

# Topic 15

## FAMOUS TRADEMARKS

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# COMMON LAW VS STATUTE LAW

- A Trademark Act or Statute protects registered trade marks.
- The general or common law protects unregistered trade marks.
- The remedy is unfair/unlawful competition – passing off.
- It is the origin of tm protection.

# BASIC TRADEMARK CONCEPTS

- A trade mark is territorial
- Local registration confers trademark rights
- A person may register a trade mark in relation to which
  - no one else has
  - in the same territory
  - claimed a similar prior right



VICTORIA'S SECRET

# WHY REGISTRATION?

- Existing reputation not required for registration or enforcement.
- Presumption of validity.
- Protection continues, even if little used or known.
- Registration is effective countrywide.
- Proof of misrepresentation and loss of goodwill not required.

# PRIOR LOCAL RIGHTS

- A trader may have common law trademark because of prior reputation and use.
- “Well-known marks are usually protected, irrespective of whether they are registered or not, in respect of goods and services which are identical with, or similar to, those for which they have gained their reputation.”
- This prior unregistered right may trump a later application for registration.

PROTECTION OF  
*UNREGISTERED*  
FOREIGN MARKS  
THAT ARE WELL KNOWN





SONY



Canon



PLAYBOY



Mercedes-Benz

# INTERNATIONAL EXCEPTION

- Well-known (foreign) trademarks are entitled to protection without registration.
- Art 6bis of the Paris Convention
- Art 16(2) of TRIPS



# ART 6 BIS AND ART16(2)

- A foreign trademark owner whose unregistered trademark (for goods or services),
- is well known locally,
- may object to a trademark that
  - constitutes a reproduction, an imitation, or a translation, and
  - is liable to create confusion.

# PART OF TRADEMARK

Applies when the essential part of the infringing mark constitutes

- a reproduction or
- an imitation

liable to create confusion.

# IDENTICAL OR SIMILAR GOODS OR SERVICES

- The infringing trademark must be used for identical or similar goods.
- Unless its use in relation to other goods or services
  - would indicate a connection with the owner of the registered trademark and
  - the interests of the owner are likely to be damaged by such use.

# REQUIREMENTS FOR PROTECTION

- Owner must have a real and effective industrial or commercial establishment in a convention country.
- A sector of the population must be ‘interested in the goods or services to which the mark relates’.
- The mark must be well known as one belonging to an enterprise with a base in another country.
- A substantial number must have the knowledge.

# RIGHTS OF FOREIGN OWNER

- To object to the registration,
  - claim cancellation, or
  - prohibit the use
- of the objectionable trademark.

# TIME LIMITS

- A period of at least five years from the date of registration of the infringing mark must be allowed for requesting the cancellation of such a mark.
- No time limit for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

# DETERMINING 'WELL-KNOWN'

Based on Trips requirement:

In determining whether a trade mark is well-known in the your country, due regard shall be given to

- the knowledge of the trade mark in the relevant sector of the public,
- including knowledge which has been obtained as a result of the promotion of the trade mark.

# THE WIPO TESTS

- the degree of knowledge or recognition of the mark in the relevant sector of the public;
- the duration, extent and geographical area of any
  - use of the mark;
  - promotion of the mark;
  - registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
- the record of successful enforcement of rights in the mark;
- the value associated with the mark.



# KNOWN TO A SECTOR OF PUBLIC: Cf MCDONALD CASE



A mark is well known within a jurisdiction if it is well known to persons interested in the goods or services to which the mark relates.

# Sector of the public

Relevant sectors of the public include:

- actual and/or potential consumers of the type of goods and/or services to which the mark applies;
- persons involved in channels of distribution of the type of goods and/or services;
- business circles dealing with the type of goods and/or services to which the mark applies.



## EXISTING USE

- A local mark, validly appropriated, cannot lose its value or protection simply because someone else's reputation overtakes its business.
- Unless the 'foreign' trademark was well known at the time when the local enterprise reproduced, imitated or translated it, the foreign trademark is in the light of the principle of territoriality not entitled to art. 6bis protection.

# The Michael Jordan case

乔丹

## PR of China

- The Supreme People's Court framed the issue as whether the trademark infringed Michael Jordan's personality rights (or the economic value of Michael Jordan's name).
- The Court answered "yes" to the issue and supported its analysis with two theories: the threshold of name-personality right protection and the fruit of poisonous tree doctrine in trademark law.



DILUTION:  
PROTECTION OF  
*REGISTERED* MARKS WITH A  
REPUTATION

# BASIS

- Source confusion or deception not required.
- Protect in respect of goods or services which are NOT similar to those for which the trade mark is registered.
- Limited to
  - well-known trademarks or
  - ones with a reputation

# TRIPS

- Optional.
- The objectionable mark may not take
  - unfair advantage of, or
  - be detrimental to,
    - the distinctive character or
    - the repute
- of a registered trademark with a reputation.

# BASIS

- Registered mark
- Mark with reputation
- No confusion
- Unrelated goods
- Detriment





# Unfair advantage

- Taking unfair advantage of the distinctive character or the repute of the trade mark or 'parasitism' or 'free-riding',
- relates to the advantage taken by the third party as a result of the use of the identical or similar sign.
  
- Transfer of the image of the mark
- Exploitation by free riding on the coat-tails of the mark with a reputation.
- E.G comparative advertising.

# Detriment to the distinctive character

- Also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’.
- Caused when that mark’s ability to identify the goods or services for which it is registered is weakened.
- Use of an identical or similar sign by a third party leads to dilution of the identity of the mark.



## Requires

- evidence of a “change in the economic behaviour of the average consumer” as a result of the use of the later mark, or
- a serious likelihood that such a change will occur.
- Objective condition.
- Cannot be deduced solely from subjective elements such as consumers’ perceptions.

# Detriment to the reputation of the mark



- 'Tarnishment' or 'degradation'
- the identical or similar sign is used may be perceived by the public in such a way that the trade mark's power of attraction is reduced.
- The goods or services offered possess a quality which is liable to have a negative impact on the image of the mark.

# *Nature of detriment*

- A likelihood of substantial economic detriment to its mark.
- Restricted to economic and trade harm.
- Probability of material loss.



# Parody

- As everything else, the anti-dilution provisions are subject to a Bill of Rights and that a proper balancing of rights must take place.
- The important one is the freedom of speech.
- And the freedom of speech 'defence' usually arises in the context of parody.



# COUNTERFEITING





# TRIPS: Counterfeiting: trademarks

Countries must provide for criminal procedures and penalties at least in cases of willful trademark counterfeiting on a commercial scale.

Applies to a trademark which is identical to or cannot be distinguished in its essential aspects from the **registered** trademark.

- **Not required of Art 6 bis marks because they are not registered.**  
Protection optional.