hard to see where the confusion comes in.

The judge justifies his approach as follows. His starting point is that there is *prima facie* Article 5(1)(a) infringement in parallel importation cases, even though a defence will often be available. In such cases, use of an identical mark for the mark owner's own genuine goods is considered infringing. Thus he reasons that, if there can be infringement where there is identity of both mark and goods without any

👉👉 **H3G referred to O₂ by using the concept behind O₂'s mark (bubbles) rather than by using any of the specific embodiments of bubbles that O₂ had registered.** 👉👉

misrepresentation as to origin, then a *fortiori*, there can be infringement where there is identity of goods and similarity of marks (or identity of marks and similarity of goods) without any such misrepresentation.

This involves doing violence to the wording of Article 5(1)(b), which clearly requires confusion. Although the judge characterises what he finds as 'confusion', this is unconvincing, since he ultimately finds that consumers will take a truthful statement concerning origin at face value. Seemingly conscious of this, he excuses himself by pointing out that the ECJ has, in *Davidoff v Gofkid* C-292/00, ignored the literal wording of the Directive.

What can we learn from this judgment?

There are two main lessons to be learnt from Lewison J's confusion analysis. First, on the literal wording of the Directive, it is exceptionally difficult to succeed in an infringement action where the marks are only similar, rather than identical. (A dilution action also failed because the marks were not similar enough to lead to an association.) Secondly, the ECJ in *Davidoff v Gofkid* opened a Pandora's Box by showing that it is permissible to ignore the explicit wording of the Directive. Once one requirement is read in a non-literal fashion, it is impossible to be certain that other requirements will be read literally.

The decision in O₂ Holdings Limited & Anor v Hutchison 3G Limited [2006] EWHC 534 (Ch) is available at www.bailii.org/ew/cases/EWHC/Ch/2006/534.html and from the **MARQUES** case law database, CaselidNr:1044

👉👉 **It is exceptionally difficult to succeed in an infringement action where the marks are only similar, rather than identical.** 👉👉

The **MARQUES** Unfair Competition Team

The **MARQUES** Unfair Competition Team tackles a wide range of topics, including regional issues, look-alikes, own label, innovation, code of conduct, ethics and trade mark councils. It is working on an extensive study comparing national practices on look-alikes, among other issues.



Cristina Duch

Cristina Duch is a senior associate with Baker & McKenzie in Barcelona. She specialises in IP law including unfair competition and advertising, and she handles a variety of litigation in these areas. She has published a number of articles and is a professor at the Universitat Internacional de Catalunya. She graduated from the University of Barcelona in 1992 and was admitted to practice in 1994. She carried out postgraduate studies in EU Law at the Katholieke Universiteit Brabant (Tilburg, The Netherlands), European Studies Programme. Cristina speaks Catalan, Spanish, English and French.



Gérald Gabriel Lamoureux

Gérald Gabriel Lamoureux is an avocat at the Paris Bar (Attorney at Law, Member of the Paris Bar) and member of Cabinet Hirsch. He was admitted to the Paris Bar in 1983 and specialises in IP and commercial law. He has a doctor of laws from the University of Paris, majoring in IP law, and has been working in the IP field (patents, trade marks, designs and competition and distribution law) for over 16 years. He was formerly President of the APRAM (French Trade Mark Practitioners Association). Gérald teaches in the law faculty of the University of Amiens (Post-graduate diploma in Health Law) and is an adviser to the Chamber of Commerce of Paris and to WIPO. He is a member of numerous professional organisations including the AIPPI and INTA (Anti-counterfeiting and Enforcement Committees) and is fluent in French and English.



Till E Lampel

Till graduated in law from the University of Tübingen in 1989. He continued his legal education at Speyer University for Politics and Administration and the Upper District Court of Frankfurt. During his legal education he was an intern for Gardner, Carton & Douglas in Chicago, USA. He is a partner with Harmsen. Utescher in Hamburg, Germany, an IP firm which he joined in 1992. Till advises clients on all aspects of IP law, in particular trade marks, internet law, designs and copyright, unfair competition and licensing. His practice includes prosecution and litigation of all of these IP rights. He is Vice-Chair of the **MARQUES** Unfair Competition Team.



Andreas Lubberger

Andreas Lubberger is one of the two founding partners of Lubberger Lehment. Before he started his career as an IP lawyer in 1989, he spent three extra years at the law faculty of Frankfurt University as an assistant lecturer. Thereafter Andreas joined the Frankfurt office of the Oppenhoff firm. As a partner since 1994, Andreas had been head of the IP department of the Frankfurt office. He experienced a series of mergers that in 2000 ended up as Linklaters. In 2004, Andreas decided to leave for his own boutique firm that focuses on trade marks and unfair competition.



Jennifer Powers

After graduating as Juris Doctor from the University of Denver in 1992, Jennifer Powers graduated as a Master of Law in 1992 from the UOP McGeorge School of Law, Sacramento, California and the University of Salzburg, Austria. Having held the position of Legal Editor at the Centre for International Legal Studies in Salzburg, Austria from 1993 to 94, she became an Associate at Bruckhaus Westrick Heller & Lober in Vienna, Austria, a position she held from 1994 to 99. Jennifer has since 1999 been IP Counsel for Red Bull GmbH, in Salzburg, Austria, and has been a member of the **MARQUES** Council since February 2005. She also holds a Bachelor of Arts Degree in political science and art history (1987) and speaks fluent German and English.



Alessandra Romeo

Alessandra Romeo took a degree in technical and commercial translations in 1989 and began her activity in the IP field in the same year. She has been advising on IP matters – particularly trade marks – since 1991, and her main areas of expertise are trade marks (registrability, filing and prosecution, oppositions, administrative and out-of-court litigation proceedings), domain name issues and ICANN proceedings. She is admitted to practice as a registered trade mark attorney before the Italian Patent and Trade Mark Office, OHIM and WIPO and is a member of the Italian Industrial Property Consultants Institute, FICPI and the **MARQUES** Unfair Competition Team. Italian is her mother tongue; she is fluent in English and French, and knows German. Alessandra is a partner of Buzzi, Notaro & Antonielli d'Oulx.



Paul Steinhauser

Paul Steinhauser is co-founder of Steinhauser Hoogenraad Advocaten, an IP-boutique law firm in Amsterdam. He studied law at Nymegen University and became a member of the bar in 1968, first in Rotterdam and since 1985 in Amsterdam. Paul is an experienced litigator and arbitrator in IP cases. He has been involved in many landmark cases, such as Burberrys II and Valeo. Paul is member of the editorial board of BLE, the leading IP magazine of the Netherlands and an adviser to the Dutch government on trade mark and design issues. In addition, Paul is past president and member of honour of the Benelux Trademarks and Designs Association BMM and a council member of **MARQUES**.



Danise van Vuuren-Nield

Danise is Trade Mark Counsel for The Coca-Cola Company. She advises on IP law, including trade mark litigation, prosecution, designs, copyright and all aspects of advertising and marketing relating to trade marks. Prior to this, Danise was Head of Trade Marks at Reckitt Benckiser. She also worked in private practice in Glasgow and London representing a variety of clients. While in private practice, she gained considerable expertise in dealing with the trade mark portfolios of large multinational companies in the vehicle and confectionery trade. Danise attained two law degrees and is a lawyer of 12 years experience in the IP field. She is also married to a trade mark attorney!

Write for the MARQUES Newsletter

All **MARQUES** members are welcome to submit articles for publication in the Newsletter. Articles should be submitted by email, and should be about 500 words in length. Relevant photographs and illustrations should also be submitted. **MARQUES** considers publishing articles on any topic that is of interest to members, in particular case reports, details of new legislation, government initiatives, deals, IP strategy and other trade mark-related developments.

If you would like to submit an article, please contact the editor (editor@marques.org) well in advance of the deadline, with details of the subject you propose to cover. You can also contact any of the country correspondents listed below.

The deadline for the next issue is 15th September 2006.

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