



**WORLD INTELLECTUAL PROPERTY ORGANIZATION**

# Introduction to trademark law and practice

The basic concepts

**A WIPO TRAINING MANUAL**

WORLD INTELLECTUAL PROPERTY ORGANIZATION

**INTRODUCTION TO TRADEMARK  
LAW & PRACTICE  
THE BASIC CONCEPTS**

**A WIPO TRAINING MANUAL**



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## PREFACE

The present publication is the second edition of a volume of the same title that was published by the World Intellectual Property Organization (WIPO) in 1987 and reprinted in 1990.

The first edition was written by Mr. Douglas Myall, former Assistant Registrar of Trade Marks, United Kingdom.

The present revised edition of the publication has been prepared by Mr. Gerd Kunze, Vevey, Switzerland, and reflects his extensive expertise and experience in the administration of the trademark operations of a large international corporation, Nestlé S.A., as well as his intensive involvement, as a leading representative of several international non-governmental organizations, in international meetings convened by WIPO.

This publication is intended to provide a practical introduction to trademark administration for those with little or no experience of the subject but who may have to deal with it in an official or business capacity. Throughout the text, the reader is invited to answer questions relating to the text. Those questions are numbered to correspond to the answers that are given, with a short commentary, in Appendix I.



Arpad Bogsch  
Director General  
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February 1993



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## **CHAPTER 1**

# **TRADEMARKS AND OTHER SIGNS: A GENERAL SURVEY**



## CHAPTER 1

### TRADEMARKS AND OTHER SIGNS: A GENERAL SURVEY

Trademarks already existed in the ancient world. Even at times when people either prepared what they needed themselves or, more usually, acquired it from local craftsmen, there were already creative entrepreneurs who marketed their goods beyond their localities and sometimes over considerable distances. As long as 3,000 years ago, Indian craftsmen used to engrave their signatures on their artistic creations before sending them to Iran. Manufacturers from China sold goods bearing their marks in the Mediterranean area over 2,000 years ago and at one time about a thousand different Roman pottery marks were in use, including the FORTIS brand, which became so famous that it was copied and counterfeited. With the flourishing trade of the Middle Ages, the use of signs to distinguish the goods of merchants and manufacturers likewise expanded several hundred years ago. Their economic importance was still limited, however.

Trademarks started to play an important role with industrialization, and they have since become a key factor in the modern world of international trade and market-oriented economies.

How can this be explained, and what is the role trademarks have to play?

#### 1.1 Use of trademarks in commerce

Industrialization and the growth of the system of the market-oriented economy allow competing manufacturers and traders to offer consumers a variety of goods in the same category. Often without any apparent differences for the consumer they do generally differ in quality, price and other characteristics. Clearly consumers need to be given the guidance that will allow them to consider the alternatives and make their choice between the competing goods. Consequently, the goods must be named. The medium for naming goods on the market is precisely the trademark.

Businesses also need trademarks to individualize their products, however, in order to reach out to consumers and communicate with them. So, trademarks serve their owners in the advertising and selling of goods, and they serve the economy in a general sense by helping to rationalize the commercialization of goods.

By enabling consumers to make their choice between the various goods available on the market, trademarks encourage their owners to maintain and improve the quality of the products sold under the trademark, in order to meet consumer expectations. In a market that offers a choice, a consumer who is disappointed will not buy the same product again. One who is satisfied will tend to rely on the trademark for his future purchase decisions. Thus trademarks reward the manufacturer who constantly produces high-quality goods, and as a result they stimulate economic progress.

#### 1.2 What is a trademark?

From these deliberations on the function and role that the trademark plays in the market, one can deduce a definition of the trademark:

“A trademark is any sign that individualizes the goods of a given enterprise and distinguishes them from the goods of its competitors.”

This definition comprises two aspects, which are sometimes referred to as the different functions of the trademark, but which are, however, interdependent and for all practical purposes should always be looked at together:

In order to individualize a product for the consumer, the trademark must indicate its source. This does not mean that it must inform the consumer of the actual person who has manufactured the product or even the one who is trading in it: the consumer in fact often does not know the name of the manufacturer, still less the geographical location of the factory in which the product was made. This is not necessary for the trademark to fulfil its purpose of indicating origin. It is sufficient that the consumer can trust in a given enterprise, not necessarily known to him, being responsible for the product sold under the trademark.

The origin function as described above presupposes that the trademark *distinguishes* the goods of the given enterprise from those of other enterprises; only if it allows the consumer to distinguish a product sold under it from the goods of other enterprises offered on the market can the trademark fulfil its origin function. This shows that the distinguishing function and the origin function cannot really be separated. For practical purposes one can even simply rely on the distinguishing function of the trademark, and define it as “A sign which serves to distinguish the goods of one enterprise from those of other enterprises.”

This is the approach chosen by Section 1(1)(a) of the WIPO Model Law for Developing Countries on Marks, Trade Names and Acts of Unfair Competition of 1967 (“the Model Law”).

As said before, origin in this context means that a given enterprise is responsible for the marketing of the product, and can therefore be a manufacturer or a merchant. It is not, however, the function of a trademark to indicate geographical origin (for such signs see 11.2 below).

### **1.3 Need for legal protection**

In order to fulfil their distinguishing function for consumers who wish to make their choice between different goods of the same kind on the market, trademarks must be legally protected. Otherwise competitors could use identical signs for the same or similar goods or signs so similar that the consumer would be confused as to the origin of the goods.

A deceived consumer may often not realize that the article that he has purchased is not of the origin indicated by the trademark, and may tend to hold the owner of the genuine trademark responsible if the goods do not meet the standards to which he is accustomed. However, even if the consumer eventually realizes that he has been led to buy the wrong product by a trademark confusingly similar to the one used for the product that he intended to buy, it would be difficult for him to take action against the infringer of the genuine trademark. It is therefore recognized practically everywhere that the owner of a protected trademark must have the right to prevent competitors from using identical or confusingly similar trademarks for goods identical or similar to those for which he uses his own trademark. This is the so-called exclusive right of the proprietor of the trademark.

### **1.4 How can a trademark be protected?**

A trademark can be protected on the basis of either use or registration. Both approaches have developed historically, but today trademark protection systems generally combine both elements. The Paris Convention for the Protection of Industrial Property of March 20, 1893 (“the Paris Convention”) places contracting

countries under the obligation to provide for a trademark register. Over one hundred States have adhered to the Paris Convention. Nearly all countries all over the world today provide for a trademark register, and full trademark protection is properly secured only by registration.

Use does still play an important role, however: first of all, in countries that have traditionally based trademark protection on use, the registration of a trademark merely confirms the trademark right that has been acquired by use. Consequently, the first user has priority in a trademark dispute, not the one who first registered the trademark. This approach has been chosen by the United States of America, the Philippines, Indonesia and all countries with systems of law on the traditional British model (Hong Kong, India, Singapore, etc.). Furthermore, use has an important bearing on many other aspects of the registration procedure and also on the defense of a registered trademark. These aspects will be dealt with in detail later on.

A few countries have no trademark register at all, examples being Bhutan and the Maldives. This publication is based on the assumption that a trademark register exists in the countries of the participants, and concentrates on questions of trademark registration and the rights deriving from such registration.

### **1.5 The functions of a trademark**

We have seen that the origin-indicating and/or distinguishing function of the trademark is the basis for its legal protection, but the trademark does, of course, have other functions: as already mentioned, consumers can usually rely on the consistent quality of the goods offered under the mark. This is sometimes referred to as the quality function or the guarantee function. Then again, its owner uses the trademark to communicate with the consumer, not only through the goods bearing the mark but also in advertising. One can describe these possibilities as the advertising function of the trademark. Finally, the trademark can, by its acquired reputation, become a valuable piece of property for the owner, allowing him to license or franchise it or to make other commercial use of it. Thus the trademark can have important economic functions which, however, are not normally protected by trademark law; they depend mainly on the use made of the trademark by its owner. This is especially true of the quality function: if a consumer is deceived as to the quality of a product, he may have to resort to an action based on unfair competition or on specific consumer-protection legislation, as trademark law offers him no remedy. His best weapon against a trademark owner whose product, offered under the trademark, has disappointed him is to refuse to buy that product again.

### **1.6 Service marks**

In modern trade consumers are confronted not only with a vast choice of goods of all kinds, but also with an increasing variety of services which tend more and more to be offered on a national and even international scale. There is therefore also a need for signs that enable the consumers to distinguish between the different services such as insurance companies, car rental firms, airlines, etc. These signs are called service marks, and fulfil essentially the same origin-indicating and distinguishing function for services as trademarks do for goods. It is widely recognized that there is a need for protection of service marks as there is for trademarks, and modern trademark laws give protection to the marks for services in the same way as to the marks that identify goods. The approach adopted by the course book is first to develop the traditional system of registration and protection of trademarks, that is, the marks used for goods, and then to deal with service marks (in Chapter 10). This approach is being taken for two practical reasons:

- While trademarks can be registered practically everywhere, a number of countries do not yet provide for the protection of service marks by registration.
- Even though service marks serve basically the same purpose as trademarks, there are certain practical differences in the protection of service marks which can more easily be illustrated by comparison with the system of trademark protection.

### **1.7 Other signs**

There are a number of other distinctive signs in addition to trademarks and service marks which have their own economic value, such as collective marks, certification marks, appellations of origin and trade names. While these signs have some features in common with trademarks, and while sometimes the same sign can be used by an enterprise as both a trademark and a trade name or collective mark, these other signs must be clearly distinguished from trademarks. These signs cannot be dealt with in full detail in the context of a course on trademark law, but their main features are summarized in Chapters 11 and 12, where the differences between them and trademarks are emphasized.

### **1.8 Protection against unfair competition, counterfeiting and piracy**

The increasing importance of international trade has led to practices that can no longer be adequately tackled with the traditional concept of protecting a trademark against the use of an identical or confusingly similar mark on competing goods. Certain competitors tend to imitate not only trademarks but also the labels and the packaging used for the presentation of the goods, and dishonest traders even try to imitate products to such a degree that they are practically indistinguishable, for the averagely inattentive consumer, from the genuine article. Such practices often cannot be dealt with under traditional trademark law. The trademark owner must therefore rely on unfair competition law and other special rules that protect him against labelling and packaging imitations, counterfeiting and trademark piracy. These modern manifestations of trademark infringement in the broader sense are dealt with in Chapter 13.

## **CHAPTER 2**

### **WHAT CONSTITUTES A REGISTRABLE TRADEMARK?**



## CHAPTER 2

### WHAT CONSTITUTES A REGISTRABLE TRADEMARK?

We have defined the trademark as a sign that serves to identify the goods of a given enterprise and to distinguish them from those of others. Consequently, for there to be registration of a trademark, there has first to be a *sign* and that sign must be *distinctive*.

#### 2.1 Signs

It follows from the purpose of the trademark that virtually any sign that can serve to distinguish goods from other goods is capable of constituting a trademark. Trade-mark laws should not therefore attempt to draw up an exhaustive list of signs admitted for registration. If examples are given, they should be a practical illustration of what can be registered, without being exhaustive. If there are to be limitations, they should be based on practical considerations only, such as the need for a workable register and the need for publication of the registered trademark.

If we adhere strictly to the principle that the sign must serve to distinguish the goods of a given enterprise from those of others, the following types and categories of signs can be imagined:

(i) *Words*

This category includes company names, surnames, forenames, geographical names and any other words or sets of words, whether invented or not, and slogans.

(ii) *Letters and numerals*

Examples are one or more letters, one or more numerals or any combination thereof.

(iii) *Devices*

This category includes fancy devices, drawings and symbols and also two-dimensional representations of goods or containers.

(iv) *Combinations of any of those listed under (i), (ii) and (iii), including logotypes and labels.*

(v) *Colored marks*

This category includes words, devices and any combinations thereof in color, as well as color combinations and color as such.

(vi) *Three-dimensional signs*

A typical category of three-dimensional signs is the shape of the goods or their packaging. However, other three-dimensional signs such as the three-pointed Mercedes star can serve as a trademark.

(vii) *Audible signs (sound marks)*

Two typical categories of sound marks can be distinguished, namely those that can be transcribed in musical notes or other symbols and others (e.g. the cry of an animal).

(viii) *Olfactory marks (smell marks)*

Imagine that a company sells its goods (e.g. writing paper) with a certain fragrance and the consumer becomes accustomed to recognizing the goods by their smell.

(ix) *Other (invisible) signs*

Examples of these are signs recognized by touch.

As mentioned before, countries may set limits on registrability for practical purposes. The majority of countries allow the registration only of signs that can be represented graphically, since only they can be physically registered and published in a trademark journal to inform the public of the registration of the trademark.

A number of countries allow the registration of three-dimensional trademarks, obliging the applicant either to submit a two-dimensional representation of the three-dimensional sign (drawing, picture or any other representation capable of being printed) or a description (or both). In practice, however, it is not always clear what is protected by the registration of a three-dimensional sign. In Switzerland, for example, the two-dimensional representation of the Coca-Cola bottle is registered as a trademark, but in order to fulfil the use requirements of the present Swiss trademark law, the Coca-Cola company would be obliged to use the two-dimensional drawing, as registered, on the packaging of its products. This is an approach that does not serve the practical needs of industry and trade: clearly, even if a three-dimensional mark has been registered in a two-dimensional representation, it should be protected in its three-dimensional form, whereupon use of that three-dimensional form amounts to use of the registered trademark. This will be the case under the new Swiss trademark law, which will enter into force in the spring of 1993. The practice in Britain, where registration of the Coca-Cola bottle has been refused, is also likely to change with the new trademark law now being prepared pursuant to the Directive of the European Community on the Approximation of National Trademark Laws of the Member Countries of December 1989 ("the EC Harmonization Directive"), which allows the registration of three-dimensional signs.

A similar problem exists for audible signs. A sequence of notes can of course be registered as a device mark, but that registration does not normally give protection to the actual musical phrases so expressed. What is protected is the sequence of notes, as registered, against the use of similar devices. Sound marks clearly can serve as trademarks, however, and the United States of America, for example, allows the registration of sound marks. In practical terms, this means that the sound must be recorded and the cassette submitted to the U.S. Patent and Trademark Office for registration.

The United States of America is the only country to have recognized, in a recent decision, the registrability of a smell mark (fresh floral fragrance reminiscent of Plumeria blossoms for sewing thread and embroidery yarn — TTAB 1990).

## 2.2 Distinctive signs

We have seen that the trademark serves to distinguish the goods of one enterprise from those of others, so, in order to function as a trademark, it must be distinctive. A sign that is not distinctive cannot help the consumer to identify the goods of his choice. The word “apple” or an apple device cannot be registered for actual apples, but it is highly distinctive for computers. This shows that distinctive character must be evaluated in relation to the goods to which the trademark is applied.

The test of whether a trademark is distinctive is bound to depend on the understanding of the consumers, or at least the persons to whom the sign is addressed. Very often, however, a sign has not been used before it is filed for registration, and so the question can only be whether it is *capable of distinguishing* the goods to which it is to be applied.

*In conclusion, a sign is distinctive for the goods to which it is to be applied when it is recognized by those to whom it is addressed as identifying goods from a particular trade source, or is capable of being so recognized.*

The distinctiveness of a sign is not an absolute and unchangeable factor. It is a purely circumstantial matter. Depending on the steps taken by the user of the sign or third parties, it can be acquired or increased or even lost. Circumstances such as (possibly long and intensive) use of the sign have to be taken into account when the registrar is of the opinion that the sign lacks the necessary distinctiveness, that is, if it is regarded as being *not inherently* distinctive.

There are, of course, different degrees of distinctiveness, and the question is how distinctive a sign must be in order to be registrable, regardless of its possible use. In that connection a distinction is generally made between certain typical categories of marks:

2.2.1 So-called fanciful or coined trademarks, which are meaningless. A celebrated example of this highly distinctive category is the KODAK trademark.

These trademarks may not be the favorites of the marketing people, since they require heavy advertising investment to become known to consumers. They inherently enjoy very strong legal protection, however.

2.2.2 Common words from everyday language can also be highly distinctive if they communicate a meaning that is arbitrary in relation to the products on which they are used. The same is true of the corresponding devices. Examples are the famous CAMEL trademark for cigarettes (and the equally-famous device mark) and the previously-mentioned APPLE mark (both the word and the device) for computers.

CAMEL and APPLE are clearly not invented words, and yet they are highly distinctive for the goods concerned.

2.2.3 Marketing people are generally fond of brand names that somehow generate a positive association with the product in the mind of the consumer. They tend therefore to choose more or less descriptive terms. If the sign is exclusively descriptive, it lacks distinctiveness and cannot be registered as such as a trademark (see Chapter 3). However, not all signs that are neither meaningless nor arbitrarily used necessarily lack distinctiveness: there is an intermediate category of signs that are suggestive, by association, of the goods for which they are to be used, and of the nature, quality, origin or any other characteristic, of those goods, without being actually descriptive. Those signs are

registrable. The crucial question in practice is whether a trademark is suggestive or descriptive of the goods applied for. This question has to be judged according to the local law and jurisprudence of the country and all the circumstances of the specific case. If the registrar has a doubt, or is convinced that the term is descriptive rather than suggestive, he has to consider whether and to what extent the term has already been used by the applicant. As a general rule, it can be said that a descriptive term is distinctive for the goods concerned if it has acquired a secondary meaning, that is, if those to whom it is addressed have come to recognize it as indicating that the goods for which it is used are from a particular trade source.

In case of doubt as to whether a term is descriptive or suggestive, the very fact that the mark has been used in the course of trade for a certain period of time may be sufficient for accepting it for registration.

However, the more descriptive the term is, the more difficult it will be to prove secondary meaning, and a higher percentage of consumer awareness will be necessary.

## **CHAPTER 3**

### **UNREGISTRABLE SIGNS (EXCLUSION FROM REGISTRATION)**



## CHAPTER 3

### UNREGISTRABLE SIGNS (EXCLUSION FROM REGISTRATION)

#### 3.1 Lack of distinctiveness

If a sign is not distinctive, it cannot function as a trademark and its registration should be refused. Since this is a ground for refusal of registration, the applicant normally need not prove distinctiveness. It is up to the registrar to prove lack of distinctiveness, and in the case of doubt the trademark should be registered. Some trademark laws, such as the British Trade Marks Act 1938 (and laws in countries which have followed the British approach) put the onus on the applicant to show that his mark ought to be registered. This practice may be considered strict, however, and sometimes prevents the registration of marks that are demonstrably capable of distinguishing their proprietor's goods. And yet the modern trend, as reflected in Article 3 of the EC Harmonization Directive and also in the Model Law, is clearly to treat lack of distinctiveness as a ground for refusing an application for registration of a trademark.

What are the criteria governing the refusal of registration for lack of distinctiveness?

##### 3.1.1 *Generic terms*

A sign is generic when it defines a category or type to which the goods belong. It is essential to the trade and also to consumers that nobody should be allowed to monopolize such a generic term.

Examples of generic terms are "furniture" (for furniture in general, and also for tables, chairs, etc.) and "chair" (for chairs). Other examples would be "drinks," "coffee" and "instant coffee," which shows that there are larger and narrower categories and groups of goods, all having in common that the broad term consistently used to describe them is generic.

These signs are totally lacking in distinctiveness, and some jurisdictions hold that, even if they are used intensively and may have acquired a secondary meaning, they cannot be registered since, in view of the absolute need of the trade to be able to use them, they must not be monopolized. For these reasons the High Court of Delhi, India, in 1972 refused registration of the JANTA trademark as in Hindi the word means cheap in price.

##### 3.1.2 *Descriptive signs*

Descriptive signs are those that serve in trade to designate the kind, quality, intended purpose, value, place of origin, time of production or any other characteristic of the goods for which the sign is intended to be used or is being used.

The question whether a sign is distinctive rather than descriptive is the most difficult to solve in practice, and must therefore be dealt with in greater detail.

In line with the definition of the distinctive sign given earlier, the test to be applied must establish whether consumers are likely to regard a sign as a

reference to the origin of the product (distinctive sign) or whether they will rather look on it as a reference to the characteristics of the goods or their geographical origin (descriptive sign). The term “consumer” is used here as an abbreviation denoting the relevant circles to be considered in a specific case, namely those to whom the sign is addressed (and in certain cases also those who are otherwise reached by the sign).

Another test used in some jurisdictions ascertains whether there is a legitimate interest, on the part of other traders, in making fair use of the term. Even if other terms are available, that is, even if the term is not generic, the registry may consider it unfair to give the applicant a monopoly. Very often this test leads to the same results as the earlier-mentioned test to determine how consumers understand the term. However, even where consumers are not, or at least a majority are not, likely to regard the term as a simple reference to characteristics of the goods, the registrar may still believe that he should keep the term available for other traders who might legitimately wish to use it. This practice, which is still applied in Germany, the United Kingdom and many other countries, makes it unnecessarily difficult to have a new trademark registered. This becomes all the more true as it becomes more difficult, owing to the many prior rights already entered in the registers of countries all over the world, to find a suitable mark which can be protected for use on a new product. It is therefore interesting to see that the United Kingdom’s Government White Paper describing the main features of the proposed new trademark law, which was published in September 1990, states that the Government intends to take the opportunity offered by the new law to clarify the position, so that any trademark shown to be distinctive in fact will in future be considered distinctive in law and therefore registrable. The White Paper also says that, if a word has through use become clearly associated in the public’s mind with the goods of a particular trader, then that word cannot legitimately be used as a trademark by a competitor. The competitor will not, of course, be prohibited from making bona fide use of the word (for example, to describe his goods or their place of manufacture—see 6.3 below), and the law will continue to permit such use. However, it will in future no longer be possible for the British Registrar to refuse, for instance, an application for registration of the trademark AIRPORT for alcoholic drinks on the argument that airports are a common place for the sale of such goods. Reference is also made here to Q87 (in 10.3.1 below).

The fact of other traders having a legitimate interest in the fair use of a term can therefore be used as a kind of additional ground when making the decisive test of whether consumers are likely to regard the sign as a reference to origin or as a reference to characteristics of the goods. It should not, however, be used on its own as a basis for a decision to refuse the registration of a term when it is not clear that consumers are also likely to regard the term as descriptive.

Do you think the following words are distinctive or descriptive in relation to the goods named?

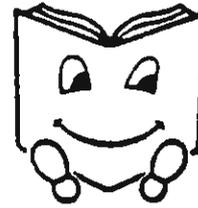
- |            |                   |  |
|------------|-------------------|--|
| <b>Q1.</b> | <i>FRUMATO</i>    | <i>A drink made from a mixture of fruit juice and tomato juice</i> |
| <b>Q2.</b> | <i>PARLOGRAPH</i> | <i>Sound recording apparatus</i>                                   |
| <b>Q3.</b> | <i>MOOTEL</i>     | <i>Portable cowsheds</i>   |
| <b>Q4.</b> | <i>RAPID RICE</i> | <i>Prepared dishes</i>   |

Q5.	LEG PULL	Ladies' hose
Q6.	SOFT LINE	Hygienic materials
Q7.	FLAME CHEATER	Fire extinguishers
Q8.	GLOW WORM	Electric lamps
Q9.	TOP and EXTRA	A wide range of goods
Q10.	GOLD CUP	Whisky
Q11.	BATHBRITE	Abrasive fibrous pads with washing and scouring properties.
Q12.	FINPOWDA	Cleaning preparations

Do you consider the following devices to be distinctive or descriptive for the goods concerned?



Q13.  
"Baby carriers" (cl. 18)

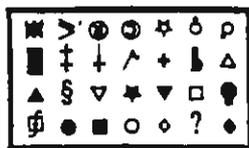


Q14.  
Books (cl. 16)

### 3.1.3 Other signs lacking distinctiveness

Signs may lack distinctiveness for other reasons. This is true of a device which, owing to its simplicity or pure illustrative or ornamental character, may not capture the consumer's attention at all as a sign referring to the origin of the product, but rather as a mere illustrative part of the packaging of the goods offered to him.

How would you judge the following devices?



Q15.  
Beverages



Q16.  
Wallpaper



**Q17.** *Beverages made from fruits: fruit juices*

Another example (with regard to words) would be a relatively long advertising slogan recommending the goods to the consumer which, even when reproduced on the packaging, would be much too complex to be understood by consumers as a reference to the origin of the product.

In practice the authorities have to deal with certain other typical categories of cases which in many laws are expressly listed as grounds for refusal, and which are dealt with below.

3.1.3.1 Reference to geographical origin

References to geographical origin (as opposed to the origin of the goods in the sense of the origin-indicating function) are basically not distinctive. They convey to the consumer an association with the geographical name, indicated either as the place of manufacture of the goods in question or of ingredients used in their production, or—depending on factual circumstances—with certain characteristics of the goods attributable to their origin.

For such an association to be conveyed to the consumer, the geographical location referred to must of course—at least to a certain extent—be first known to him. Signs referring to practically unknown localities are therefore distinctive. References to areas where nobody would expect the goods concerned to be manufactured are also distinctive.

Would you register the following marks for the goods named?

- |             |                   |                  |
|-------------|-------------------|------------------|
| <b>Q18.</b> | <i>SAHARA</i>     | <i>biscuits</i>  |
| <b>Q19.</b> | <i>THAI</i>       | <i>silk</i>      |
| <b>Q20.</b> | <i>ARCTIC</i>     | <i>motor oil</i> |
| <b>Q21.</b> | <i>NUDE ELLIE</i> | <i>rice</i>      |

Even if a geographical area is known to the consumer, a sign that makes a reference to it can either be or become distinctive if there is no other manufacturer or trader in the same field of activity, and no potential for competitors to settle there in the future.

- Q22.** *Would you register the name SIMLA (the capital of Himachal-Pradesh in India) for cigarettes in the face of evidence that Simla was never likely to be a tobacco-producing center?*
- Q23.** *What about SAMOS for computers?*



**Q29.** *Do you think the following signs are distinctive?*



*Textile piece goods*

**Q30.** *Would you register the following sign for pens and pencils?*



*Pens and Pencils*

### 3.1.3.3 Foreign script and transliterations

Imagine the use of a Thai script mark in India or Sri Lanka, the use of Chinese characters in Switzerland, Sinhala characters in the United States of America or Japanese characters (Katakana, Kandi) anywhere but in Japan.

For the great majority of ordinary consumers these marks are purely fanciful devices.

Consequently, they are in principle distinctive, except where the sign has no more than an ornamental effect, depending on its graphic presentation.

Since these marks are distinctive, they are basically registrable. The registrar may, however, ask for a translation (a description of its meaning) in local script. This is Swiss practice. In Thailand applications in foreign script (in practice mostly Roman characters) have to be transliterated, and if possible translated.

The registrar may, depending on local practice, examine foreign script marks by applying to translations the general standards of “descriptiveness.”

Would you regard the following marks as distinctive in your country?

- Q31.** *KIKU* for perfume (*KIKU is a transliteration of the Japanese word for chrysanthemum*)
- Q32.** For leather articles (*the transliteration of this Japanese character is "Gun," meaning "Army"*).



*Leather articles*

A strict practice may be justified for Chinese script in the United Kingdom, for instance, (where there is a substantial minority of Chinese citizens), and generally in many Asian countries.

As for other foreign scripts, such as Japanese and Thai outside the respective countries, or at least outside Asia, less strict standards could be applied to them.

- Q33.** *SHINGAR* is the transliteration of a Hindi or Urdu word meaning "decoration." Is it registrable for perfume?
- Q34.** The transliteration of the Japanese character illustrated is "Fusen Usagi," which means "Balloon Rabbit." Is it registrable for toys in cl. 28?



Another often-neglected aspect is whether the owner of a trademark who extends his commercial activities into foreign countries that use a different local script (such as Greece) should transliterate his trademarks into that local script.

The clear answer should be “yes,” otherwise local consumers would not be able to pronounce or understand the mark.

As a rule it is advisable, for good marketing and trademark protection reasons, to use also the original script that the trademark owner uses in his own country. In a large number of cases this will be Roman script, and often the words will be recognized in countries with different local scripts as English words, since Roman script words with English connotations are widespread all over the world. However, there are of course many other languages in Europe based on Roman script, such as French, German, Italian and Spanish.

#### 3.1.3.4 Colors

The use of words and/or devices in colors or combined with colors generally increases their distinctiveness. Consequently, applications for such signs claiming the colors shown or described in the application are easier to register. The first trademark registered in the United Kingdom in 1876 (and still on the register) was a triangle (a basic geometrical shape) in red. However, protection is then in principle restricted to the actual colors in which the mark is registered. Signs that might have been regarded as confusingly similar to the registered mark, had it been in black and white may therefore fall outside the scope of protection in view of the use of different colors. Since signs registered in black and white are protected against the registration and use of confusingly similar signs regardless of color, and since the registered owners of such signs can normally use them in any color they may wish to use, the usual practice is not to register signs in color. However, a given color or combination of colors may be an important element of a trademark, constantly used by its owner, and therefore liable to be imitated by competitors. This shows that a trademark owner may have a real interest in registering his mark in the distinctive colors in which it is used, even where the mark was distinctive enough to be registrable in black and white. In order to eliminate the previously-mentioned risk of restricting the scope of protection of such a mark, its owner may register the mark both in black and white and in the colors actually used.

Signs consisting exclusively of color combinations can be registrable trademarks. They are listed in Section 1(2) of the Model Law as examples of registrable signs. It is a matter for practice in the various countries to determine whether they are considered inherently distinctive or—more probably—basically descriptive with the possibility of becoming distinctive through use.

A further question is whether colors as such can be registered as trademarks. The United Kingdom Trademark Registry, in a decision on March 23, 1988, refused an application for the “colour pale green as shown in the representation applied to the surface of a tablet” for drugs, because in the specific case the mark had not lost its primary significance as a simple decorative color and had not acquired significance as a trademark (the color was used for drugs sold under the word mark TAGAMED). The Registry did however concede that a single color covering the whole surface of a product could be a trademark. No doubt a distinction has to be made between the so-called basic colors, which in view of their restricted number have to remain available to

all, and a well-defined shade of a given color. Such a special shade (like the pale green in the case mentioned) may be regarded as registrable without any proof of use (this is the French practice). At least, subject to use and acquired distinctiveness, such a well-defined shade of a color should be registrable as a trademark.

### 3.1.3.5 Names, surnames

Company names and trade names are registrable, except where they are deceptive or not distinctive.

**Q35.** *Would you register the name IMPORT, EXPORT LTD?*

*Common* surnames are not normally registrable, since they are not distinctive. As for less common surnames, it is important to establish whether another meaning in everyday language will be *overwhelmingly* recognized by consumers. If there is such a dominant meaning, the sign is registrable on the condition that the meaning in question is not descriptive of the goods for which the mark is to be used.

**Q36.** *The word "plum" is both a common surname and the name of a fruit, and "Judy" a girl's forename. Do you consider the mark JUDY PLUM to be distinctive for jewellery?*

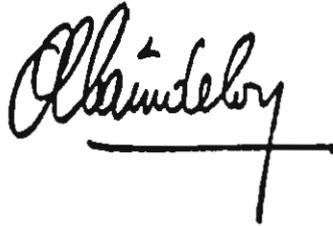
However, even for less common surnames there is a very strict registration practice in the legislation of the United Kingdom. Signs that appear several times as surnames in the London telephone directory are refused registration in the United Kingdom, and also in Hong Kong where consumers often do not read Roman script. The present practice of the United Kingdom Registry was published in Trademark Journal No. 5525 of August 1, 1984. According to the (new and more relaxed) practice, surnames that appear not more than 50 times in any relevant telephone directory and have another well-known meaning are acceptable in Part A of the register. Surnames that appear not more than 100 times in any relevant telephone directory and have another well-known meaning are acceptable in Part B of the register. According to traditional British practice trademarks are registrable in Part A if they are inherently distinctive; for registration in Part B it is sufficient that the mark be capable of distinguishing. This is precisely the condition laid down in that manual, and in the Model Law, for a trademark to be sufficiently distinctive to be registrable (in any trademark register). It is noteworthy, however, that the United Kingdom is likely in the future (as announced in the White Paper mentioned) to abandon the distinction between Parts A and B of the register and to introduce the standard until now used for registrability in Part B as the general standard for distinctiveness. A very uncommon surname with no other meaning is acceptable in Part A if it does not appear more than five times in the London telephone directory, or more than 15 times in any relevant foreign directory. For Part B the limits will be 15 and 30, respectively. Very uncommon, but well-known surnames will not normally be allowed in Part A, since their ordinary significance will be that of a surname.

Surnames that go beyond the above limits are registrable on evidence of distinctiveness.

The practice of the Hong Kong registrar was adapted to these standards in 1989. "Relevant" directories are those of Hong Kong, London, Manhattan, Queens, Los Angeles, Paris, Rome and Berlin (sometimes also Tokyo).

The practice of the Swedish Office is even more restrictive. The registration of a surname is refused, on principle, even if the person bearing the surname agrees.

- Q37.** *What do you think of this trademark used on soap? Would it make any difference if it were used on different goods?*



The case of a person's signature is specially mentioned in the United Kingdom Trademark Act and in the laws based on it. A signature, which did in past times play a significant role is today very rarely applied, however, because it has lost its attractiveness. Modern marketing techniques prefer distinctive logotypes for important marks as they increase the "memorability" and recognizability of the brand for consumers.

## **3.2 Exclusions from registration on other grounds—public interest**

### **3.2.1 Deceptiveness**

- 3.2.1.1** Trademarks that are likely to deceive the public as to the nature, quality or any other characteristics of the goods or their geographical origin do not, in the interest of the public, qualify for registration.

The test here is for intrinsic deception, inherent in the trademark itself when associated with the goods for which it is proposed. This test should be clearly distinguished from the test for the risk of confusing customers by the use of identical or similar trademarks for identical or similar goods.

It is true that fanciful trademarks or marks with an arbitrary meaning for the goods proposed cannot be deceptive. And yet trademarks that have a descriptive meaning, even if they are only evocative or suggestive and therefore distinctive, may still be deceptive. Such trademarks have therefore to be examined from two angles: first they must be distinctive, and secondly they must not be deceptive.

As a rule, it can be said that the more descriptive a trademark is, the more easily it will deceive if it is not used for the goods with the characteristics described. Take for instance the trademark ORWOOLA, applied to clothing. For goods made entirely of wool, the trademark is fully descriptive. It is also distinctive for non-woollen goods, but clearly deceptive.

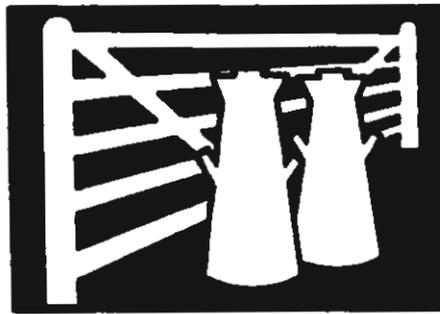
- Q38.** *If goods sold under the ORWOOLA mark were made of 10% wool and 90% synthetic materials, would that make a difference?*

- Q39.** *What do you think of the following mark applied for “edible fats” (the transliteration of the Arabic characters is “almarai,” which has no meaning)?*



*Edible fats*

- Q40.** *Registration of this mark is desired for “cheese, eggs and milk” in cl. 29.*



- Q41.** *Would you see a difference between the following two marks, filed for “liquor?”*

*RED HEART*

*LIGHT HEART*

As a rule, acquired distinctiveness is no reason for allowing a deceptive mark to become registrable. In certain exceptional cases, however, a trademark can lose its deceptiveness through long and extensive use. An example from American practice is the WOOLRIDGE trademark, filed (together with a sheep device) for a whole range of clothing, *not* made wholly or even partly of wool. The application was refused by the examiner as being deceptive, but the Trademarks Appeal Board reversed the decision on the following argument: The applicant’s mark had been in use since at least 1891, and had been registered for clothing made of wool since 1949. The Board held that the applicant’s evidence of consumer and trade recognition demonstrated that the significance of WOOLRIDGE was that of a trademark identifying the applicant, and furthermore that any descriptive or deceptive significance that the term might have had when first adopted had been largely replaced by a real trademark significance as a result of long and extensive use by the applicant (decision of 1989).

### 3.2.1.2 Reference to geographical origin

Signs that are descriptive or indicative of geographical origin (see 3.1.3.1 above) are false for products that do not come from the region described or indicated. In such cases the consumer will be deceived if the reference to the geographical origin has the wrong connotations for him.

This is particularly true if the region or locality has a reputation. Famous examples of such signs are “Champagne” and “Swiss Chocolate.”

In practice, such cases of direct reference to geographical origin are relatively rare. More often indirect references are made, and these cases are more problematic. A reference to a famous Swiss mountain for chocolate would still deceive consumers, as would a device mark consisting of a typical alpine landscape.

Indeed even the use of foreign words can, under certain circumstances, be deceptive without any reference to a specific geographical origin. The very fact that a word comes obviously from a particular foreign language may give consumers the impression that the product comes from the country where that language is spoken. Consumers will therefore be deceived if the country concerned has a reputation for the goods concerned.

**Q42.** *Would you grant the registration of SWISS FLAG for wrist-watches?*

**Q43.** *SPITZHACKE is a German word meaning “pickaxe.” An application is made to register it for wine. Is it (a) distinctive or (b) deceptive? If the latter, can anything be done about it? Would it make any difference if the applicant resided in Germany?*

However, it should be realized that, in addition to being spoken in many different countries all over the world, English is also the modern international marketing language, with the result that many trademarks have an English-language connotation quite independent of the geographical origin of the goods marked with it, and that consumers are generally aware of the fact.

### 3.2.1.3 Partial deceptiveness

We have seen that the question whether or not a trademark is inherently deceptive must be examined in relation to the goods in respect of which the application is made. Depending on the list of goods, therefore, an application may be distinctive for some, descriptive for others and/or deceptive for still others. In such cases the examiner has to require a limitation of the list of goods. Should the applicant not agree to such limitation, the examiner refuses the whole application in some countries. In others, he accepts the application only for the goods for which, in his opinion, the mark is not deceptive and refuses it for the others. Such an approach is recommended, since there is no justification for refusing a trademark application in respect of goods for which the mark is neither descriptive nor deceptive.

- Q44.** *How do you consider this application for “yarns and threads” (cl. 23)?*



*Yarns and threads (cl. 23)*

- Q45.** *A label mark includes the word “butter.” The application is made for “dairy products” (cl. 29). Should this be permitted?*
- Q46.** *An application is filed for the registration of a mark containing a picture of sliced peaches and the word “peaches.” Is it acceptable to claim “canned fruit?”*

### 3.2.2 *Signs contrary to morality or public policy*

Trademark laws generally deny registration to signs that are contrary to morality or public policy. The Model Law also lists this ground for refusal under Section 5(1)(e), and mentions obscene pictures and emblems of public authorities or of forbidden political parties as examples.

Would you register the following applications?

- Q47.** *HALLELUJAH for women’s clothing*
- Q48.** *OM VINAYAKA for refined camphor (OM is a sacred Hindu religious word, while VINAYAKA refers to a so-named Hindu Good Lord)*

### 3.2.3 *Signs reserved for use by the State, public institutions or international organizations*

A country generally protects its national flag, its official name and the names of official institutions in its own interest. Furthermore, countries are obliged by Article 6ter of the Paris Convention also to protect the notified signs of other member States and international intergovernmental organizations (such as the Red Cross).



**CHAPTER 4**  
**TRADEMARK REGISTRATION**



## CHAPTER 4

### TRADEMARK REGISTRATION

#### 4.1 Who can apply for registration of a trademark?

In general, any person who intends to use a trademark or to have it used by third parties can apply for its registration. That person can be either a natural person or a legal entity, even a holding company.

The laws of some countries provide that the applicant must exercise a commercial activity involving the goods for which he requests trademark protection. There is, however, a tendency to abandon the requirement. This is true in Europe, as a consequence of the proposed introduction of a Community Trade Mark for which any person may apply. Germany and Italy, and also Switzerland, are about to abandon the requirement.

Further requirements exist in Canada, the Philippines and the United States of America. In Canada and the United States of America a trademark can be filed for registration on the basis of intent to use, but use does have to commence before the trademark is allowed registration. In the Philippines (following the old American law, which was changed in 1989) use is even a condition for filing an application for registration of a trademark.

It is important to note that Article 2 of the Paris Convention provides that a country must extend the same treatment for the nationals of all other member countries of the Union as it extends to its own nationals. Member countries are therefore not allowed to discriminate against foreigners as compared with their own nationals.

#### 4.2 Registration requirements

In general, countries provide for an application form, the use of which is mandatory in certain countries. The application form has to be completed with the name and address of the applicant. Foreigners have either to give an address for service in the country or to use an agent holding a power of attorney to be signed by the applicant.

Often further formalities are imposed, such as authentication by a notary public and legalization, which are costly and time-consuming. In fact these requirements serve no purpose, as no one is likely to be interested in applying for registration of a trademark in the name of another person without being authorized to do so.

The sign filed for registration must appear in the application form or in an annex to it. If the sign is not a simple word from everyday language, a representation of it must be shown (and one or more specimens may have to be added). If it is intended that the sign should be registered in color, the colors must be claimed and a specimen in color or the description of the color(s) must be submitted.

If a three-dimensional sign is filed for registration, it is necessary to claim protection of the sign in its three-dimensional form. The sign must moreover be graphically represented in a manner that allows it to be reproduced for a twofold purpose: it must be possible to register it (regardless of the form in which the register is established,

that is, whether the marks are entered in a book, collected in a card index or integrated in a computerized system). Owners of prior rights must be able to take note of the trademark application (which normally is ensured by its publication in a trademark journal—see 4.7).

The applicant has also to list the goods for which the sign is to be registered. Trademark laws provide generally for a classification of goods for the purposes of registration. In some countries a separate application has to be made for each class, while in others one application is sufficient for several classes. This is the system followed by modern laws, and also recommended by the WIPO draft treaty of February 1992 on the harmonization of formalities (“the WIPO draft treaty”).

An important treaty for international trade is the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. This treaty has 34 Contracting States, including the United States of America.

Some countries allow registration for all goods in a certain class if just the relevant class is claimed, or if the application specifies “all goods in class x.” Most countries, however, require the goods for which protection is sought to be expressly listed. This approach is recommended.

Finally, one or more fees have to be paid for the registration of a trademark. A country may provide for a single, all-embracing fee or several (application fee, class fee, examination fee, registration fee, etc.). Both systems have advantages and disadvantages. On the one hand, it is simpler and more cost-efficient to charge a single fee. On the other hand, this may lead to unjust consequences for applicants who decide to withdraw the application totally or partially during the registration procedure (for example, because of an objection from the owner of a prior right, or because of insurmountable objections from the registrar). In such cases at least partial reimbursement of the fee paid should be provided for.

### 4.3 Examination

#### 4.3.1 *Examination as to form*

Countries generally accept an application for registration of a trademark only if the formal requirements listed under 4.2 are fulfilled.

Some countries, such as the Benelux (*Belgium, the Netherlands and Luxembourg*) countries, provide for no further examination.

#### 4.3.2 *Examination as to substance*

Most countries examine trademark applications as to substance in the interest of both the public and competitors.

One has to make a clear distinction between two types of ground for refusal:

Trademarks should be examined for absolute, objective grounds for refusal, that is, whether they are sufficiently distinctive, not deceptive, not immoral, etc. Such an examination is highly desirable in the interest of consumer protection, but for competitors too, and the trade in general, it is important that nobody should be able to monopolize a descriptive or even a generic term by a simple administrative act.

Many countries examine also for so-called relative grounds, that is, they consider whether the rights applied for are identical or similar to prior rights that have been applied for or granted for identical or similar goods.

Such examination is to a large extent hypothetical, since the examiner does not know whether the prior rights are valid, whether the mark is used, etc; it calls for search facilities and experienced examiners. The examiner may even regard a trademark as similar to a previous one, and refuse its registration, where in fact the competitors concerned are prepared to agree upon a solution which allows them both to use their trademarks without creating confusion in the marketplace. Therefore countries such as France, Germany and Switzerland, and also the proposed European Community Trade Mark system leave it to the owners of prior rights to defend their interests, either by opposing the trademark application in an administrative proceeding or by bringing a cancellation action against a trademark that has been registered and which they believe would infringe their prior rights.

In general, three typical approaches can be observed internationally:

The British system, providing for examination by the office for absolute and relative grounds, and also for an opposition procedure. This system is also applied, in Europe, by countries such as Portugal, Spain and the Northern European countries.

The traditional French system, where the office examines only for absolute grounds, the law provides for no opposition procedure and it is left to the owner of the prior rights to bring a cancellation or infringement action against the registration or use of a more recent sign. This system has also been adopted by Switzerland, for instance.

The third system is the German one, which provides for examination by the office for absolute grounds and also for an administrative opposition procedure, in which the owner of prior rights can oppose the infringing trademark application by means of a simplified and not too costly procedure. This system is a good compromise between the more extreme systems mentioned before, and follows a modern trend which is reflected in the proposed European Community Trade Mark system. The French law has, moreover, recently been changed and is gradually introducing (by classes), beginning in 1992, an administrative opposition procedure in addition to the examination by the office for absolute grounds. The system has also been adopted for the new Swiss law, which will enter into force in 1993.

Industry in general prefers such a system, since it is less time-consuming and much more flexible. In view of the many trademarks on the registers of countries all over the world, it is in any case advisable to carry out a search for prior rights before applying for registration of a trademark, and even more so before beginning to use it. Most applicants do such searches regularly, while companies have at least their more important registered trademarks watched, either by their trademark agents or by one of the international watching services, in order to keep themselves informed of applications for registration of potentially conflicting similar marks. The approach, taken by the Model Law, namely to examine *ex officio* for prior rights, reflects a certain tendency to overprotect citizens (the public as well as the owners of registered trademarks). It is time-consuming and also very costly for the countries themselves.

Even if a country does prefer to examine for prior rights, the Model Law goes too far when it provides, in its Sections 6(1)(b) and 12(1), for refusal of a trademark application where the mark is similar to an *unregistered* mark used earlier in the same country. One simply cannot expect the examiner to know

of unregistered marks, for which he has no means of searching; he has to rely on his own register. This point of view was generally accepted by the government delegates in one of the sessions of the WIPO Committee of Experts on the Harmonization of Trademark Law, which started work in 1989.

The standards to be applied by the registrar when examining whether a trademark application is to be refused because of a prior right are the same, in principle, as those to be applied in an opposition procedure or by a judge in an infringement action (even though in the latter case the factual circumstances of the infringement will play an additional role). Since one of the basic rights of the owner of a registered mark is to prevent others from using his mark or a confusingly similar one, it is more adequate to deal with all aspects of trademark similarity in Chapter 6, which deals with the rights deriving from trademark registration.

#### **4.4 Refusal of registration**

Before issuing a total or partial refusal of the application, the office should give the applicant an opportunity to make observations.

The decision refusing an application either partly or totally must be open to appeal. Depending on the legal system of the country, the appeal may be lodged with the registrar, with an administrative appeal board or with the court.

#### **4.5 Date of registration**

If the application leads to registration, the office issues a certificate to the owner. The owner's exclusive right (see Chapter 6) exists from the date of registration. However, the priority of the right should date back to the date of filing for registration. While it is true that the application is not normally a sufficient basis for bringing an infringement action against a later right, it must be a valid basis for an opposition procedure. And, even more importantly, the date of the application for registration will be decisive in a later court case. The time that passes before an application leads to registration varies a great deal, and in certain cases can be very long. A later application can for various reasons lead to registration sooner (for instance where the earlier application was refused by the examiner and finally granted on appeal). Clearly, the owner of the earlier application must have the prior right in relation to the owner of a later application.

Furthermore, the applicant can claim the priority of his national registration under Article 4 of the Paris Convention if the application in the foreign country is made within six months of the filing date of the first application.

#### **4.6 Duration and renewal**

Since trademarks do not grant a monopoly right that could be exploited, there is no need to limit their validity. For administrative reasons, a time limit is generally provided for in trademark laws, but it is possible to renew registrations when the time limit expires.

One of the reasons for imposing such time limits is that the office can charge a fee for renewal, and this is a welcome source of revenue. Furthermore, the registration of trademarks without a time limit would lead to an undesirable amount of trademark registrations that are no longer of any interest to their owners. Even if unused marks may be removed from the register, such a procedure would be costly

and time-consuming for the interested party, and not always successful. Consequently, the requirement of renewal and the payment of a renewal fee is a welcome opportunity for a trademark owner to consider whether it is still worth having his registration renewed, as the trademark may have been superseded in its graphic form, or may even be no longer in use. For this reason, the renewal fee should be not too low, indeed probably even higher than the original registration fee. Excessive fees should also be avoided, however. In any case, renewals should be made simply on payment of the fee, without any new examination of the mark for absolute or relative grounds for refusal. Of course, it should be possible for the owner to make a voluntary restriction of the list of goods of the original registration, especially if he can save fees by doing so.

The term of the original registration and the additional renewal periods vary from country to country. The system provided for in Section 16 of the Model Law follows the modern trend. It specifies an initial registration period of ten years, and the trademarks are then renewable for further consecutive ten-year periods.

Should alterations to the trademark be allowed at the time of renewal? In principle they should not, as renewal is a purely administrative act without any examination. Some laws do nevertheless allow slight alterations. The law of Sri Lanka, for example, allows such changes as do not substantially affect the identity of the mark. There may indeed be a certain interest in allowing such changes, arising for instance from the wish to modernize an old-fashioned-looking trademark, but they should normally be allowed at any time and not only on renewal.

**Q49.** *A company whose name and address appear on its label, which is registered as a trademark, changes its address. Must it file a new application and abandon the old registration?*

Even if only such minor changes are allowed, they could nevertheless affect the rights of third parties. The proposed Community Trade Mark system therefore provides that changes of name and address in a registered trademark are basically possible, but are published for opposition purposes.

**Q50.** *Would you allow the mark SEBWEAR, registered in cl. 25 for footwear, to be altered to WEBWEAR?*

#### **4.7 Publication and access to the register**

It is important for owners of prior rights and the public that all relevant data contained in the register, concerning applications, registrations, renewals and changes of name, address and ownership, should be published in an official gazette. This enables owners of prior rights to take the necessary steps, including opposition (if provided for) or an action for cancellation. The publication of applications and registrations should contain all the important data, such as the name and address of the applicant, a representation of the mark, the goods grouped according to the classification system, the colors claimed, where the mark is three-dimensional a statement to that effect, and where the priority of any other mark is claimed (Paris Convention, Article 4) a statement to that effect.

The register of marks should, moreover, be accessible to the public. To ensure that owners of prior rights are properly informed it is indispensable that the register contain up-to-date information, namely all recorded data not only on registrations, but also on the contents of pending applications, regardless of the medium on which the data are stored.



**CHAPTER 5**  
**USE OF THE MARK**



## CHAPTER 5

### USE OF THE MARK

#### 5.1 Need for an obligation to use

Trademark protection is not an end in itself. Even though trademark laws generally do not require use as a condition for the application for trademark registration, or even the actual registration, the ultimate reason for trademark protection is the function of distinguishing the goods on which the trademark is used from others. It makes no economic sense, therefore, to protect trademarks by registration without imposing the obligation to use them. Unused trademarks are an artificial barrier to the registration of new marks. In this connection it is interesting to take a glance at WIPO statistics. According to the statistics from 83 countries that reported to WIPO in 1990, there were about 1.2 million trademarks filed for registration, while the total of registered trademarks in 63 countries (out of about 170 offices where trademarks can be registered with protection in nearly 200 countries) amounts to more than 6.5 million.

There is therefore an absolute need to provide for a use obligation in trademark law.

At the same time trademark owners need a grace period after registration before the use obligation comes into effect. This is especially true of the many companies that are active in international trade. They cannot normally introduce a new product in the market in numerous countries at the same time. In order to avoid loopholes in the protection of their new trademarks of which competitors could take advantage, they must from the very beginning apply for the registration of their new trademarks in all countries of potential future use. Without a reasonable grace period for the use obligation written into the law, internationally active companies would obviously have enormous difficulties. Indeed even in their own countries companies often need several years before they can properly launch a newly-developed product on the market. This is especially true of pharmaceutical companies, which have to make clinical tests and have to apply for approval of their product by the health authorities.

The grace period granted in trademark laws that provide for a use obligation is sometimes three years, but more often five years. This is consistent with an international trend which is followed by the Model Law and by the Community Trade Mark system. The new Swiss trademark law also provides for five years instead of the former three years. The same is true of the new common trademark law of the countries of the Andean Pact (Decision 313 of December 1991).

#### 5.2 Practical use requirements

5.2.1 In principle, the trademark must be used in the country of registration.

5.2.2 The use must be made in relation to the goods. Normally, the trademark will be affixed to the goods or to their packaging. In the case of certain goods (gasoline, etc.) use on accompanying documents or in advertising may be sufficient.

- 5.2.3 The use must be made publicly, that is, the goods must be offered for sale through normal trade channels. This does not mean that they must be available everywhere. It is sufficient if the goods are sold in certain specialty shops, from a restricted number of outlets or through some special trade channels (for instance to restaurants in the food service business). It is not sufficient, however, to use a trademark exclusively on goods offered in the shop or restaurant of the company that is the owner of the trademark, and available to its employees alone.
- 5.2.4 Use solely in advertising should be sufficient only if the advertising is for a future sale and the process of launching the goods on the market has started.
- 5.2.5 The use must be genuine; token use is not sufficient. Market tests, if made in order to determine the acceptance of the product by consumers (and not with the sole intention of safeguarding the protection of the trademark), should be recognized as genuine use, as should clinical trials of pharmaceutical products.
- 5.2.6 In order to safeguard the protection of a registered trademark, it must be used for at least one of the goods for which it is registered. Use for one of the goods for which the trademark is registered should safeguard protection for all goods on the list of registered goods that are similar to the one used. In order to avoid unnecessarily weakening the effect of the use obligation, however, it may be going too far to provide that use for one product safeguards the registration for the whole class (Model Law, Section 30(4)), or for all goods for which the trademark is registered, and which may cover several classes.

**Q51.** *The mark JOYSTICK is registered in cl. 1 for “industrial adhesives,” but has only been used on household adhesives, which are in cl. 16. Six years after registration, a court action is brought to have the mark invalidated for non-use. Is it likely to succeed?*

- 5.2.7 The trademark must in principle be used as registered. However, the Paris Convention provides in its Article 5C(2) that the “use of a trademark by the proprietor in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (...) shall not entail invalidation of the registration and shall not diminish the protection granted to the mark.” The same is provided for in Section 30(3) of the Model Law.

Word marks can be used in any form, type face or colors and in combination with additional elements (trade names, descriptive terms), provided that the registered mark maintains its distinctive character. If a word mark and a device mark are registered separately but always used together, that use is sufficient for the purpose of protection of the registered trademarks.

#### 5.2.8 *Persons using the mark*

The majority of national laws allow the use to be made by the trademark owner himself or by a third party with his consent. Sometimes such use by third parties is formalized. The United Kingdom Trademark Act of 1938 and the laws based on it provide for the registration of a user. The British Government intends to abandon the system, however, and to allow use with the simple consent of the owner as being sufficient for trademark protection, in line with modern trends as reflected in the European Community Trade Mark system. For the Model Law it is necessary and sufficient, according to

Sections 22 and 30, that the trademark be used by a licensee. At least, for the fulfilment of the use requirements, the trend in modern trademark law and practice is to require only that the trademark be used by its owner or a third party with his consent, there being no formal requirements for the consent.

If trademark law requires a formalized agreement, and if the agreement is legally invalid under unfair competition law or other rules such as food and drug regulations, it should be sufficient that the third party is effectively and genuinely entitled to use the mark on behalf of the trademark owner, irrespective of whether or not the agreement is legally valid.

### 5.3 Consequences of non-use

The principal consequence of unjustified non-use is that the registration is open to cancellation at the request of a person with a legitimate interest (Model Law, Sections 30 and 32). There is moreover a tendency to require of the registered owner that he prove use, since it is very difficult for the interested third party to prove non-use. In the interest of removing "deadwood" from the register, such reversal of the burden of proof is justified.

The burden of proof should be on the trademark owner not only in cancellation proceedings but also in any other proceedings where the owner is alleged to have taken advantage of his unused trademark right (opposition procedure, infringement action).

No evidence of use should be required for the renewal of a trademark registration, however. This is an administrative complication which is unnecessary in view of the fact that an interested person can at any time at all take appropriate action against an unused trademark registration.

Non-use does not always lead to invalidation of the trademark right. Non-use can be justified in the case of force majeure, and any other circumstance that is not due to fault or negligence on the part of the proprietor of the mark, such as import restrictions or special legal requirements within the country (Model Law, Section 30(2)).

### 5.4 Proper use of trademarks

Non-use can lead to the loss of trademark rights. Improper use can have the same result, however. According to Section 31 of the Model Law, "a mark shall be removed from the Register if the registered owner has provoked or tolerated its transformation into a generic name for one or more of the goods or services in respect of which the mark is registered, so that, in trade circles and in the eyes of the public, its significance as a mark has been lost." Similar provisions can be found in many trademark laws.

#### **Q52.** *Is the mark LINOLEUM registrable for "A covering for floors?"*

Basically, two things can cause genericness: namely, improper use by the owner, provoking transformation of the mark into a generic term, and improper use by third parties that is tolerated by the owner.

In order to avoid improper use, everyone in the company owning the trademark who is involved in advertising or publicizing the brand must follow some rules.

The basic rule is that the trademark should not be used as, or instead of, the product designation.

By systematically using a product designation in addition to the trademark, the proprietor clearly informs the public that his mark identifies a specific product as one in a certain category. This is especially important if the trademark proprietor has invented a totally new product which at the outset is the only one in the category. Trademarks such as FRIGIDAIRE, CELLOPHANE and LINOLEUM became generic terms because they were the only product in their category, and no additional name was given to the category by its proprietors. When instant coffee, also called soluble coffee, was invented in 1938, the first product marketed by the company that invented it was called NESCAFE. However, from the start the company systematically used a product designation such as "instant coffee" or "soluble coffee" on its labels.

A second important rule is that trademarks should always be used as true adjectives and never as nouns, in other words the trademark should not be used with an article, and the possessive "s" and the plural form should be avoided. It would be wrong to talk about NESCAFE's flavor or about three NESCAFES instead of three varieties of NESCAFE.

Furthermore, it is advisable always to highlight the trademark, that is, to make it stand out from its surroundings.

Finally, a trademark should be identified as such by a trademark notice. Only a few laws provide for such notices, and making their use on goods compulsory is prohibited by Article 5D of the Paris Convention. Trademark law in the United States of America allows the use of a long statement (such as "Registered with the United States Patent and Trademark Office") to be replaced by a short symbol, namely, the circled R. Over the years this symbol has spread throughout the world and become a widely recognized symbol for a registered trademark. Its use is recommended for registered trademarks as a warning to competitors not to engage in any act that would infringe the mark.

However, it is not enough just to follow these rules: the trademark owner must also ensure that third parties and the public do not misuse his mark. It is specifically important that the trademark should not be used as or instead of the product description in dictionaries, official publications, journals, etc.

Consumers tend to use well-known marks as product designations. Many consumers all over the world refer to instant coffee as NESCAFE. Basically, the trademark owner can be proud of such use as it shows the strength of his mark. However, the more famous a mark is, the more it is in danger of turning into a generic term. This is why it is so important, in such cases, that companies should apply a very strict policy of proper use on their own part, and intervene against third parties (other than consumers) in the event of abuse. According to generally accepted rules of law and practice, the transformation of a trademark into a generic term occurs only if all the trade circles involved and the general public have become used to using the sign as a generic term. The proprietors of the trademark NESCAFE, for instance, have traditionally applied such a strict policy and this trademark, which is one of the best-known in the world, has consequently remained a protected trademark which enjoys strong protection, despite the habit of many consumers to refer to instant coffee in general as NESCAFE. Another example of this kind of trademark that continues to enjoy strong protection is COCA-COLA, probably the best-known trademark in the world.

## **CHAPTER 6**

### **RIGHTS ARISING FROM TRADEMARK REGISTRATION**



## CHAPTER 6

### RIGHTS ARISING FROM TRADEMARK REGISTRATION

The registered owner has the exclusive right to use the trademark. This short definition of the specific subject matter of trademark rights encompasses two things:

#### 6.1 The right to use the trademark

This positive right of use belonging to the trademark owner is recognized in most trademark laws. It would indeed be contradictory not to grant such a positive right of use while imposing an obligation to use. Of course, the right of use is subject to other laws and rights, as is any other right provided by law. What is allowed under trademark law may be prohibited under competition law or by public enactment. It is therefore regrettable that the positive right of use is not mentioned in Section 18 of the Model Law.

What does the right of use mean?

It means first the right of the owner of the mark to affix it on goods, containers, packaging, labels, etc. or to use it in any other way in relation to the goods for which it is registered.

It means also the right to introduce the goods to the market under the trademark.

It is important to make a distinction between these two rights, both derived from the right to use a trademark.

When the trademark owner has launched a product on the market under his mark, he cannot object to further sales of the product in the course of trade. This is the essence of the so-called principle of exhaustion of the trademark right. Some countries do not allow objections to parallel imports of products marketed in a foreign country by the trademark owner or by a third party with his consent. Other countries do allow such parallel imports to be objected to, namely by applying the principle of territoriality of rights. Still other countries, such as the United Kingdom and Switzerland, make the decision on whether the trademark owner can object to parallel imports dependent on whether consumers are likely to be mistaken as to the characteristics or quality of the imported goods.

Apart from this special aspect of parallel imports of goods marketed for the first time in a foreign country, the principle of exhaustion of trademark rights clearly applies within the country. However, it is a principle that applies only to the *right to launch* the product bearing the trademark on the market for the first time. The owner's exclusive right to *affix* the trademark on the goods and their packaging, containers, labels, etc. continues to exist. Consequently, he can object to acts that infringe that right, such as the repacking of goods bearing his mark, the destruction of his mark on the goods, or the alteration and subsequent sale of his products under his mark. Altering the product and selling it under the same mark has the same effect as affixing the mark to goods, that is, it gives the consumer the impression that the genuine product has been marketed by the trademark owner under his mark. If that is not true, the trademark owner has a right to intervene.

- Q53.** *The registered proprietor of the trademark BUBBLES sells carbonated drinks in returnable and refillable bottles which bear the mark embossed on them. He discovers that these bottles are being used by a competitor who is filling them with his own carbonated drinks and refuses to stop doing this, claiming that, because the mark was placed on the bottles by its owner, he is doing nothing unlawful. Is he right?*
- Q54.** *An importer of motor cars made and sold abroad under the trademark AUTOCADE registers the mark in his own name in cl. 12. Later he starts reconditioning second-hand cars of various makes, including AUTOCADE cars, and registers the mark in cl. 37 as a service mark. He sells these reconditioned cars as AUTOCADE cars. The foreign manufacturer of new AUTOCADE cars has no place of business in the importer's country. Can he have either of the two registrations removed?*

Finally, a third right out of the bundle of rights incorporated in the right to use a trademark is the trademark owner's right to use his mark in advertising, on business papers, documents, etc.

It must be noted, however, that not every act covered by the right to use a trademark is necessarily sufficient to fulfil the obligation to use dealt with in Chapter 5.

## 6.2 The right to exclude others from using the mark

It follows from the mark's basic function of distinguishing the goods of its owner from those of others that he must be able to object to the use of confusingly similar marks in order to prevent consumers and the public in general from being misled. This is the essence of the *exclusive* right afforded to the trademark owner by registration. He must be able to object to any use of his trademark by a third party for goods for which it is protected, to the affixing of the mark on such goods, to its use in relation to the goods and to the offering of the goods for sale under the mark, or the use of the mark in advertising, business papers or any other kind of document (the latter right is subject to certain restrictions—see 6.3 below). Furthermore, since consumers are to be protected against confusion, protection generally extends to the use of similar trademarks for similar goods, if such use is likely to confuse the consumer.

The traditional British law system is more restrictive. The infringement action based on trademark registration is available only against the use of similar marks for goods that are covered by the trademark registration. If a competitor uses the trademark for similar goods that are not contained in the list of goods for which the trademark is registered, the trademark owner must rely on common law (the passing-off action), which will be dealt with later on in Chapter 13.

Section 18 of the Model Law, on the other hand, follows the concept outlined before, which is also provided for in the Community Trade Mark system and generally in all other trademark laws, and is due to be introduced in the United Kingdom.

It must be underlined, however, that the trademark owner cannot unconditionally object to the use of his trademark or a similar mark for the goods for which his trademark is registered or for similar goods. His trademark must be *protected* for the goods specified in the registration. Such protection operates automatically for all registered goods during the user's grace period, which is generally laid down by law. When that period has expired, protection has to be reduced to the goods on which the mark is actually used and goods similar to them. Any goods for which the trademark

was registered but which are not in use should no longer be a valid basis for asserting exclusive trademark rights. Depending on the procedural system in the country, the trademark owner may be able to rely on those formal rights for goods for which the mark is registered but not used, but he could face a counterattack leading to partial cancellation of his trademark for non-use.

The exclusive rights of the trademark owner can be exercised by means of an infringement action. The trademark is infringed if, owing to the use of an identical or similar sign for identical or similar goods, there is a risk or a likelihood of the public being misled. The test to be applied in an infringement action is narrower than in an administrative procedure (examination *ex officio*, opposition procedure). The test is not a hypothetical one, but has to deal with the reality of infringement in the marketplace. Consequently, the court has to consider how the infringer is actually using the trademark, and the extent of use of the infringed mark may also be significant.

Many laws not only provide for an infringement action, but also offer an administrative opposition procedure against an application for the registration of a confusingly similar trademark. In that case, the test is much broader, because allowance has to be made for the risk of confusion that could arise from any use that the applicant might possibly make of his trademark if it were registered. The test is in fact the same as is applied by the office in its examination for prior third-party rights (see 4.3 above). However, there is more justification for applying such a broad test in opposition procedures, since it is the owner of the right who opposes the application and therefore demonstrates his interest in defending his right against the registration of a confusingly similar trademark.

Together with the question whether a trademark is distinctive, the question whether a trademark is confusingly similar to an earlier right is one of the cornerstones of practical trademark protection. Having dealt in detail with the problems of distinctiveness (see Chapter 3 above), we shall now go into the details of the concept of similarity:

### 6.2.1 *Similarity of goods*

As said before (see 4.2 above), trademarks are registered for goods in certain classes which have been established for purely administrative purposes. The classification of goods cannot therefore be decisive for the question of similarity. Sometimes totally different goods are listed in the same class (for instance computers, eyeglasses, fire extinguishers and telephones in class 9), while similar goods can clearly be listed in different classes (adhesives may fall into classes 1, 3, 5 and 16).

The test of whether goods are similar is based on the assumption that identical marks are used. Even identical marks are unlikely to create confusion as to the origin of the goods if the goods are very different. As a general rule goods are similar if, when offered for sale under an identical mark, the consuming public would be likely to believe that they came from the same source. All the circumstances of the case must be taken into account, including the nature of the goods, the purpose for which they are used and the trade channels through which they are marketed, but especially:

- the usual origin of the goods, and
- the usual point of sale.

As far as the latter criterion is concerned, the problem is that in modern supermarkets, drugstores and department stores, goods of all kinds are sold together, so the usual point of sale is less relevant to whether consumers

regard goods as coming from the same source as their usual origin. Still, the criterion does remain valid in many cases where goods are exclusively or at least commonly sold in specialty shops. In such cases, consumers may tend to believe the origin of goods to be the same if they are both sold in the same specialty shops, and may tend to deny that sameness of origin if they are not usually sold in the same shops.

If different goods are all manufactured by the same type of enterprise, or if consumers expect them to be typically manufactured by the same enterprise, they will generally be regarded as having a common origin.

A further aspect is the nature and composition of goods. If they are largely made of the same substance, they will generally be held to be similar, even if they are used for different purposes. Raw materials and finished goods manufactured out of the raw materials are not normally similar, however, since they are generally not marketed by the same enterprise.

Depending on the circumstances of the specific case, one or more of the aspects mentioned may determine the decision on whether goods are similar or not. Generally, however, they will all have to be taken into account.

Assuming that identical trademarks are used on the following goods, do you consider that there is a likelihood of confusion arising?

**Q55.** *Beer vs Wine*

**Q56.** *Tea vs Milk*

**Q57.** *Electric toasters vs Electric hairdriers*

### 6.2.2 *Similarity of trademarks*

Trademarks can be more or less similar to each other. The test, of course, is whether they are confusingly similar. A trademark is confusingly similar to a prior mark if it is used for similar goods and so closely resembles the prior mark that there is a likelihood of consumers being misled as to the origin of the goods. If the consumer is confused, the distinguishing role of the trademark is not functioning, and the consumer may fail to buy the product that he wants. This is bad for the consumer, but also for the trademark owner who loses the sale.

No intention to confuse on the part of the infringer is necessary, nor is actual confusion. The likelihood of confusion is the test. That is the only way for the system to function.

Of course, phrases such as “likelihood of confusion of the consumer” (or “of the public”) have to be interpreted. “The consumer” does not exist, and the public as such cannot be confused. Confusion arises, or is likely to arise, always in a section of the public. It has to be determined in the specific case what the relevant part of the public is that has to be considered, in other words who are actually addressed or reached by the trademark.

Since it is very difficult to work in practice with the broad definition of confusing similarity, some rules have been developed which help to define in specific cases whether, in view of the similarity of the two marks, confusion is likely to arise.

6.2.2.1 The most important point is that the consumer does not compare trademarks side by side; he is generally confronted with the infringing mark in the shop without seeing the product bearing the mark that he knows and remembers

more or less accurately. He mistakes the products offered under the infringing mark for the genuine product that he actually wants to buy. In this context it must be taken into account that the average consumer also has an average memory, and that it must be sufficient for him to doubt whether the trademark with which he is confronted is the one he knows.

Since the average consumer generally does not at first glance recognize differences between the marks that he might spot if he took his time to study the mark and the product offered under it more carefully, the first impression that he gains must be decisive. This is especially true for mass-consumption goods offered in self-service stores.

Furthermore, unsophisticated, poorly-educated consumers and also children are more liable to be confused. The purchaser of a sophisticated and costly machine, car or aircraft will no doubt be more attentive than the consumer in the self-service store. In those fields, therefore, very similar trademarks do coexist, which would probably be easily confused if applied to mass-consumption goods.

**Q58.** *Do you consider the following trademarks to be confusingly similar when used for cars?*

*LEGEND, LEGACY, LEXUS.*

Another interesting example of how the category of goods can influence the testing of confusing similarity is to be found in the field of pharmaceuticals. Prescription drugs are normally sold to the consumer (on prescription by doctors) by educated pharmacists, who are less likely to be misled by relatively similar brand names used for medicines for different indications, so the testing of similarity can be more generous. For drugs sold over the counter, the contrary is true. In view of the potentially serious consequences for the uneducated consumer if he buys a wrong product, the testing of similarity must be particularly strict.

6.2.2.2 The second important point when testing the similarity of trademarks is that they should be compared *as a whole*, and that more weight should be given to common elements which may lead to confusion, while differences overlooked by the average consumer should not be emphasized. Notwithstanding this basic rule of comparing trademarks as a whole and not dividing them into parts, the structure of the signs is important. Common prefixes are normally more important than common suffixes; if two signs are very similar or identical at the beginning, they are more likely to be confused than if the similarity is in their endings. Long words with common or similar beginnings are more likely to be confused than short words with different initial letters.

**Q59.** *Assuming that they are used for identical or similar goods, do you consider these trademarks to be confusingly similar?*

*ZAPORO vs ZAPATA and RAM vs DAM*

6.2.2.3 The third important point is that highly distinctive marks (coined or arbitrarily used marks) are more likely to be confused than marks with associative meanings in relation to the goods for which they are registered.

The same is true if a mark contains a highly distinctive part (part of the word mark or one of several words forming the mark), and that highly distinctive element is exactly or almost exactly duplicated by the infringing mark. If, on the other hand, the common element of the two signs is descriptive, the consumer's attention tends to focus on the rest of the mark.

- Q60.** *Assuming that ELECTRIDATA is a registered trademark for "Printed matter," do you consider ELECTOR to be confusingly similar to it?*
- Q61.** *The coined word RUS is a registered trademark for "Bricks." Would an application for registration of the word SANRUS for the same goods be acceptable?*
- Q62.** *What is your opinion of the similarity of COCA-COLA and PEPSI-COLA?*

When trademarks with a common element are compared, it also has to be established whether there are other trademarks on the register and used by different owners that have the same common element. If so the consumer will have become accustomed to the use of this element by different proprietors, and will no longer pay special attention to it as a distinctive element of the mark.

The situation is different, however, if all marks having such a common element (normally a prefix or suffix) are registered and used by the same proprietor (or with his consent). This is the special case of the series mark, where the consumers may have become accustomed to associate the series with a common source, and will tend to make the same assumption about any new trademark containing the same element. However, the mere fact of somebody using a series of trademarks that have a common element is not, as such, sufficient to exclude the use of the same element by a competitor as a component of a mark which on the whole is very different. The use of such a common element can only constitute infringement if consumers really have come to recognize the common element of the series of marks used by the registered owner as indicating the source of the goods offered by him under the different marks containing that element.

- Q63.** *The following trademarks are all registered for pharmaceuticals (cl. 5): MIGRAVESS, MIGRATHOL, MIGRADOS, MIGRAMID, MIGRAINULES, MIGRALIFT. An application is made to register MIGRAVEN for the same goods. On the assumption that the registered trademarks all belong to the same owner, would the use of the new trademark be likely to cause confusion?*
- Q64.** *If the registered trademarks all belonged to different owners, would your view be the same?*

6.2.2.4 The fourth important point is that confusion can arise from similarity in the writing, the pronunciation and in the meaning of the sign, and that similarity in one of those areas is sufficient for infringement if it misleads the public.

With regard to similarity in writing, the graphic presentation of the trademark plays an important part. Similarity in pronunciation is important because trademarks that are written differently may be pronounced in the same way,

and pronunciation counts in oral communication: even if similarity in writing is avoided by the use of very different graphic presentations, this does not make any difference when the two trademarks are compared orally.

Do you regard the following trademarks applied to identical goods as confusingly similar?

**Q65.** *KITTOO'S vs KELLOGG'S for cereals*

**Q66.** *for cereals:*

*Kittoo's      Kellogg's*

**Q67.** *KINDY vs KYNKY'S for clothing, shoes*

**Q68.** *for clothing, shoes:*

*Kindy      KinKyn's*

**Q69.** *FEMME vs FAM for perfume*

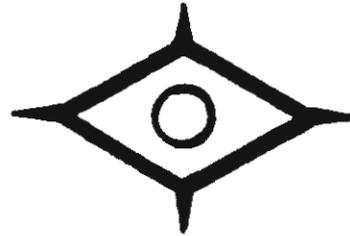
Similarity in meaning may lead to confusion if the same idea is conveyed by both trademarks (DREAMLAND and SLUMBERLAND for mattresses). Conversely, a totally different meaning can preclude confusion between two marks that would normally be regarded as confusingly similar.

**Q70.** *Assuming that the trademark BALLY is registered for shoes, is the registration and use of the trademark BALL for the same goods acceptable?*

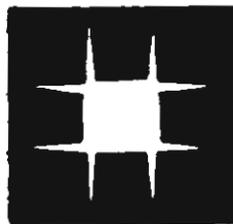
6.2.2.5 Independently of the above rules, some special aspects have to be taken into account for figurative marks (devices).

For purely fanciful marks the graphical impression conveyed by the two marks is decisive.

**Q71.** *Do you think that the two trademarks below are confusingly similar?*



**Q72.** *The mark on the left is registered for “installations” for ventilation and refrigeration; the one on the right is filed for “air conditioning plant” (both in cl. 11). Are they confusingly similar?*



For composite marks the similarity of the word part is normally sufficient, as similarity in pronunciation constitutes trademark infringement. Similarity in the figurative part can only lead to confusion if that figurative part is a distinctive element of the mark. Furthermore, in the case of composite marks any similarity in the word parts of the two marks is likely to be emphasized if the figurative parts of the marks are also similar. Even though the words might not be confused in writing or pronunciation, the marks as a whole can be confusingly similar in view of the similarity of their figurative elements.

A special case is the device that can be named by a word. A star device will normally be designated by the word “star,” and will therefore be confusingly similar to a word mark STAR. Also lion or tiger devices would be confusingly similar to the word marks LION and TIGER. The situation is different when two device marks are compared which both feature an animal. Case law generally hesitates to grant a monopoly on an animal device as such. Consequently, two such devices, for instance two tiger or lion or cow devices (there are numerous cow devices registered for milk products) must be sufficiently similar for there to be confusion. So should the use of the corresponding word as a trademark nevertheless be prohibited, and should the owner of a word mark TIGER really be able to object to all possible graphic presentations of a tiger in a device mark? To avoid any possible problem of restricted protection, the owner of a device mark should also secure trademark protection for the name of the animal shown in the device.

- Q73.** *Do you think that the possibility of confusion between the following two trademarks would be greater if the words were omitted (“Lince” being the Spanish word for “Lynx”)?*



**lince**



**TIGER**

### 6.2.3 *Influence of use and non-use*

Confusion in the marketplace can only arise from actual use on similar goods. To prevent confusion, however, it is still necessary that the trademark protection system allow the trademark owner to object to an application for registration of a trademark which is based on mere intention to use the mark.

For the same preventive purpose, many trademark laws allow the owner of a registered trademark to object in opposition procedures to the filing, and in infringement actions to the use, of similar marks for goods identical or even similar to all goods covered by the existing registration, regardless of the use of the latter. The defendant who is aware of the total or partial non-use must therefore counterattack by introducing an invalidation action seeking partial or total cancellation of the existing trademark registration for non-use.

More modern conceptions implemented in some European laws and also in the forthcoming Community Trade Mark system allow the trademark owner, after the five-year grace period has expired, to object by opposition or court action to an application for registration, or to the use, of an identical or similar mark for goods identical or similar only to those on which the owner is actually using his. If the owner is not using his trademark, the opposition is refused, and if he is using it on one or several of the goods for which it is registered, only those on which it is used are taken into consideration for the test of confusing similarity. The burden of proof of use in an opposition procedure is on the owner of the right.

Many laws also allow the defendant in trademark infringement actions to claim non-use of the trademark on which the action is based, and the owner can then only succeed in his infringement action if he can prove use of his mark.

If the infringed trademark is being used, the extent of the use can influence the test of confusing similarity. Intensive use increases the distinctiveness of the mark, and confusion with well-known marks is more likely even if the goods on which the infringing mark is used are less similar or if the similarity of the marks is less apparent.

### 6.2.4 *Protection beyond the scope of confusing similarity*

Well-known or famous marks, which are highly reputed, are in some countries given protection that goes beyond the scope of similarity of the goods. Such far-reaching protection, which is also provided for in Section 18(b) of the

Model Law, should only be given if the use of the same mark or a nearly identical mark for other, dissimilar goods would be prejudicial to its distinctiveness or its reputation. This extended protection does not necessarily cover all possible goods. It could well be that the use of a mark identical to the well-known mark would do unjustified harm in relation to a certain category of goods, whereas the same use on totally dissimilar goods might not be against the interests of the registered owner of the well-known mark. The decision has to be determined by all the circumstances of the specific case, including the extent of reputation of the mark, the type of goods for which it is used by the infringer, the manner in which he presents his goods, and so on.

- Q74.** *The trademark KODAK is registered for all photographic goods (cl. 1, 9 and 16). The makers of a series of television films featuring a detective named KOJAK sell them as KOJAK films. Does the owner of KODAK have a legitimate complaint and, if so, would he have a remedy under the provisions of the Model Law?*
- Q75.** *The detective in the same films has a habit of sucking lollipops. The makers of the films license a manufacturer of sweets (cl. 30) to use the name KOJAK on lollipops made and sold by them. What, if anything, can the owners of KODAK do about it?*

At present, the practice in most countries is to grant protection that goes beyond the scope of similarity of goods only in exceptional cases of famous or highly-reputed marks. The forthcoming Community Trade Mark system will broaden such protection by affording it to all marks that have a reputation. Yet reputation is not sufficient on its own, of course; broader protection is justified only where the use of a sign without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the trademark.

### 6.3 Restriction of the exclusive right in the public interest

In the same way as the owner's right to use his trademark can be restricted by other rights, his right to prevent third parties from using his mark can be restricted by the legitimate interests of others. The Model Law provides in Section 19 that "Registration of the mark shall not confer on its registered owner the right to preclude third parties from using bona fide their names, addresses, pseudonyms, a geographical name, or exact indications concerning the kind, quality, quantity, destination, value, place of origin, or time of production or of supply, of their goods and services, in so far as such use is confined to the purposes of mere identification or information and cannot mislead the public as to the source of the goods or services."

A similar provision is contained in many trademark laws.

- Q76.** *MAGSAN is a registered trademark for "Disinfectants" (cl. 5). The owner discovers that toilet paper is on sale which is clearly (and truthfully) described as "Medicated with Magsan." Can the owner prevent this use?*

Assuming that you are the registered owner of the trademark MYADOR for "Flour" in cl. 30, what view do you take of the following advertisements and circumstances?

- Q77.** *A competitor advertises his flour under the trademark DEEGAM and claims that it is an improved version of MYADOR flour.*
- Q78.** *A batch of MYADOR flour is found by your quality inspectors to have an unacceptably large proportion of insect fragments and is declared unfit for human consumption. You sell it to ABC Ltd for use in making animal food. However, they advertise it as MYADOR flour for making bread.*
- Q79.** *You see a newspaper advertisement for Mendi's MYADOR jewellery. The only illustrations are of necklaces and finger rings. Later you discover that this MYADOR jewellery includes silver charms in the form of a loaf of bread and a windmill.*

The trademark owner also cannot prevent third parties who are not his competitors from referring to his trademark by acts such as the listing of the mark in a compendium of trademarks or in dictionaries, or to use it in newspaper articles or in books or other publications.

- Q80.** *A "Consumer's guide" publishes completely independent reports. In its survey of brands of household flour it makes the following statement:*
- MYADOR — 100% stone ground — 35 rupees per kilo*  
*DEEGAM — 100% stone ground — 30 rupees per kilo*  
*and recommends DEEGAM flour as its "Best Buy."*
- Q81.** *An advertisement for DEEGAM flour refers to the above independent report and claims that DEEGAM is "A better buy" than "MYADOR flour."*

Since the trademark owner has a justified interest in preventing his mark from becoming generic, he can, in certain cases, demand that it be properly used. Some legislation (that of Denmark, the new Swiss trademark law and the proposed Community Trade Mark Regulation) recognizes a right of the trademark owner to have his trademark identified as such in dictionaries; if a dictionary lists a trademark without stating that it is one, its owner has the right to ask for a correction in the next edition of the dictionary.

#### **6.4 Remedies for trademark infringement**

A successful infringement action leads to prohibition of the use of the confusingly similar mark. If the infringing mark is registered, cancellation of the registration is ordered.

The trademark owner can also, in principle, ask for compensation for damages. Damages are difficult to prove in trademark infringement cases, however, so this remedy is not very important in practice.

The situation is of course different in cases of counterfeiting, which will be dealt with in Chapter 13.

- Q82.** *The trademark PATSONIC is registered for “computers, radio and television apparatus” but has been used only on computers. Another trader begins to use the trademark BATRISONIC on portable radios. Assuming that Section 18(a) of the Model Law applies, can the registered owner prevent this use?*

## **CHAPTER 7**

# **REMOVAL OF THE TRADEMARK FROM THE REGISTER**



## CHAPTER 7

### REMOVAL OF THE TRADEMARK FROM THE REGISTER

The cancellation of a trademark registration is a serious matter for its owner, as it leads to a loss of his rights under the registration. Nevertheless, there are a number of grounds on which a trademark can be removed from the register.

#### 7.1 Removal for failure to renew

We have seen under 4.5 that for administrative reasons a trademark is registered for a certain period of time only. When that period expires, the trademark can be renewed and a renewal fee has to be paid. If the owner fails to renew his trademark registration and more specifically fails to pay the renewal fee, this leads to the removal of the trademark from the register. Registries generally allow a period of grace for payment of the renewal fee (usually with a surcharge). The Model Law provides in Section 17(4) for a six-month period of grace.

If the law permits renewal of the trademark registration for just some of the registered goods (to be encouraged as a means of removing “deadwood” from the register—see 4.5 above), this leads to a partial cancellation of the trademark registration for all the goods in respect of which it is not renewed.

#### 7.2 Removal at the request of the registered owner

The registered owner can himself, at any time, renounce his registration for either all or some of the goods for which the mark is registered. At the request of the registered owner, therefore, the authorities will in principle remove the mark from the register either wholly or in part. The Model Law provides for a different solution in the case of a recorded license to use the mark. According to Section 29(3), “renunciation of the registration shall be recorded only upon submission of a declaration by which the recorded licensee consents to the renunciation, unless the licensee shall have expressly waived this right in the license contract.”

#### 7.3 Removal for failure to use

If the owner of a trademark fails to use his mark within the grace period provided for in the law, any interested party can, in principle, ask for its cancellation (Model Law, Sections 30 and 32—see 5.3 above). If the owner cannot justify the non-use, removal of the registration is ordered by the court. If the owner can prove use or justify the non-use, but only for some of the registered goods, the court orders partial cancellation. Partial cancellation extends either to all registered goods for which use cannot be proved or at least to all those not similar to the goods that the registered owner has used. This is the solution recommended by AIPPI (Resolution adopted by the Executive Committee at Sydney in 1988). The European Community legislation, however, provides for cancellation of all goods for which the trademark has not been used. This does not mean that the registered owner’s rights would be strictly limited to the goods used, or even to a single product on which his trademark has been used.

Even if his registration is cancelled for all but the one product for which he can prove use, he can still defend his exclusive right to his registered trademark against the registration and use of an identical or confusingly similar trademark by a competitor for all goods that are identical *or similar* to the product for which his trademark is registered and used.

#### **7.4 Cancellation on account of nullity**

If a trademark consists of a sign that should not have been registered (Chapter 3), it can be declared null and void by the court at the request of any interested party (Model Law, Section 33). Sometimes trademark laws also provide an *ex officio* procedure for that purpose. As a consequence of the declaration, the trademark is removed from the register.

If the grounds for invalidity exist only with respect to some of the registered goods, the registration is removed for those goods only.

Normally, removal from the register is ordered only if the grounds for invalidity already existed when the trademark was registered. Moreover, even if the trademark should not have been registered owing to lack of distinctiveness, its cancellation is excluded if in the meantime it has become distinctive by use.

Such acquired distinctiveness cannot however prevent the removal from the register of trademarks that consist of generic or deceptive terms. And yet there can be exceptional cases in which the deceptive meaning that would have prevented trademark registration at the outset has been lost in the meantime (see 3.1.1 above, the WOOLRIDGE case).

#### **7.5 Removal of a mark that has lost its distinctiveness**

As we have seen under 5.5, “A mark shall be removed from the register if the registered owner has provoked or tolerated its transformation into a generic name for one or more of the goods or services in respect of which the mark is registered” (Model Law, Section 31). Removal of the mark on these grounds has the effect of expropriation, so it can only be ordered if all the trade circles involved, the relevant consumers and the public in general have become accustomed to using the sign as a generic name for the product originally identified by it. Under these conditions the sign has totally lost its original significance as a trademark, and can therefore be removed from the register.

**CHAPTER 8**  
**CHANGE OF OWNERSHIP**



## CHAPTER 8

### CHANGE OF OWNERSHIP

#### 8.1 Reasons for change of ownership

The ownership of a trademark can change for different reasons and in different ways.

Trademark rights may, on a natural person's death, pass to his heir. Such a change of ownership is only possible where trademark laws allow the private ownership of trademarks. Similarly, a trademark may pass to a new owner in the case of bankruptcy. Another automatic change of ownership may result from the merging of two companies. No automatic change takes place, however, in the case of a company takeover effected by the acquisition of shares, or when certain assets of a company, including the intellectual property rights, are acquired.

#### 8.2 Voluntary change of ownership: Assignment

Assignments are the most common form of change of ownership. They are normally, but not necessarily, part of a purchase contract, whereby trademarks are sold against payment of a certain amount of money.

The law of some countries allows trademark assignment only together with the goodwill related to the mark. It is argued that consumers are accustomed to the product sold under the trademark, so that an assignment without transfer of the enterprise, or part of the enterprise, using the mark would deceive consumers. Nevertheless, there is a clear tendency towards allowing free assignments of trademarks. Trademarks that are assigned without goodwill have often been unused for many years. Apart from that, companies often have a complicated legal structure and, when one company is taken over by another, it may well be that the trademarks are transferred to the new parent company while the factories in which the products sold under those trademarks are manufactured remain the property of the company taken over. As long as the new parent and trademark owner ensures that the consistent quality of the products sold under the assigned trademarks continues, consumers will then not be deceived.

There is therefore no absolute need to link the assignment of trademarks to the goodwill related to them. It is sufficient, and at the same time necessary, to ensure that consumers are protected against deception. This is the approach of Section 21 of the Model Law, whose paragraph (1) allows the assignment of trademark registrations or applications independently of the transfer of all or part of the enterprise using the mark, but which provides in its paragraph (2) that such assignment is null and void if its purpose or effect is liable to mislead the public. It should be added that such cases are very rare in real life, especially where trademark registrations are assigned as a whole.

Partial assignments are more problematic. In order to avoid confusion of the public in such cases, trademark laws sometimes allow transfers only where the goods involved are not similar to those remaining with the former owner. Confusion of the consumer is thus clearly avoided, as the two trademarks could have been registered by different owners from the very beginning.

### 8.3 Recordal of change of ownership

In principle, a change of trademark ownership takes effect without any recording. This is clear in the case of the foreign owner's death or bankruptcy or a merger. Even a voluntary change of ownership by means of assignment does not, in principle, need to be recorded to become effective, at least *inter partes*. Nevertheless, trademark laws generally provide for the recording of changes of ownership for two reasons:

- The new owner cannot normally exercise his trademark rights if he is not the recorded owner.
- In principle, the transfer is not binding on third parties as long as it is not recorded.

This principle cannot be applied without restriction: if the new owner has completed all the necessary formalities, that is, if he has submitted the necessary documents to the office for registration of the change of ownership, he must be able to take action to defend his trademark against infringement. The recording procedure is sometimes very long and drawn-out, and some jurisdictions do not permit recordal of pending applications. In such cases, the new owner would often be totally blocked, as the former owner might no longer exist, or at least might no longer be interested in proceeding against infringements of his former trademark rights.

Trademark laws generally provide that the registrar refuses to record an assignment that in his opinion is liable to deceive consumers.

If the assignment really does deceive the consumer, it is usually automatically null and void and therefore cannot be validly recorded. However, the registrar should not refuse to record assignments if in his opinion there is only a risk of confusion for the public. Such cases obviously depend on factual circumstances that go beyond what he knows from the file, such as how the new owner will use the trademark, whether consumers will really be deceived, and so on, which establish that the deception of consumers is not inherent in the assignment.

**Q83.** *The trademark TRISHAW is registered in cl. 34 for "cigars and cigarettes." Its proprietor proposes to assign it for cigars only. Do you consider the assignment would be "caught" by Section 21(2) of the Model Law?*

Different from a partial transfer is the situation where the registered owner of several trademarks assigns some of them which, if the test of trademark similarity is applied, could be regarded as confusingly similar.

**Q84.** *The trademarks GIGOBOY and GIGOGIRL are registered in the name of the same owner for "Clothing for boys" and "Clothing for girls" (cl. 25), respectively. The proprietor assigns the GIGOGIRL trademark. The assignment is without goodwill as he has not used the mark for several years. He continues to trade in boys' clothing under the GIGOBOY trademark. How do you view this assignment?*

In such a case, deception of the consumer is not really *inherent* in the assignment. Whether or not the consumer will be deceived depends not only on how the new owner will make use of the trademark assigned to him, but also on how the former owner will make use of the trademark of which he is still the proprietor. The parties to the assignment will usually, in their own interest, include provisions in the contract of assignment that regulate the future use of both trademarks in such a manner as to avoid confusion of the consumers involved. In such cases the registrar should not

have the power to refuse to record an assignment, and the matter should be left to the discretion of the courts (see also the comments on Section 21(2) of the Model Law on p. 52 of that text).

However, a number of countries provide in their trademark law for the association of trademarks that stand in the name of the same owner and are regarded by the registrar as confusingly similar. Moreover, those laws generally do not allow one of these trademarks to be assigned without the assignment, at the same time, of all other associated trademark registrations (see the laws of Bangladesh, Fiji, India, Malaysia, Pakistan, Sri Lanka and Thailand, for instance).

Even if two associated trademark registrations have not been used for many years, neither can be assigned separately. The association of trademarks can therefore be regarded as unnecessary protectionism, which is not to be encouraged in modern trademark legislation.

If a trademark assignment is null and void because it inherently deceives the public, or for any other legal reason outside trademark law, but has been recorded, the question that arises is what the consequences of such recording are.

Nullity of the assignment does not lead to nullity of the trademark rights as such. The trademark rights do, however, remain with the assignor, the former owner. This means that any use of the trademark by the newly registered owner is not actually a use, and, after the grace period for use of the trademark has expired, the trademark is open for cancellation. Of course, the assignor and former registered owner of the trademark, who has remained the owner, could in fact use it, but he is unlikely to do so as the parties are usually unaware of the invalidity of the assignment.

#### **8.4 Formalities**

In the interest of legal security, assignments should be evidenced in writing. The application for recording of the assignment must also be made in writing, either by the assignor or by the assignee. If it is the assignor who applies, a simple written request signed by himself or his legal representative should be sufficient. If on the other hand it is the assignee or any other new trademark owner who asks for the change of ownership to be recorded, the request generally needs to be accompanied by supporting documents (the contract of assignment signed by the assignor, or any other proof of the change of ownership). However, in such cases the mere signature of the demand for change of ownership by the new trademark owner or his legal representative should also be sufficient, without any need for authentication, legalization or other certification.



**CHAPTER 9**  
**TRADEMARK LICENSING**



## CHAPTER 9

### TRADEMARK LICENSING

#### 9.1 Importance of licensing

It is common practice for trademark owners to license third parties to use their trademarks locally in the country where they exercise their own business. However, the main importance of the possibility of licensing the use of trademarks lies in its usefulness in international business relations. Licensing is indeed the principal means whereby the trademarks of foreign companies are used by local businesses. Such license agreements are very common between partners from different developed countries, and they do exist between partners who both originate in developing countries, or even between a licensor in a developing country and a licensee in a developed country.

The most important role they play, however, is in the relations between licensors in developed countries and licensees in developing countries. In these situations they are not normally simple trademark licenses, but general agreements including the licensing of patents, trademarks, know-how and possibly other intellectual property rights, as well as technical assistance to be given to the licensee. These agreements are a key factor in the economic development of developing countries and are usually characterized by the transfer of technology, the creation of jobs and the use of local raw materials. They are often regulated by special provisions of local laws which provide for the control or approval of the agreement by a local authority, such as a ministry responsible for technology transfer.

To the extent that such general agreements confer the right to use the licensor's trademarks, they have to comply with the relevant licensing provisions of the trademark law of the licensee's country (even though the above-mentioned special provisions may also apply). The trademark laws of many countries contain provisions on trademark licensing. The general guiding principles of trademark licensing are dealt with in this chapter, independently of its foreign ownership and technology transfer aspects.

#### 9.2 Basic concept: control by the owner

In terms of trademark law, the possibility of granting a trademark license seems to contradict the trademark's basic function of indicating the origin of goods, since the goods offered under the trademark then originate with the licensee and not with the registered owner. To safeguard the origin-indicating function of the trademark, it is therefore necessary and sufficient for the owner to exercise control over the use of the mark by the licensee, particularly with respect to the quality of the goods (compliance with quality standards set by the licensor) and the conditions under which they are marketed. If that control is effective, the registered owner of a trademark need not use it himself. Use of the mark by his licensee can be deemed to be use by himself for all trademark protection purposes (Section 22(1) of the Model Law). This means more particularly that the trademark cannot be attacked for alleged non-use, and the licensee cannot himself claim ownership rights in relation to the mark.

The Model Law also contains provisions on certain types of restrictive clauses that should not be allowed in license agreements. No doubt it is important that such clauses should be dealt with in the general context of license agreements, whether they concern the relations between partners located in developed countries or technology transfer agreements with licensees in developing countries. At the local level, however, such provisions should not be in the trademark law, the purpose of which is to secure protection for marks in order to give their owners and the consuming public a means of distinguishing their goods from those of competitors. Any other purpose, such as antitrust considerations, the control of foreign investment or the like should be regulated in other laws applicable to all license agreements, regardless of whether or not they contain provisions on the licensing of marks. As it happens, the trademark laws of the overwhelming majority of countries contain no such provisions.

### 9.3 Formal requirements

Basically, the trademark protection system does not impose any formalities on trademark licensing. The only important point, which is inherent in the system, is that *the owner exercises effective control over the licensee*. The importance of this principle is generally recognized, although only a few trademark laws provide for quality control in their provisions on trademark licensing (those of the United States of America and Sri Lanka, for instance). Indeed no purpose is served by the existence of a written agreement, which may even be recorded in the trademark register and which may contain all sorts of control provision, if the law does not provide for the legal consequences of failure to exercise control. Many trademark laws do nevertheless provide for obligatory recording of the license, and often the registrar carefully studies the conditions imposed on the licensee by the licensor.

Many laws, more particularly in Europe, provide that it is sufficient for a license agreement to be concluded orally, but the provision in Section 22(2) of the Model Law, according to which a trademark license must be in writing, is reasonable in the light of legal security considerations. And it is acceptable to trademark owners that a license should be registered in order to be binding on third parties (Section 22(3)). What would not be acceptable would be to make registration of the license a condition of use by the licensee being considered use by the licensor in terms of the use obligations.

A special variety of trademark licensing formality that could be considered is the British system of registered user agreements. If such an agreement is recorded, use by the trademark by the registered user is deemed to be use by the trademark owner. However, it is not the actual license agreement between the parties, governing their commercial relations, that has to be registered; the law provides for a kind of simplified form, with certain conditions to be fulfilled before the registrar recognizes the registered user agreement. Since the register is open to inspection, the parties to a license agreement do not normally register the agreement but rather the simplified form.

There is a growing tendency these days to regard such formalities as unnecessary, the more so as it is recognized in jurisprudence that the existence of a registered user agreement is no more than a ready form of proof. The trademark owner can, under British law, conclude oral license agreements (BOSTITCH case), and it may be difficult in a specific case to prove that the mark was being used by the licensee. The proposed new United Kingdom trademark law will not only bring about the changes necessary for harmonization advocated in the European Communities Directive but also abandon the registered user system. Use by a third party with the registered owner's approval will be sufficient to safeguard trademark rights.

#### **9.4 Restrictions on the licensee**

Licensees are not usually allowed to assign the license or grant sub-licenses, but such rights can of course be expressly granted in the agreement.

Licenses can be exclusive or non-exclusive.

In the case of an exclusive license the trademark owner is not allowed to license the mark to any other person in the territory and cannot even use the mark himself.

In the case of a non-exclusive license, of course, the owner may use the mark himself and even allow others to use it. In the case of multiple licenses, very strict quality control is necessary in the interest of the consuming public.

Exclusive as well as non-exclusive licenses can be concluded for the whole territory of a country or part of it, and they can cover all or some only of the goods for which the trademark is registered. Unlike in the case of assignments, there is no risk of confusion of the public to be considered, on condition that the trademark owner exercises efficient quality control.



**CHAPTER 10**  
**SERVICE MARKS**



## CHAPTER 10

### SERVICE MARKS

#### 10.1 Function of service marks

A service mark is very similar in nature to a trademark. Both are distinctive signs; trademarks distinguish the goods of one enterprise from those of others, while service marks fulfil the same function in relation to services. Trademarks and service marks can therefore be collectively defined *as signs that individualize the goods or services of a given enterprise and distinguish them from the goods or services of its competitors* (see Chapter 1 above, under 1.2). The Model Law gives separate definitions of trademarks and service marks in its Section I, but apart from those definitions it does not use the terms trademark and service mark again. In its Part II, entitled Trademarks and Service Marks it simply uses the term “mark,” and in the introduction to Part II it is explained that these are “marks which serve to distinguish the goods or services of one enterprise from those of one or more other enterprises.”

Services may be of any kind, such as financial, banking, travel, advertising or food (catering, vending). Enterprises may provide only goods, only services, or both goods and services. They may use the same or different marks for goods and services and they may register their marks for goods, for services, or for both goods and services.

#### 10.2 Protection of service marks

Article 6*sexies* of the Paris Convention obliges the member countries of the Paris Union to protect service marks; unlike in the case of trademarks, however, they are not required to provide for the registration of service marks. Indeed many countries do not allow the registration of service marks. However, there is an increasing need for the appropriate protection of service marks by registration on account of their growing economic importance. Many countries have therefore in recent years made provision in their trademark laws for the possibility of registering service marks, and other countries are about to change their laws accordingly.

Service companies in countries that do not allow the registration of service marks sometimes try to secure trademark protection by registering their mark for goods related to their services. However, if the law is applied strictly, such registrations are not possible. The High Court of Calcutta has therefore correctly decided that the trademark PAN AM cannot be registered for goods such as “aeroplanes, ground equipment” and the like because the mark of the airline does not indicate the source of manufacture of these goods. This shows clearly that there is a need for the possibility of registering marks for services.

- Q85.** *A firm that hires out cars under the name KEYTAG also places the name on all its cars. It exhorts the public to “Hire a KEYTAG car.” What kind of mark is KEYTAG?*

**Q86.** *Is the mark depicted below registrable for "Articles of luggage" (cl. 25)?*



### 10.3 Criteria to be applied

Since service marks are signs that are very similar in nature to trademarks, basically the same criteria can be applied, so service mark protection has sometimes been introduced by a very short amendment to the existing trademark law, simply providing for the application to service marks, *mutatis mutandis*, of the provisions on the protection of trademarks.

It follows from the above principle that service marks can be registered, renewed and cancelled in the same way as trademarks; they can moreover be assigned and licensed under the same conditions. Rules devised for trademarks therefore apply equally, in principle, to service marks. Certain differences do exist, however, and certain problems in the relations between trademarks and service marks have to be considered. These are dealt with below.

#### 10.3.1 Absolute grounds for refusal

**Q87.** *A firm that hires out cars under the name BUDGET applies for registration of this name for "Services of the renting of cars (cl. 39)." Is BUDGET registrable?*

#### 10.3.2 Use of the mark

We have seen in Chapter 5 that, after a certain grace period has expired, trademarks must be used in relation to the goods for which they are registered. As mentioned under 5.2.2, the trademark will normally be affixed on the goods or their packaging. It is added, more as an exception to the general rule, that, depending on the nature of the goods, use on accompanying documents can be sufficient. Service marks, of course, cannot be actually used on services. Use on commercial documents is therefore sufficient to fulfil the user requirement for service marks.

#### 10.3.3 Protection against the use of confusingly similar marks

As for goods (see Chapter 6, under 6.2.1) the similarity test for services is based on the assumption that identical marks are used. As a general rule, therefore, services are similar if, when offered under an identical mark, the consuming public is likely to believe that they come from the same source. The more specific criteria devised for goods, namely whether they are typically manufactured by the same enterprise or commonly sold in specialty shops, or whether they have the same composition, cannot apply of course.

The question is therefore bound to be whether or not different services are thought by consumers to be offered by the same enterprise.

However, confusion is liable to arise not only between trademarks or between service marks, but also between trademarks, on the one hand, and service marks, on the other. In other words, the question can arise whether a mark registered or used for certain goods is confusingly similar to another mark registered or used for certain services. This stems from the simple fact that consumers are accustomed to the existence of enterprises that offer both goods *and* services.

What are the criteria to be used to test confusing similarity in such cases? Certainly the test cannot be (as has sometimes been suggested) whether the goods in question are commonly used in the service enterprise. Such a criterion would lead to a vast range of similarity cases, far in excess of what the relatively strict criteria devised for the similarity of goods would have produced. Detergents would be similar to washing services, and tobacco and cigarettes would be similar to housing, hotel and catering services. This would be wrong, of course, as nobody expects the owner of a hotel or restaurant to be the manufacturer of the cigarettes that he offers for sale. The only test that can give adequate results, therefore, is whether the consumers expect there to be a *common commercial activity*. The German Supreme Court has described this criterion as follows: it is necessary that the public be able to conclude that the service company may have an independent commercial activity for goods, or that the manufacturer or trader may have a separate activity for services.

Assuming that identical marks are used in relation to the following goods or services, do you consider that there is a likelihood of confusion arising?

- Q88. *Hotel and restaurant services vs liquors, tea, ice cream*
- Q89. *Services offered by architects vs building materials*
- Q90. *Installation of windows and doors vs windows and doors*
- Q91. *The two marks depicted below are in use by different, unconnected enterprises. The mark on the left is used by a dance academy and is registered in class 41. The mark on the right is intended to be used on "Printed publications relating to dancing," and registration is applied for in class 16. Do you consider that it can be validly registered?*





## **CHAPTER 11**

# **COLLECTIVE (CERTIFICATION) MARKS AND APPELLATIONS OF ORIGIN**



## CHAPTER 11

### COLLECTIVE (CERTIFICATION) MARKS AND APPELLATIONS OF ORIGIN

#### 11.1 Collective and certification marks

Section 1(c) of the Model Law defines a collective mark as “any visible sign designated as such and serving to distinguish the origin or any other common characteristic of goods or services of different enterprises which use the mark under the control of the registered owner.” It does not provide for certification marks. Most countries allow the registration of either collective marks or certification marks, or even both.

Collective marks and certification marks have a number of features in common, the difference being that the certification mark has an additional guarantee function: the owner certifies that certain characteristics are present. It is difficult to distinguish collective marks and certification marks in greater detail, as there are no generally recognized definitions; indeed sometimes countries lay down rules for collective marks that one might have expected more for certification marks and vice versa. Where this text refers to differences between the two categories, therefore, the reference should be understood as being merely indicative.

##### 11.1.1 *Typical features of collective and certification marks*

One thing that collective marks and certification marks have in common is that they do *not* indicate the origin of the goods or services as being from one particular enterprise. They are typically *used by different enterprises* which have to meet common *standards* set (and, in the case of the certification mark, certified) by the registered owner. Those standards specify certain characteristics of the goods or services that distinguish them from those of others not bearing the mark. The collective mark further fulfils an origin function, by distinguishing the goods or services of the enterprises that use the mark with the permission of the registered owner from those of other enterprises. Certification marks more typically tend to refer only to guaranteed characteristics.

The special nature of collective and certification marks means that certain special conditions have to be met for their registration, namely:

- the mark must be designated as such;
- the application must be accompanied by a copy of the regulations governing the use of the mark;
- the regulations must be registered together with the mark (Sections 40 to 42 of the Model Law).

The special characteristics that the goods or services have to fulfil can relate to their geographical origin, to the mode of manufacture, to the materials employed, to their quality or to any other aspect. While the common characteristic can also be quality, that is not a legal requirement for the registration or use of a collective or a certification mark (indeed quality is not even expressly mentioned in the Model Law definition of the collective mark).

If the criterion is the use of certain raw materials, for instance, that use is sufficient, regardless of the quality of the end product. That is also true of so-called accompanying marks, such as the TREVIRA mark and the Woolmark, the latter of which is illustrated below and certifies that the goods on which it is used are made of 100% wool:



The same is true of marks that indicate geographical origin, such as the collective mark SWISS indicating the Swiss origin of chocolate manufactured in that country, but not the (generally very high) quality for which Swiss chocolate is famous.

#### 11.1.2 *Further differences in relation to trademarks or service marks*

Collective and certification marks may be *descriptive* of the origin or any other characteristic of the goods or services for which they are used. An application for registration cannot therefore be refused on that ground.

In principle the regulations for a collective mark can provide that the use of the mark is restricted to approved users; for instance, an association that is the owner of a collective mark has the right to refuse applications for membership. However, if a collective mark is directly descriptive of the common characteristic that must be shared by its authorized users, the regulations must allow anyone to use the mark who is willing and able to fulfil its requirements. Otherwise ownership of a collective mark would make it possible to create an unjustified monopoly. Typical examples are collective marks that do no more than indicate geographical origin (such as SWISS for chocolate manufactured in Switzerland). They must be available to every person with a place of business for the goods or services concerned in the place so identified. The same is more generally true of certification marks. Registration must moreover be refused if the geographical indication has become the generic name of the goods in question, as everyone must be free to use generic terms.

We have said that collective and certification marks can be descriptive. Their registration is of course excluded, however, if they are *deceptive*. Registration of the Woolmark would therefore not be allowed for goods not made from 100% wool, and SWISS could not be registered for goods not originating in Switzerland.

Some laws provide that the registered owner of a collective mark, and the more so that of a certification mark, is not allowed to use the mark himself.

### 11.1.3 *Features in common with trademarks or service marks*

Collective and certification marks can be licensed, assigned, renewed and cancelled. However, these marks will normally be used as specified in the regulations, and not made subject to a license agreement. Indeed assignments and cancellations are sometimes subject to certain additional formalities, intended to ensure greater legal security for all interested parties.

Collective and certification marks are protected against any use of identical or similar *marks* (collective or certification marks, trademarks or service marks) for similar goods or services that has not been authorized by the owner and is likely to deceive consumers.

## 11.2 Appellations of origin

Appellations of origin must be clearly distinguished from simple indications of source, or other indications of geographical origin, which were dealt with before (in the context of absolute grounds for the refusal of trademarks and service marks and as examples of collective or certification marks).

Also, of course, appellations of origin indicate the geographical origin of the goods for which they are used. This is not all, however; the site named must serve “to designate a product originating therein, *the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors*” (Model Law, Section 1(1)(f)).

There is also a special Model Law for Developing Countries on Appellations of Origin and Indications of Source, which was published by WIPO in 1975. In spite of the fact that this Model Law was drafted in response to interest expressed in previous years by developing countries, provisions on the protection of appellations of origin have traditionally existed in only a relatively small number of countries in Europe, such as France and Portugal, and only few countries have since provided for such protection.

The Model Law of 1975 defines appellations of origin rather differently from the 1967 Model Law on Marks. It is specified that the product must have *characteristic qualities* (quality or characteristics are not sufficient in themselves, as they would be in the case of collective or certification marks), and that the geographical environment includes *natural factors, human factors or both natural and human factors*.

Under the Model Law of 1975, an appellation of origin must be registered in a special register and the authorities must examine whether the application meets the special requirements set forth in the definition. An appellation of origin that is not registered simply enjoys the protection accorded to any indication of source or of geographical origin.

**Q92.** *Do you consider the expressions “made in Singapore” and “Ceylon tea” to be appellations of origin?*

An appellation of origin clearly can and generally will be descriptive of the site referred to. However, as with collective and certification marks, registration must be refused if the appellation is widely understood by the public, that is, by all interested circles, including competitors and consumers, as being the generic name of a product.

If an appellation of origin is registered, it enjoys strong protection against the use of identical or similar indications, even if the true origin of the products is stated, or if the appellation is in the form of a translation, or is accompanied by terms such as “kind,” “type,” “make,” “imitation” or the like. This shows the advantage of having appellations of origin that fulfil the necessary requirements, and are registered as such and not simply as collective marks. Even if, traditionally, appellations of origin have played their main part in the field of wine and related products (the famous sparkling wine CHAMPAGNE originating in the French Champagne region springs to mind), they certainly offer developing countries an important means of promoting exports of their natural products.

## **CHAPTER 12**

### **TRADE NAMES**



## CHAPTER 12

### TRADE NAMES

Enterprises may own and use one, several or many different trademarks to distinguish their goods and services from those of their competitors. However, they also need to distinguish *themselves* from other enterprises. For that purpose they will adopt a trade name.

Trade names have in common with trademarks and service marks that they exercise a distinguishing function. Unlike trademarks and service marks, however, *trade names distinguish one enterprise from others*, quite independently of the goods or services that the enterprise markets or renders.

#### 12.1 Legal requirements

Countries in generally lay down certain requirements to be met for a trade name to be permissible and accepted for registration in the register of company names (which may exist on a national level, but in fact is often kept on a regional or even local level). The character of the enterprise must be mentioned (for instance with the abbreviation Ltd for limited company), and often the purpose of the business has also to be given. Trade names are generally quite lengthy, and are therefore not a very practical tool for use in daily business life as reference to the company.

Enterprises therefore tend to use a shorter business name or some other kind of corporate identifier in addition to the full, duly-registered trade name.

The trade name is not normally required to be distinctive as a condition of registration and subsequent use.

#### 12.2 Legal protection

If a trade name or business name is distinctive it is *protected by use*, whether registered or not. If it is not distinctive, it can be protected after distinctiveness has been acquired by use. Distinctiveness in this context means that the consuming public recognizes the name as being a reference to a particular trade source.

**Q93.** *Can the name THE ROYAL INSURANCE COMPANY be protected?*

A trade name or a business name can also be afforded protection by registration as a trademark (see above, under 3.1.3.5). Usually, both the full corporate name and the short business name can be registered. To safeguard such a registration, it is of course necessary actually to use the trade name *as a trademark*. This requirement is normally not met by making a reference, somewhere on the label or packaging of a product, to the manufacturing or trading company with its full address in small print, as is often required by labelling regulations. It is therefore more adequate and commoner in practice to register the shorter business name as a trademark, the more so as that name is often at the same time an important trademark (such as the so-called “house mark”) of the company.

In the same way as enterprises can register trade names and business names as trademarks, they can and often do use them not only to distinguish themselves but also to distinguish the goods or services that they offer (and, as mentioned before, this is even necessary in connection with the obligation to use if the name has been registered as a trademark).

It is therefore inevitable that conflicts between trade names, business names and trademarks arise. If a trade name or business name is used as a trademark (whether registered or not), the general rules of priority and the protection of consumers against confusion as to the origin of the goods or services offered under the signs concerned will determine the outcome of any conflict with a similar trademark.

Even if an enterprise uses a business name or trade name as such, in other words not as a trademark for the goods or services it offers, it is nevertheless widely recognized that a prior trademark is infringed if the use of the business name or trade name is likely to create confusion as to the origin of the goods or services that the enterprise offers under its name.

Conversely, the use of a trademark, service mark or collective mark can in the same way infringe a prior (registered or unregistered) business name or trade name. This is expressly provided for in Section 48 of the Model Law, Sections 47 to 49 of which contain some provisions on trade names. Section 47 stipulates that a name is not admissible as a trade name if it is contrary to public policy or is liable to deceive the public, while Section 49 deals with transfers of trade names (and provides that unlike a trademark—see 8.2 above—a trade name can be assigned only together with the business identified by it). These rules rely on the fact that the Paris Convention protects trade names accordingly.

Similar provisions generally do exist in national legislation. However, they are not usually contained in the trademark law, but rather in other laws (civil law, commercial law or a special law on trade names). One exception to this rule is the Philippines, where there is a common law for trademarks and trade names, and in general all provisions of that law apply equally to both trademarks and trade names.

## **CHAPTER 13**

# **UNFAIR COMPETITION**



## CHAPTER 13

### UNFAIR COMPETITION

Rules on unfair competition are not usually part of trademark law. Most countries have adopted special laws on unfair competition or consumer protection or both. As for trade names, the Model Law contains some rules on unfair competition in its Sections 50 to 53, owing to the fact that, according to Article 10*bis* of the Paris Convention, countries of the Paris Union are obliged to ensure effective protection against unfair competition. Article 10*bis* contains a general clause according to which unfair competition is any act contrary to honest practices in industrial or commercial matters (see also the Model Law, Section 50). Article 10*bis* further enumerates a number of acts regarded as unfair competition, which are also given in Section 52 of the Model Law. Although a member of the Paris Union, the United Kingdom has never enacted a special law on unfair competition. However, many cases otherwise dealt with in unfair competition laws can, in that country, be taken to court in a so-called passing-off action, which has been developed by jurisprudence. Other cases can today be dealt with under the more recent Trade Descriptions Act, which is a consumer protection law.

As mentioned before, unfair competition is any act contrary to honest practices. This is a broad definition and a multitude of different acts, such as the discrediting of a competitor, misleading advertising, enticing a key employee away from a competitor, stealing trade secrets and so on, are within the scope of its application, and cannot all be dealt with in detail in a course book on trademarks. However, there are three aspects of unfair competition that are closely related to the protection and use of trademarks: trademark piracy, counterfeiting and other acts of label and packaging imitation.

#### 13.1 Trademark Piracy

Trademark piracy means the registration or use of a generally well-known foreign trademark that is not registered in the country (or is invalid as a result of non-use).

The Paris Convention provides in its Article 6*bis* that a well-known trademark must be protected even if it is not registered in the country. This is an important basis for the protection of well-known brands against piracy. Article 6*bis* is restricted to identical and similar goods, however. Often well-known trademarks are used by pirates on totally different goods, or for services. Furthermore, courts sometimes require a trademark to be well known in the country and deny protection, even if the true owner of the trademark can prove that it is internationally well-known in a considerable number of countries. Improved protection against trademark piracy is therefore needed. Section 6(1)(d) of the Model Law extends protection to well-known trademarks and trade names independently of the goods or services concerned. This is no doubt an important improvement, but it is still stipulated that the trademark must be well known in the country, a requirement that fails to take sufficient account of the increasing importance of international trade.

## 13.2 Counterfeiting

### 13.2.1 *What is counterfeiting?*

Counterfeiting is first of all the imitation of a product. The counterfeit is not only identical in the generic sense of the term, as a bag might be. It also gives the impression of being the genuine product (for instance a LOUIS VUITTON bag), originating from the genuine manufacturer or trader.

The offering of such a counterfeit product is only meaningful, of course, if the genuine product is known to the consumer. Consequently, counterfeit goods often belong to the category of luxury goods and bear a well-known trademark. In fact, however, this is only a coincidence: counterfeit goods can just as well be mass-consumption goods, or goods not sold under a trademark but protected by other intellectual property rights such as copyright or design protection. They can also be known to a small group of specialized consumers only, such as brakes to be used for cars, or aircraft, or pesticides known to clients in agriculture. These examples show at the same time how dangerous the use of counterfeit goods can be (a whole year's crop in a large part of Africa was once destroyed by the use of a counterfeit pesticide).

The most typical and widely-known examples of counterfeit goods are, however, the false LOUIS VUITTON bags, the false ROLEX, CARTIER and other luxury watches, the false PUMA and REEBOK sports shoes, the false LACOSTE sports shirts and so on. Worldwide sales of counterfeit LOUIS VUITTON bags and ROLEX watches exceed those of the genuine products. This shows that counterfeiting is an economic phenomenon of worldwide importance. In fact, worldwide sales of counterfeits are estimated at about 5% of world trade, and the figure is on the increase. Indeed, it is important to recognize that counterfeiting is an economic crime, comparable to theft. Counterfeiters not only deceive the consumer but also damage the reputation of the genuine manufacturer, apart from which they do not pay taxes and other duties to the State.

### 13.2.2 *Legal protection against counterfeiting*

Although it is not a condition and not always the case, counterfeit goods generally bear a trademark. This has the advantage of making counterfeiting actionable as trademark infringement, which is generally easier than fighting against infringement of other intellectual property rights, which may also be involved. More often than not, counterfeiting can be regarded as a specific serious instance of trademark infringement, apart from which, under trademark law, the cases are legally simple ones, as the trademark and the goods are usually identical or at least nearly identical. However, since counterfeiting is an economically serious and important problem, the remedies specified in trademark laws are often not sufficient to serve as an effective deterrent. This is a problem that concerns three areas of law enforcement, all of which are essential if counterfeiting is to be successfully combatted:

- Laws must provide for severe criminal sanctions, including imprisonment. Most trademark laws provide for criminal sanctions for trademark infringement, but they were often enacted long ago and are no longer realistic, even for “normal” trademark infringement cases. Counterfeiters pay such fines from their pockets, and imprisonment is rarely ordered.
- Rapid, far-reaching remedies are necessary. Counterfeiters do not conduct their business from a normal business address; in the event of prosecution they tend to disappear. Often they can only be found after a long and

thorough investigation. There is therefore a pressing need for provisional measures such as interim injunctions (in the United Kingdom the so-called Anton Piller order is a very useful measure). By virtue of such provisional measures the counterfeit goods may be confiscated and the person who has them in his possession is obliged to inform the genuine trademark owner of their source.

- Since counterfeiting is a phenomenon that occurs in international trade, it is also necessary to empower the customs authorities to check goods at the border of their country and confiscate counterfeit goods at the request of the owner of the trademark affixed to them.

### 13.3 Imitation of labels and packaging

The cases discussed in this section lie between normal trademark infringement and counterfeiting (sometimes coming very close to counterfeiting). As in the case of counterfeiting, the label or packaging of the competing product is imitated, but in this case the imitation does not give the impression of being the genuine one. If one compares the genuine product and the imitation side by side (although, as we have seen before—in 6.2.2.1 above—consumers seldom proceed in this way) one can distinguish them, and the imitator does not usually hide behind the manufacturer of the genuine product; he trades under his own name. He is not a criminal, but rather a competitor who uses unfair methods of competition (as defined in Section 50 of the Model Law).

Instead of developing at his own expense a label and packaging with an image of his own for his product, the imitator tries to take advantage of the reputation of the competing product by giving his product an appearance so similar to it that confusion arises in the marketplace.

Often the imitator uses a trademark (in the sense of a product name) which is confusingly similar to that of his competitor. If he does that he is committing trademark infringement.

In a number of cases the word mark used by the imitator is somewhat, but not confusingly, similar to the one used by his competitor, but may even be totally different from it. In such situations the confusion in the marketplace arises only, or mainly, from the use of colors and graphic elements that are identical or very similar to those of the competitor's label or packaging. Labels and packaging are rarely registered as trademarks, which means that trademark law mostly offers no basis for intervention in such cases. They have to be dealt with under the rules of unfair competition, or those of passing-off in British law.

In principle, it is generally recognized as being unlawful (unfair competition) to pass off one's own goods as being those of a competitor. If a label or the packaging of a product is confusingly similar to that of a competitor's product, this requirement is normally fulfilled.

There is, however, a practical problem in the jurisprudence of a number of countries. Judges do not always recognize the danger of confusion that exists for the average consumer who does not pay special attention to detailed differences of packaging when making his purchases in supermarkets and elsewhere, often in a hurry and at a glance. It is a fact that can be proved by market research that consumers, when purchasing typical goods for everyday use, first of all pay attention to the colors of the packaging, give second priority to the graphic presentation and only then concern themselves with the correctness of the product name (the word mark). Despite this, judges often give too much weight to the trademark (the product name) used by the

competitor and to its differences in relation to the trademark under which the imitated product is sold. As a result, judges often deny unfair competition if the trademarks are not similar enough for an infringement action to succeed, even if the colors and the graphic presentation used by the competitor are very similar to those of the imitated product. Unlike judges, imitators are well aware of the reactions of consumers. This is why they use colors similar or identical to those of the products they are imitating, and why they use similar or identical product illustrations and other graphic elements of the original packaging.

Another aspect, which in such cases is often neglected, is the element of deliberate *intent*. Looking first at all comparable products available on the market, in other words the choice normally available to the consumer if he wants to buy a product in a certain category that contains products as different as they are numerous, thanks to the creativity of the marketing people, and then comparing the genuine product with its imitation, it is usually obvious that the imitator has deliberately chosen similar colors, a similar graphic presentation and common descriptive elements (and sometimes even a somewhat similar product name). Why has he chosen these elements for his packaging? There is only one possible answer: he wants the consumer to make his choice in the belief that the imitation product is the genuine one, or at least comparable to it in quality. The imitator plays on the reputation of the original, and this is bound to result in confusion of the public. If it does not, the imitator has failed! Bearing this in mind, it will be agreed that a product whose general similarity to the original product (taking into account the colors chosen, the graphic presentation and all other elements of the packaging) is such that it cannot be a matter of mere chance or coincidence, has the effect of misleading the public, making for a case of unfair competition, whether or not the product name chosen by the imitator is similar to that of the original. Only when this simple truth is fully acknowledged by the courts will the fight against labelling and packaging imitations be conducted successfully under unfair competition law.

## **CHAPTER 14**

### **OBTAINING PROTECTION FOR MARKS IN SEVERAL COUNTRIES: THE MADRID SYSTEM**



## CHAPTER 14

### OBTAINING PROTECTION FOR MARKS IN SEVERAL COUNTRIES: THE MADRID SYSTEM

#### 14.1 Introduction

In the introduction to this book, it has been said that trademarks have become a key factor in the modern world of international trade and market-oriented economies. This means, of course, that many manufacturers and traders need protection for their marks (trademarks as well as service marks) in more than one country, often in many countries all over the world. We have seen in Chapter 1 (Section 1.4) that certain countries have created common offices for the registration of marks covering the territories of all countries participating in such regional systems. However, this is quite exceptional and normally the only means of achieving protection internationally is to apply for registration of the mark in all countries of commercial interest. As we have seen before, the procedures for registration differ widely between countries, different languages must be used, there are different periods of protection resulting from registration, and in most countries a local agent must be appointed. The consequences are considerable costs and enormous administrative work.

To overcome these deficiencies the Madrid Agreement Concerning the International Registration of Marks (the "Agreement"), to which 34 States currently belong (see list of Member States in APPENDIX III), was concluded in 1891. Under the agreement an international registration can be filed with the International Bureau of WIPO in Geneva, with effect in all or a part of the countries party to the agreement, using one language (French), paying one set of fees only, to the International Bureau, and the period of protection of the international registration is the same (twenty years) for all countries in which the international registration has effect.

The Agreement is very popular among trademark owners in the contracting States, and it is widely used because it is extremely cost-effective and because it cuts down considerably on the administrative paperwork by offering protection in up to 34 countries by one single registration without any special formalities, such as notarial attestation and legalization. It is even possible to record name changes and assign the registration in some or all of the countries to which protection is extended by one single administrative act; and the international registration can be renewed in all countries to which protection extends simply by paying the renewal fees without further formalities.

Despite all these advantages the number of contracting States has always remained relatively low, even if the Agreement has been in existence for more than one hundred years. In particular, the United States of America, Japan, and, to mention an important country in Europe, the United Kingdom are not party to the Agreement, and are unlikely to accede to it in its present version. The attempt to create an international system for the registration of international marks, which would be acceptable to these countries, led in 1973 to the conclusion of the so-called "Trademark Registration Treaty," which was signed by the United States of America and the United Kingdom, but which was never ratified by them. The Treaty entered

into force in 1980, after having been ratified by some African countries and by the (then) Soviet Union, but its operation has since been frozen as a result of lack of interest on the part of any other countries.

After this failure the interested circles were not prepared to try and negotiate any other entirely new treaty. However, in the meantime the preparations for the creation of the Community Trademark had already progressed to the point where its introduction was to be expected in the near future (for political reasons there has been an unexpected delay). It was generally thought that the parallel existence of the Agreement and the future Community Trademark without a connection between the two systems would lead to considerable difficulties. Also, it was believed that such connection would be rendered more difficult as a result of the fact that several countries which are members of the European Community (Great Britain, Ireland, Denmark and Greece) did not belong to the Agreement. An Expert Group was therefore convened by WIPO in 1986 to devise a new system in connection with the Agreement acceptable to these four countries which would, at the same time, make it possible to link the new system with the future Community mark. The work of this Expert Group was carried out in such a constructive atmosphere that it was possible in 1989 to convene a Diplomatic Conference in Madrid for the conclusion of a Protocol relating to the Madrid Agreement Concerning the International Registration of Marks (the "Protocol"). The Protocol was signed on June 27, 1989 by 28 countries, including the United Kingdom. Furthermore it has encountered a great interest in the United States. In order to enter into force this Protocol must be ratified or otherwise acceded to by four contracting parties, including at least one country which is party to the Agreement and at least one contracting party (a State or the European Community) not party to the Agreement (Article 14(4)). In contrast to the fate of the above-mentioned Trademark Registration Treaty, the Protocol is expected not only to enter into force in a couple of years (probably in 1995), but very quickly to enjoy a large membership far beyond the present membership of the Agreement. Through a unique legal technique it has been made possible to combine the application of both systems, the traditional Agreement and the new Protocol of 1989 in practice. Common Regulations have been developed which will allow for the application for the registration of international marks using one single form under both treaties (for details see Section 14.5.3).

In the following, the main features of the Agreement will be illustrated, followed by an explanation of those of its perceived shortcomings that lead to the conclusion of the Protocol. Finally, it will be shown how the Protocol will work and how the combined application of both systems will function in practice.

## **14.2 The Agreement**

### *14.2.1 Basic Registration*

The filing of an application for an international trademark registration must be based on a registration of the mark in one of the member countries, which according to Article 1, paragraph 2 has to be the country of origin. This is the country where the applicant has a real and effective industrial or commercial establishment; failing such establishment, where he has his domicile; failing such domicile, the country of which he is a national.

### *14.2.2 Application*

The application for international registration is effected by filing a prescribed form at the appropriate office of the country of origin, which checks and certifies that the mark as it is reproduced in the application form is entered in the

national register in the name of the applicant for the same goods or services, mentions the dates and numbers of the basic application and registration and also the date of the application for international registration, and forwards it to the International Bureau in Geneva (Article 3, paragraph 1).

The effects of the international registration extend to those member States which the applicant, in the international application, expressly requests (the request for the extension of the effects to States party to the Agreement is called a request for "territorial extension"—Article 3<sup>ter</sup>, paragraph 1).

The following fees must be paid:

- a basic fee (presently 720 Swiss francs)
- a complementary fee for each country for which a territorial extension is requested (80 Swiss francs )
- a supplementary fee of 80 Swiss francs for each class of the International Classification of the Nice Agreement, that exceeds the third class, where the list of goods or services is contained in more than three classes.

If the applicant wishes to have its mark published in colours, he has to pay an extra fee.

The purpose of the basic fee and of the extra fee for publication in colours is to cover the costs of the International Bureau, while the complementary and the supplementary fees are distributed to the countries party to the Agreement, based on a special multiplication system with a coefficient from 2 to 4 depending on the type of examination and administrative processing of the application carried out by the national offices (such as examination on prior rights or providing for an opposition procedure).

In addition, according to Article 8, paragraph 1, the office of the country of origin, at its discretion, may charge a national fee.

#### 14.2.3 *Examination of the International Bureau and Registration*

The International Bureau examines the application for international registration "as to form," i.e. it checks whether it complies with the provisions of the Agreement and its Regulations.

It immediately enters the properly filed trademark into the International Register, notifies its registration to the national offices concerned and publishes the international registration in the periodical "Les Marques Internationales" (Article 3(4)).

In case of an incomplete or incorrect application a delay of up to six months is given for rectification, failing which the application is considered abandoned and any fees already paid are reimbursed (Rule 11(3) of the Regulations under the Madrid Agreement as of April 1, 1990).

If the applicant has not indicated the class or classes according to the Nice Agreement, corresponding to the goods or services in respect of which protection is claimed, the International Bureau classifies the goods or services.

In case of incorrect classification or indications of goods or services which are too vague a procedure with delays similar to those applied for general irregularities is applied, the difference being that the International Bureau has the right to make proposals and, in case of difference of opinion with the office of origin, the proposals of the International Bureau prevail. If a supplementary

fee has to be paid (e.g. as a result of re-classification) the payment must be made within three months, failing which the application is considered abandoned and the fees already paid are reimbursed (Rule 12(7) of the Regulations).

#### 14.2.4 *Effective Registration Date and Priority*

The registration is effective as of the date of application for international registration in the country of origin, provided the application has been received by the International Bureau within two months thereafter (Article 3(4)).

In addition, within six months of the date of national filing, it is, according to Article 4(2) of the Paris Convention, possible to claim the priority of the national application in the country of origin or of any other national filing for the mark made in one of the countries party to the Paris Convention, without having to comply with the formalities normally required under Article 4 of the Paris Convention for national applications.

#### 14.2.5 *Scope of Protection*

Through registration on the International Register, the trademark is protected in each of the countries to which it is extended, just as if the mark had been filed there separately. It is therefore not possible to speak under the Madrid Agreement of an unitary international trademark, with the same legal status in all countries in which it has effect (such as in the case of trademarks registered with the Benelux Trademark Office). However, it would not be correct to compare the international registration simply with a bundle of national trademark applications, since it goes doubtless beyond the effect of a national application. Just as clearly, it cannot have the full effect of a national registration. In fact, in all countries for which geographical extension is requested, the international registration is subject to the same process (examination on absolute grounds for refusal and—if applicable—on prior rights and/or opposition) as if it had been filed nationally with the qualification, however, that the protection cannot be denied on the basis of internal legal provisions which permit the registration only for a limited number of classes or a limited number of products or services (Article 5(1)).

#### 14.2.6 *Refusal of Protection*

According to Article 5(2), the national trademark offices which intend to deny trademark protection must inform the International Bureau of their reasons for rejection within one year after recordal of the international registration. This is one of the advantages of the Madrid Agreement inasmuch as the applicant knows after one year whether his application was accepted in each of the countries for which extension was requested or whether there is a possibility that protection will be refused and, if so, for what reasons.

Furthermore, since the international registration is based on a national registration in the country of origin, Article 6*quinquies* of the Paris Convention applies according to which the international registration must be accepted "telle quelle." This means in practice, that the national office cannot refuse registration for reasons other than those listed in Article 6*quinquies* B. To give an example: In Germany numerals and letters are as such not registerable, independently from the question whether in the concrete case they are to be regarded distinctive or descriptive. This is, however, not a

ground for refusal which can be applied under the “telle quelle” principle. An international registration consisting of numerals and letters must therefore be examined by the German Office under the general aspects exclusively to be applied, whether it is distinctive or descriptive (i.e. it consists exclusively of signs which may serve to designate any characteristics of the goods or services or whether it has become customary in the current language or established practice of the trade), or whether it is contrary to public order, in particular of such nature as to deceive the public. In that context it is underlined in Article 6*quinquies* that a mark cannot be considered contrary to public order for the sole reason that it does not conform to a provision of the national legislation on marks.

The International Bureau carries out a formal examination of the notice of refusal and if it does not contain irregularities (as listed in Rule 17(2)), the refusal is recorded in the International Register and a copy of the notification of refusal is transmitted to the office of the country of origin and to the owner of the mark or his agent.

The owner of the international registration enjoys, in the country pronouncing refusal, the same remedies as are given to the owner of a national application.

#### 14.2.7 *Dependence on the Basic Registration*

For a period of five years, the protection resulting from the international registration remains dependent on the fate of the national registration in the country of origin (Article 6). This dependency exists regardless of the reasons for a possible partial or total cancellation of the basic (national) registration, such as abandonment by its owner, assignment to a new owner who is not qualified according to Article 1 to file an international mark etc. Despite this, Article 6 is generally known by the term “central attack” since it permits the owner of a prior trademark which is registered in the country of origin of the owner of the international registration to defeat the international registration for all countries in which it exists by means of a successful “central attack” on the basic registration, with the result that this basic registration is completely or partially cancelled. In all these cases the International Bureau cancels the corresponding international registration totally or partially at the request of the Office of the country of origin.

#### 14.2.8 *Period of Validity and Renewal*

The international registration is for all countries to which it extends valid for 20 years (Article 6). Under Rule 10 of the Regulations it is possible to pay the basic fee at the time of registration for an initial period of 10 years only. If the balance due before expiration of the 10 years period is not paid, the registration is cancelled *ex officio*.

After 20 years the international registration can be renewed simply by paying the renewal fees (Article 7). The renewal can be effected for less than the initially covered countries, however, no other change of the registration is allowed on this occasion (Article 7(2) and Rule 25(6)). The renewal takes effect in all countries for which the complementary renewal fees are paid without any possibility for the national offices to pronounce a refusal of protection.

#### 14.2.9 *Changes Affecting the International Registration*

During the life of the international registration, it is possible to assign it wholly or partially (both with respect to the countries to which the protection extends and to the products or services covered), to record changes in name and address, and to restrict the products or services or the number of classes. All this can be done by one single act which takes effect in all countries to which the protection is extended. Furthermore, its owner can at any time renounce protection in one or several countries or ask for subsequent territorial extension of the international registration to countries not covered by it. Such territorial extension after registration has the same effect as the original registration has in those countries to which it is extended, as from the date on which it has been recorded in the international register (and not with the priority of the original registration) (Article 3<sup>ter</sup>(2) with Article 5).

#### 14.2.10 *Recordals, Notifications and Publications*

Like registrations, so too renewals, changes, refusals of protection and invalidations are recorded in the International Register, notified to the national Offices concerned and published in the periodical "Les Marques internationales." Such publication is according to Article 3(5), last sentence, deemed in all contracting countries to be sufficient and no other publicity may be required from the applicant.

#### 14.2.11 *Merits of the Agreement*

In summary, the Madrid Agreement is extremely cost-effective and it cuts down considerably on the administrative paperwork in the contracting States by offering protection in a good number of countries by a single registration without any special formalities, such as notarial attestation and legalization, by making it possible to record name changes and to assign it in some or all countries by one single act, and by renewing the registration through paying the renewal fees without further formalities. It is therefore no surprise that, since its entry into force in 1892, over 550,000 marks have been internationally registered, some 280,000 still being in force. Each year, more than 20,000 new registrations and renewals are made and more than 50,000 changes are entered in the International Register.

### **14.3 Shortcomings of the Agreement for Certain Countries**

It has been mentioned in the introduction to this chapter that, despite all the described advantages, the majority of the member countries of the Paris Convention, amongst them important industrial countries such as the United Kingdom, the United States of America and Japan, have not become contracting States and are unlikely to accede to the Madrid Agreement in its present form. The principal reasons for this are the following:

#### 14.3.1 *Priority*

In many cases the trademark examination procedure existing in these countries, which requires a processing time of longer than 6 months for the application on which the international registration would be based, would not allow the national trademark owners to benefit from the priority of Article 4 of the Paris Convention (see above Section 14.2.4).

### 14.3.2 "Central attack"

Trademark owners in these countries primarily object to the possibility of the so-called central attack, resulting from the five years dependency of the international registration on the basic (national) registration in the country of origin. The central attack is generally justified by its supporters by the argument that the advantage of the owner of a later-dated trademark, who has been able to obtain protection in a large number of countries simply by means of one international application, should be offset by the possibility on the part of the owner of a prior trademark in these countries to defend himself by defeating the international registration by means of one single procedure, namely, that of having the basic registration cancelled. However, this result may be unjust in certain cases, where, for example, the owner of a prior right enjoyed protection in much less countries than the owner of the international registration or even exclusively in his home country.

### 14.3.3 *Shortness of the Period Allowed for Notification of Refusal*

The national offices of these countries often object to the requirement of Article 5 to notify the reasons for denying protection within one year. This leads to problems especially in those countries in which the national application is published only after examination as to absolute and relative grounds for refusal of protection has been concluded and where owners of prior rights are given the opportunity to enter opposition only from the time of such publication.

### 14.3.4 *Fees*

Finally, countries whose national offices must be financed by the fees charged for trademark registrations frequently have a negative attitude toward the fee system of the Madrid Agreement, since in their opinion this leads to an unjustified subsidizing of the territorial extensions of international registrations to their country at the expense of their national trademark applicants.

### 14.3.5 *No Link with the European Community Trademark System Possible*

The above listed shortcomings and the further problem that the European Community cannot become a member of the Madrid Agreement will be overcome by the Protocol relating to the Madrid Agreement of June 27, 1989.

## 14.4 The Protocol

The Protocol is, in principle, a self-contained treaty. However, its fate is linked to that of the Agreement. We have seen in Section 14.1 that in order to come into effect, it must be ratified or otherwise acceded to by at least one contracting State to the Agreement (and this requirement is already fulfilled by its ratification through Spain). Both systems are indeed intended to complement each other. This is clearly expressed in Article 1, which provides that the contracting parties to the Protocol, even if they are not contracting States to the Agreement, belong to the same special Union under the Paris Convention, and in Article 10, which states that the contracting parties are members of the same Assembly as the contracting States to the Agreement. Indeed, the conclusion and entering into force of the Protocol would make no sense if only States not member of the Agreement could become member of the Protocol. It is essential that as many as possible of the present members of the Agreement also adhere to the Protocol in order to make it a real international treaty. In fact, it may be expected that, as soon as the Protocol has come into force and at

least one new country representing a major market, such as the United Kingdom or the United States of America has adhered to it, the present member States of the Agreement will follow. This will lead to a combined application of the two systems, which will be explained in Section 14.5.

The wording of the Protocol borrows extensively from the Agreement. Changes were essentially made in order to solve the shortcomings of the Agreement. However, WIPO took the opportunity of having to draft a new text to simplify and clarify some more technical aspects. In the following the main differences of the Protocol from the Agreement will be shown.

#### 14.4.1 *Basis*

Under the Protocol a national basis is also a prerequisite for the application for an international registration. In contrast to the Agreement, however, this basis may not only be a registered national trademark, but also a national application in the country of which the applicant is a national, or where he is domiciled or has a real and effective industrial or commercial establishment. This is a concession to those countries whose national trademark owners, due to the examination procedure of their country, would not be able to obtain a national trademark registration within the period of six months, during which the priority of the national application may be safeguarded according to Article 4 of the Paris Convention (above 14.3.1).

#### 14.4.2 *Dependence and Transformation*

In order to eliminate the problems sometimes caused by the so-called central attack (above 14.3.2) Article 9*quinquies* of the Protocol allows the owner of an international registration, which is defeated by the cancellation of the basic application or registration, to apply for the same trademark, with the priority of the original international registration, at the national office of all the contracting parties, to which its protection extended, within three months starting from the date of cancellation of the international registration. This so-called transformation is the more important under the Protocol, as the national application, which may be used as basis for the international registration, is much more likely to become invalid than a basic registration. Apart from a real central attack, which in practice is very rare, the national application may be refused or cancelled easily for many other reasons (e.g. as a result of a refusal of protection on absolute grounds or due to the existence of prior rights established in the official examination procedure).

Again taking into account that the basis of an international registration under the Protocol may be a national application, an extension of the five-year term of dependence has been provided for certain cases (e.g. where an appeal against a decision denying protection of or an opposition against the national application is pending at the expiry of the five-year limit—for details see Article 6(3)).

#### 14.4.3 *Refusal of Protection*

Like Article 5(2) of the Agreement, the basic provision in Article 5(2)(a) of the Protocol states that the International Bureau must be notified of the provisional refusal of protection, including all the reasons therefor, prior to the expiration of one year. Two new subparagraphs, (b) and (c), however, allow contracting parties to make different provisions.

Subparagraph (b) permits the contracting parties to declare that the one-year time limit shall be replaced by 18 months. This provision takes into account the difficulties of those national offices which carry out an examination not only as to absolute reasons for refusing protection, but also as to prior rights.

As mentioned in Section 14.3.3, some of these countries additionally provide for an opposition procedure that is designed to allow the time limit for entering opposition to begin to run only with the publication of the trademark application after conclusion of the official examination procedure. In such a system, as applied by the United Kingdom, even an 18-month time limit is insufficient. It is taken care of by subparagraph (c) which allows contracting parties opting for the 18-month period to also specify that, when a refusal of protection may result from an opposition to the granting of protection, such refusal may be notified to the International Bureau after the expiry of the 18-month time limit. National Offices can under this option notify a refusal of protection after the expiry of the 18-month time limit if the International Bureau has within this time limit been informed of the possibility that oppositions may be filed, and the notification of the refusal based on an opposition is made, within a time limit of not more than seven months from the date on which the opposition period begins.

#### 14.4.4 *Period of Validity, Renewal and Fees*

The registration of a mark under the Protocol is effected for 10 years and can be renewed by mere payment of the renewal fees. This change from 20 years under the Agreement had been proposed by WIPO following modern trends and in order to help to reduce the numbers of unused trademarks on the register and of those which are no longer commercially attractive.

Article 8 settles the question of fees in a way similar to Article 8 of the Agreement. However, Article 8(7) provides that any contracting party may declare that it wants to receive, instead of a share in the revenue produced by the supplementary and complementary fees, a so-called "individual fee," which may not be higher than the equivalent of the amount which the said contracting party's office would be entitled to receive from an applicant for a ten-year registration, or from the holder of a registration for a ten-year renewal of that registration. The amount so calculated has to be diminished by the savings resulting from the international procedure.

#### 14.4.5 *The "Link" with the Proposed Community Trademark System*

As mentioned in Section 14.1, another factor that influenced the negotiation of the Protocol was the European Community's plan to create a Community Trademark and the interest in linking the two legal systems which, in the future, will presumably exist side-by-side. The main focus was on making it possible to use the future Community trademark (or an application for it) as a basis for an international application and, vice versa, to extend protection of an international registration, which was obtained on the basis of a trademark application in one of the contracting States, to the territory of the European Community within the framework of the European Community Trademark system. This possibility was created by providing that the Protocol would not be concluded between contracting States (as it is the case with the Agreement) but instead between contracting parties. Thus, it is possible not only for contracting States of the Paris Convention to become parties to the Protocol (Article 14(1)(a)), but also for international organizations of which at least one member State is at the same time a contracting State of the Paris Convention

and which has a regional office for the purpose of registering trademarks effective for the territory of the organization (Article 14(1)(b)). Obviously, the European Community is covered by this definition and can therefore become a contracting party to the Protocol, just as can any other organization which, in the future, meets the requirements of this definition.

#### **14.5 Application of the Protocol and Relationship to the Agreement**

From the provisions discussed in Section 14.1 concerning entry into force, it is clear that the Protocol will inevitably have contracting States as members which at the same time are party to the Agreement and also contracting parties not party to the Agreement. For a future applicant for the international registration of a mark after the entry into force of the Protocol, the important question therefore arises which provisions will apply.

##### *14.5.1 Provisions Applicable to Parties to the Protocol Only*

The answer to this question is very clear for owners in future contracting States to the Protocol who are not also contracting States to the Agreement, and for future owners of Community Trademarks. To these contracting parties the text of the Protocol alone applies, and this independently from the question whether the international registrations extend to parties to the Protocol only or also to States which are at the same time party to the Agreement. Thus, the international registration may be based on a national application instead of an national registration, and in case of a successful central attack, it can be transformed into a national application with the same priority. Furthermore, it is to be expected that the applicant will, for the extension of his international registration, have to pay the (probably higher) individual fees of Article 8(7), and the majority of these States will probably opt for an extension of the time limits for denying protection according to Article 5(2)(b) or (c).

##### *14.5.2 Provisions Applicable to Contracting States to the Agreement Only*

The legal situation for applicants of contracting States to the Agreement who have not (yet) acceded to the Protocol is just as clear cut. In this case, it is obvious that only the provisions of the Agreement apply (to these countries the Protocol is indeed by no means related and the applicants can of course not extend their international registrations to States being exclusively party to the Protocol).

##### *14.5.3 Parties to both the Protocol and the Agreement*

In all likelihood applicants will in the future in a majority of cases extend their application for international registration to some countries which are party to the Protocol only (the new countries), as well as to countries party to the Agreement and to the Protocol. If they themselves are based in a State, that is only party to the Protocol, or if they are owner of a future Community trademark, the provisions of the Protocol apply exclusively, as already explained above in Section 14.5.1. The really problematic case is, therefore, where an application for international registration is based on a national registration in the office (of origin) of a State party both to the Agreement and the Protocol. In such cases Article 9*sexies* applies. Its adoption is the result of the statements made in the negotiations leading to the Protocol, both by governments and the private circles of the States member of the Agreement, that they are

fully satisfied with the present system and that amongst themselves this system should continue to apply without any change. According to paragraph (1) of this so-called "safeguard clause," the Protocol is therefore not applied to contracting States to the Agreement in their dealing with each other. In other words, if the owner of a basic trademark from a country of origin which is a contracting State to the Agreement applies for an international registration effective for a country or for countries which are also parties to the Agreement, only the provisions of the Agreement apply in relation to these extensions.

This can be best explained by some examples: let us first assume that Switzerland, France and Germany (amongst others) have acceded to the Protocol and the owner of a Swiss trademark now applies for an international registration of his Swiss trademark with extensions to France and Germany. Since the international registration extends only to countries that are also party to the Agreement, the provisions of the Agreement apply exclusively, due to the safeguard clause, just as in the case described in Section 14.5.2.

Let us now assume that also the United Kingdom has acceded to the Protocol, and the Swiss applicant in the above example extends his international registration also to the United Kingdom. In relation to France and Germany, the provisions of the Agreement apply again, while the Protocol applies in relation to the United Kingdom. Even on the basis of a Swiss trademark application, he would be able to extend the international registration to Great Britain. However, since his international registration extends at the same time to France and Germany, it must be based on a Swiss trademark registration. While France and Germany must give notice of a possible refusal of protection within one year, following the extension of the protection, the British office can (and will) take advantage of the possibilities provided for in Article 5 of the Protocol. While the conventional and very moderate fee schedule applies in relation to France and Germany, the Swiss applicant may have to pay essentially the same fees for extending to the United Kingdom as he would have had to pay for a national trademark application. In the case of a central attack, i.e. an action to cancel the Swiss trademark or an opposition against its registration (possible in Switzerland since April, 1993) which is successfully filed by the owner of a Swiss prior trademark right, the Swiss owner of the international registration will be better off in the United Kingdom than in France and Germany, since in the United Kingdom he will be able to file within three months a national application for his mark with the priority of the international trademark registration.

Another important difference has to be noted. While in France and Germany the international registration is protected for a term of 20 years, and can be renewed for further terms of twenty years, the Protocol limits the term of protection and of subsequent renewals for the extension to the United Kingdom to 10 years.

This simple example already shows that the administrative difficulties arising from the parallel application of the two systems, the Agreement and the Protocol, are considerable. These difficulties have been solved by the establishment of common Regulations under the Agreement and the Protocol, which will be adopted after the entry into force of the Protocol, by the Assembly of the contracting parties. These Regulations will assure that an applicant, whose country of origin is party to the Agreement and to the Protocol and who wishes to extend his registration to such countries and to parties (States, as well as the European Community after its accession) which

are exclusively parties to the Protocol, will be able to use a single form for the application of one and the same international registration. The aforementioned problem of different terms of protection has been solved by making the present possibility of paying fees in two instalments, each covering ten years, obligatory under the Agreement. Thus, the applicant will pay uniform fees for a term of 10 years of protection, which will for extensions to States being member of the Agreement be treated as a first instalment, and for parties to the Protocol as the fees to be paid for the ten-year period of protection. After 10 years, a further payment of the same fees is due, which in relation to the Agreement will be the second instalment and in relation to the Protocol will be the renewal fee.

Another important change to be introduced by the Regulations refers to languages. As mentioned in Section 14.1, the official language of the Agreement is French. The application form in use at present, including the list of goods and services for which protection is sought, must therefore be submitted to the International Bureau in French and the same is true for all other documents and correspondence emanating from and addressed to the International Bureau. To further facilitate adherence of new member States to the Protocol the proposed new Regulations will allow the use of English or French according to what is prescribed by the office of origin for all international applications not exclusively governed by the Agreement. Furthermore, any communication directly addressed to the International Bureau by the applicant for or holder of an international registration or by his agent can be made at the latter's choice in English or French. In this connection, it is worthwhile mentioning, that the proposed new Regulations will allow for much more direct communications between the owners of international registrations and the International Bureau than the present Regulations under the Agreement, which are based on a dominating role to be played by the national offices, through which most of the communications with the International Bureau have to be channelled. This is, however, not true for the international application itself. The application form will continue to be sent by the applicant to his national office enabling that office to check the identity of its contents with the contents of the national application or registration that forms the basis of the application for the international registration. However, to speed up procedures it will be possible, to submit the application form by facsimile machine.

#### **14.6 Conclusion**

With the entering into force of the Protocol expected before 1995, and the subsequent adherence to it of many countries all over the world, enterprises in industry and trade in need of protection of trademarks in all countries to which their business extends, will be offered a truly international registration system which will enormously facilitate the important task of assuring protection of their valuable trademarks speedily, in an administratively simple way and, at the same time, at reasonable cost, in a large majority of the countries where protection is needed.

## **APPENDIX I**

### **ANSWERS TO QUESTIONS POSED IN THE TEXT, WITH COMMENTARY**



## APPENDIX I

### ANSWERS TO QUESTIONS

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The questions in the Manual are designed to assist in understanding the basic principles of trademark practice, and in the application of general rules largely based on provisions in the Model Law. It is important, however, to understand that a large subjective element is involved in trademark work. In many cases there is no single “correct” answer to such questions as distinctiveness and the likelihood of confusion. Every mark is different and must be judged on its own merits in the light of all circumstances prevailing. These include not only the provisions of the applicable law of the country concerned, but also the facts of each case as determined by evidence. The comments in this Appendix should be considered with these remarks in mind.

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**A.1.** Looking at the specification of goods, the derivation of this mark is obvious; it is a combination of the words FRUIT and TOMATO. It is not a word that exists in any dictionary and it is not one which it would naturally occur to other traders to use. This kind of “portmanteau” word (as Humpty Dumpty called them) is apt to be distinctive. There is, however, the cautionary tale of the Boots Pure Drug Company. They marketed a tonic medicine made from extracts of liver and iron and coined the word LIVRON to indicate it. Unfortunately for them, this was also the name of a town in France. Moreover, a rival pharmaceutical firm had a place of manufacture there. It was, therefore, adjudged to be a geographical name, and the mark was expunged from the Register. An inference that might be drawn from this is that a word is not invented merely because the person who coined it thinks it is.

**A.2.** This is a word coined from foreign languages. It is a combination of two roots, PARLO coming by way of French from Latin, denoting speech, and GRAPH being a Greek root denoting writing. In a living language such as English, new words are constantly needed, and well-known rules of construction exist by means of which they may be coined. Words derived from either Latin or Greek are common, but it would offend the purist to combine them. The combination PARLOGRAPH is not the normal way in which a new English word would be coined. It is therefore distinctive.

**A.3.** A motel is a kind of hotel for motorists, and the derivation of the word from hotel is obvious. Both are places providing temporary lodging. The extension of this construction to MOOTEL for a lodging place for “moo-cows” is humorous and quite distinctive!

**A.4.** “Rice” is the generic term for both a basic food product and a category of dishes (rice dishes). “Rapid” is also a common word in the English language indicating speed. In combination with “rice” it clearly indicates a characteristic of the goods applied for, namely that they are rapidly prepared. RAPID RICE is therefore descriptive.

**A.5.** The connection between this trademark and the act of pulling stockings onto one’s leg is obvious, yet the phrase LEG PULL is overwhelmingly known in English as a colloquialism for a joke that befools the victim. What kind of stocking is a leg pull stocking? The phrase is really meaningless, and the trademark is distinctive.

**A.6.** “Soft” simply indicates a (very important) characteristic of the goods in the specification of the application. “Line” may be understood as a “range of products” or the specific shape of the goods offered under the trademark. In both cases the combination SOFT LINE would be descriptive.

**A.7.** To speak of cheating flames is not a normal use of language. Flames are not sentient and cannot be cheated. The mark implies human attributes to a non-human entity and is fanciful. It does not deprive other manufacturers of these goods of any necessary language to describe their product, its functions or effects. It is distinctive.

**A.8.** Unlike flame cheaters, glow worms exist. Moreover, glow worms give out light (at least, the females do). Nevertheless, the description of an electric torch or electric lamp as a glow worm is fanciful. The reference to a source of light is only analogous and not direct. (One expects a torch to give out a brighter light than a glow worm!)

**A.9.** Consumers have been accustomed to expressions such as TOP and EXTRA as references to the quality of products of all kinds through common and extensive use by many traders. Such expressions are therefore not distinctive for any specific product.

**A.10.** It is quite a common practice for wine and spirit bottles to be furnished with a gold-colored cap. The mark simply describes a part of a common get-up of the goods and lacks distinctiveness. Of course, it is possible that long and wide use may result in the public coming to associate a particular trader’s goods with a gold-colored cap. If no other trader uses such a color, the mark may thereby acquire distinctiveness in fact. The same remarks apply to other descriptions of packaging, such as Red Seal, Blue Label, Yellow Box and Oval Tin.

**A.11.** The goods are clearly capable of being used to clean baths and, it is hoped, to make them bright. The mark has a direct reference to a characteristic of the goods, saying almost in plain language what they are intended to do. The (mis)spelling of bright and its combination with bath does not make it distinctive.

**A.12.** This mark would be considered as though it were the words “fine powder,” of which it is an obvious misspelling. These words are very directly descriptive of goods in powder form and are laudatory. They are totally lacking in distinctiveness. So, therefore, is the mark FYNPOWDA.

**A.13.** The goods are for use by human beings and the mark is a humorous allusion to the way animals with pouches carry their young. In fact, the illustration shows the way humans do it! The mark is distinctive.

**A.14.** This is a fanciful device of a book, although not particularly original. If there are no prior rights in similar devices, it is capable of distinguishing one man’s books from another’s.

**A.15.** The device is too complex to be recognized as a trademark; it is just a jumble of meaningless symbols. It would be impossible to order goods under such a mark, and consumers would be likely to regard it as a mere ornamental design rather than as reference to the origin of the product bearing it.

**A.16.** Wallpapers commonly have floral patterns, the variety of which is infinite. The device will be taken to be nothing more than a motif.

**A.17.** Straightforward devices of the goods do not make distinctive trademarks for those goods. But is this an ordinary device of fruits? It is possible, by grafting techniques, to obtain two different fruits from the same tree. However, no tree outside mythology could bear the variety shown in this mark. It is an impossible tree! This is a good example of how inherently non-distinctive elements can be combined in such a way that the totality is distinctive.

**A.18.** Geographical names are inherently lacking in distinctiveness in the trademark sense of indicating a single trade origin. This is because they are perfectly adapted to indicate a different kind of origin, namely geographical origin. Where, however, a geographical connection with the goods not only does not exist, but would not be thought to exist, the geographical name may be capable of distinguishing those goods. In other words, if the use of the geographical name is purely fanciful, it may well be capable of use as a trademark. Although SAHARA is a geographical name, the area is not noted for biscuits (even though they are baked goods!) and is unlikely to be. It is akin to the examples of NORTH POLE and MOUNT EVEREST given in the Model Law commentary on page 17.

**A.19.** The expression “Thai silk” is almost a generic term and can only truthfully be applied to silk made in Thailand. Since there is more than one maker of such silk, no one of them can have a monopoly in its use. It is therefore not a distinctive trademark. It is very desirable to protect the reputation of such “country” products, but this must be done otherwise than by granting ordinary trademark rights to an individual trader. See Chapter 11 on Collective (Certification) Marks and Appellations of Origin.

**A.20.** The same considerations as in Answer 18 apply. Even if one cannot rule out obtaining oil from the Arctic, nobody would expect such oil to be refined and canned there.

**A.21.** Taken at face value, this mark may be seen simply as a reference to a naked girl. As such, it may be open to objection under any provisions prohibiting registration of marks that are contrary to morality or public policy (see Chapter 3 of the Manual, under 3.2.2). This, of course, will depend on the standards adopted by the country in which it is to be used. However, trademarks must be judged not only on how they appear to the eye but also on their pronunciation. NUDE ELLIE is phonetically virtually equivalent to NEW DELHI, the capital of India. Since India is one of the world’s greatest producers of rice, one could conclude that this mark was not registrable. However, it must be acknowledged that, despite the great similarity in pronunciation, consumers will be somewhat unlikely, in view of the totally different appearance of the mark, which suggests the pronunciation “newd elli” rather than “new delli,” to recognize the (perhaps even intended) reference to New Delhi. This is a mere question of fact to be decided by the country in which the mark is applied, on the basis of likely consumer expectations.

**A.22.** In a decision of June 14, 1977, the High Court of Calcutta rejected the registration of SIMLA, arguing that a geographical name cannot be distinctive if it is the name of an important country, large district, county or city of commercial importance. While it is true that, under such circumstances, there is always a possibility of competitors later establishing themselves in the same place, the applicant nevertheless has the recourse of proving distinctiveness acquired by use. However, it is not sufficient in such cases simply to prove long and intensive use. The applicant must prove that the trademark conjures up the idea, in the mind of the purchasing public, that the goods belong to the trademark owner and to nobody else.

**A.23.** In a decision of January 7, 1970, the German Supreme court allowed the registration of SAMOS for computers, because nobody would expect computers to be manufactured on the famous Greek wine-growing island of SAMOS.

**A.24.** This is an example how the name of a town of only average size in Germany can become a trademark which is famous even all over the world through long and intensive use as a house mark by an important company in a given field, namely the German Hoechst company, one of the world leaders in the field of pharmaceuticals and chemical products. The coincidence of the name of the German town being identical with that of two American towns is irrelevant (and indeed not at all unusual for the names of European cities and towns). No doubt other enterprises active in the field of chemical and pharmaceutical products do exist in Hoechst, Germany, but consumers would not expect pharmaceuticals or chemical products bearing the HOECHST trademark to come from any company, whether based in Hoechst or not, other than the Hoechst company.

**A.25.** 4711 is a world-famous trademark of German origin. It is so famous that it has often been cited in court decisions as an example of the possibility of mere numerals becoming distinctive trademarks (as when the Supreme Court of India, in a decision of March 8, 1970, refused the registration of the trademark FIFTY for bells because it lacked a secondary meaning).

**A.26.** In chemical terms a formula expresses the constituents of a compound in symbols and figures. Such formulae, and the word formula itself, lack distinctiveness for pharmaceutical preparations, which are often chemical compounds. The pharmaceutical industry carries out a great deal of research and development before a new drug is marketed, and the expression FORMULA 54 may be taken simply as an indication of how many were tried before a successful one was arrived at. Even if the numeral is wholly meaningless, it is non-distinctive by itself. Section 5(1)(b) of the Model Law excludes marks which are exclusively descriptive. Although combinations of elements which, separately, are non-distinctive might be, or become, distinctive by their combination, this is not the case for the combination of the word, FORMULA, and the figures, 54. This is indeed a typical example of a combination of 2 descriptive elements which on the whole is totally descriptive.

**A.27.** The sequence of the letters I, B and M is in principle not pronounceable (its recognized pronunciation is in fact I-BEE-EM). This has not prevented the sign from becoming a famous house mark for the International Business Machines Corporation.

**A.28.** This trademark even consists of only two letters, which as such are even more difficult to pronounce than IBM. Still, the biggest manufacturer of cars in the world is referred to simply as GM (pronounced JEE-EM) much more often than as General Motors. The success and fame of trademarks such as GM and IBM is in fact largely due to the tendency of consumers to shorten long business names and trademarks and even to use abbreviations instead.

**A.29.** All these devices have in common that they are derived from letters or numerals, and also that the letters and numerals are not obvious. Such devices are generally distinctive. This should also be true of the last example, which, for those consumers who focus their attention on the white part, is simply a bold letter S on a black oval background. Those who tend to concentrate on the black parts see two highly unusual shapes which complement each other. Viewed in that way, the device is highly distinctive. In view of this twofold character, the mark should on the whole be acceptable for registration.

**A.30.** This mark includes the word REPLAY, which does not seem to have any connection with writing instruments, not even with those that can be refilled. It also includes a pen device, which as such is not distinctive for a pen. However, when a mark's distinctiveness is judged it must be looked at as a whole. In that way the mark could be regarded as non-distinctive only if it were dominated by the non-distinctive pen device. This is clearly not the case: not only is the word REPLAY in the mark very prominent (and also the part of the mark is used in oral communication), even the pen device, as it is held in a stylized hand (in a manner that would preclude writing with it), is somehow fanciful. So, even in countries where the word REPLAY is not said or understood, the mark should be considered to be distinctive.

**A.31.** The chrysanthemum is an emblem that is associated with Japan, and may also be used in the making of perfume. Accordingly, it is unlikely to be distinctive. If the word CHRYSANTHEMUM is not registrable for perfumes (and it is suggested that this is the case), then the foreign equivalent of that word must meet a like fate. That is so, whether or not the word is written in Roman characters, Katakana script, or whatever. This is why many authorities may require that marks in foreign languages or characters be accompanied by a translation and transliteration as necessary. The Registrar must know what it is that he is being asked to register.

**A.32.** The transliteration of this Japanese character is "Gun," meaning "Army." The word "Gun" also has a meaning of its own in English. For applications made in English-speaking countries, both meanings as well as the device must be considered. The nature of the goods will be crucial. If it is thought that "Leather articles" includes articles for use by an army, or articles used in close association with guns, the mark will not be distinctive. The mark is not particularly good, therefore, for leather saddles and leather holsters. On the other hand, it is quite a good mark for leather handbags, leather bookmarkers, and so on. If the applicant does not intend to use the mark on military goods, he may be willing to make that clear by limiting his list of goods accordingly. The mark would then be distinctive.

**A.33.** This question shows how important it is to examine the mark in relation to the goods for which it is to be registered. Clearly, it is unregistrable for goods which are decorations or ornaments, such as jewellery. It would also be non-distinctive for goods which are for the purposes of decorating, such as pictures. It does not, however, seem to have any reference to perfume. While one may wear perfume, one does not do so for the purposes of decoration, or ornamentation. Nor can perfume be decorated. The mark is acceptable.

**A.34.** While devices of rabbits and balloons are not individually distinctive for toy rabbits or toy balloons, the device of a rabbit holding a balloon is entirely fanciful and distinctive for both goods. *A fortiori*, it is distinctive for all toys.

**A.35.** IMPORT, EXPORT is a mere reference to the nature of the business carried on by the applicant, and LTD denotes the legal character of the company. This company name is therefore not registrable.

**A.36.** Although the word PLUM has two possible meanings, the addition of the forename JUDY emphasizes the surname use. In the United Kingdom it is a not-uncommon surname and therefore not distinctive, but the addition of the forename tends to distinguish it from other people called Plum. So, even if it cannot be regarded as inherently distinctive, it may be capable of acquiring distinctiveness through use.

**A.37.** It is by no means obvious, but this is actually the signature of A. Marcel Deloy. The fact that it is virtually unreadable adds to its distinctiveness. It is not a mark that honest traders are likely to copy. This is true, no matter what goods are sold under it.

**A.38.** Since the word ORWOOLA has connotations of wool, a natural material, any use of the mark for products containing synthetic materials would deceive consumers, who expect goods so marked to be made out of pure natural materials. Even if the materials used for the goods are of good quality and perhaps even no cheaper than wool, consumers who prefer textiles made of natural materials such as wool must have their expectations protected.

**A.39.** The expression "Edible fats" includes such items as: butter, margarine, and lard. This device of a cow would be misleading if the goods were not butter, especially if they looked like butter, e.g., if they were margarine. The device of a cow is also not distinctive for butter. If the applicant limited his goods to butter and disclaimed exclusive rights to the device of a cow, the mark would be acceptable, since ALMARAI and the Arabic equivalent are distinctive.

**A.40.** The mark is strongly redolent of a dairy farm, being a composition of a 5-barred gate (which is associated with farms in Europe) and milk churns. The goods are all dairy products, so the mark is making an allusion to them. The combination is sufficiently unusual though, to be capable of making a good trademark for all the goods. The milk churns are not misleading, since cheese and butter are made from milk, and no-one would expect eggs to be!

**A.41.** German courts considered the mark RED HEART to be understood by consumers as a reference to the heart as part of the human body, and therefore as suggesting good health. Since a liquor is by definition unhealthy, the mark was considered deceptive. LIGHT HEART on the contrary was not regarded as referring to the heart, and so that mark was accepted.

**A.42.** Taken in conjunction with the goods, one view of this trademark is that it indicates FLAG watches made in Switzerland, which has a world reputation for quality watches. On its own, the word FLAG may well be distinctive for such goods. However, the combination SWISS FLAG is likely to be taken to be a reference to the Swiss national flag, and this makes the trademark inadmissible to registration, even if it be thought to be distinctive. A representation of that flag would be refused registration, as would any national flag or emblem, and it is suggested that the words unmistakeably describing such an emblem are equally inadmissible. Even a distinctive mark is not necessarily registrable.

**A.43.** Since the word pickaxe, whether in English or German, has no conceivable reference to wine, SPITZHACKE is distinctive for wine. Germany has a world reputation for quality wine with distinct characteristics. The use of an obviously German word on a wine bottle, even if one had no knowledge of that language and did not know the meaning of the word, would very likely be taken to indicate that the contents were German wine. If that were not true; i.e., if the bottle contained wine from another country, the mark would be deceptive. The likelihood of deception could be removed by limiting the claimed goods to "Wine, the produce of Germany" or, where the trademark law so provided, by imposing a condition that the mark would be used in relation only to German wine. If the applicant resided in Germany, such a condition or limitation would probably be unnecessary. This is because there are national wine laws in that country, controlling production and quality. The German authorities (and those engaged in the production and sale of German wine) are jealous of its international reputation and are unlikely to risk prejudicing it.

**A.44.** The word WALSEREL has no meaning and is distinctive. The device may, or may not, be taken to be a sheep or a goat. In any case, it is a very stylized representation and there would not be likely to be any deception if the goods were not made of wool. However, the words NATURAL BLEND, which are totally non-distinctive (so much so, that no disclaimer of rights in them would be necessary) plainly say that the goods are a blend of natural materials. If they are not, the mark would mislead and a limitation of the goods is necessary. "Yarns and threads, all included in class 23, and all made of a blend of natural fibres" would meet the case. So would removal of the offending words.

**A.45.** The label would be deceptive if not used on butter. One solution would be to limit the specification of goods to "Butter." However, it may be that in practice the trader intends to vary this descriptive part of his label according to the actual products sold. He could then apply for the registration of all his labels, one for each specific product. However, if all the labels are actually identical, apart from the different generic product descriptions, a much simpler solution would be to remove that description from the application, which adds nothing to the distinctiveness of the mark.

**A.46.** The problem is similar to the one posed in the last question, and could be solved by limiting the goods to "canned peaches." The removal of the word "Peaches" from the mark would not be a solution, since the sliced peaches device still indicates that the goods include peaches. Should the trader really intend to sell a whole range of different canned fruit under similar labels (but most probably with different fruit illustrations), the only solution would then be to register all the labels he intends to use.

**A.47.** The British Registrar refused the application in 1976, considering HALLELUJAH an offense to religious feelings.

**A.48.** The High Court of Malaysia accepted this application in a decision of May 7, 1990. The court did not regard the trademark OM VINAYAKA as an offense to religious feelings for the goods concerned, and in that context expressed the opinion that what was contrary to morality would change in the course of time.

**A.49.** Clearly, the proprietor will cease to use the mark in its registered form, but in such a case he will normally be protected against an action seeking cancellation for non-use. As explained in the Manual (5.2.7), Section 30(3) of the Model Law (following Article 5C (2) of the Paris Convention) provides that use of the registered mark in a form differing in elements that do not alter its distinctive character is not a ground for its removal and does not diminish the protection granted to it. A mere change of name and address, if given no greater prominence than the old one, should come under that Section. Generally, therefore, there is no need to alter the mark, and many trademark laws do not provide for such a possibility (nor does the Model Law). It is not entirely satisfactory, however, that the Register should contain marks in a form other than that in which they are used. A possible solution is the one adopted by Sri Lanka, which in the present case would certainly allow the registration to be altered because of the change of name and address.

**A.50.** Although the alteration involves only one letter in seven, it is suggested that it should not be permitted. As was observed when considering the criteria for judging the similarity of marks, the first letter of a mark is the most important. The WEAR suffix is merely descriptive. The exclusive rights attributable to WEBWEAR are likely to be substantially different to those obtained by SEBWEAR.

**A.51.** The mark has been registered in the wrong class. There does not seem to be any way of saving the registration from invalidation. The owner of JOYSTICK should apply for registration of his mark in cl. 16. Depending on the law of the country concerned, he may be given precedence over any other applicant by virtue of his long use of the mark on goods in that class.

**A.52.** Linoleum is a generic name for a floor covering made of canvas with a thick coat of oxidized linseed oil. The name was coined from the Latin words LINUM (flax) and OLEUM (oil). As such it was originally distinctive and was registered in many countries. At the time it was a new product, and there was no competition. Probably for that reason the public, and later also rival traders, came to use the name generically. The owner of the mark failed to prohibit such use and so the trademark eventually came into the public domain.

**A.53.** While the outcome of an action for infringement of the registered trademark may be doubtful under some laws, there can be no doubt that the effect of the competitor's actions is to deceive the purchasing public as to the origin of the drinks sold, to enable him to pass off his drinks as those of the registered owner of the BUBBLES mark, and to damage the latter's goodwill. It is plainly dishonest and should be stopped.

**A.54.** He should be able to have both registrations invalidated. Subject to the express terms of any agreement between the parties, it is suggested that the trademark was invalidly registered under Section 6(1)(f) of the Model Law, which is based on Art. 6*septies* of the Paris Convention. The expression "agent or representative" should not be taken in a narrow legal sense, and must therefore apply also to a mere distributor of the goods bearing the mark. Removal of the cl. 12 registration should therefore stop the unauthorized sale of other marks of cars as AUTOCADÉ cars. In view of the close connection between the sale of cars (whether new or second-hand) and their repair, it is probable that the service mark was likewise not validly registered in terms of the same provision. If not, the service, which is not limited to AUTOCADÉ cars, despite the name given to it, is unfair and prejudicial to the owner of the goodwill associated with AUTOCADÉ cars. Should he not succeed in proving infringement of his rights in the AUTOCADÉ trademark, a successful unfair competition suit would probably result in the court ordering the removal of the service mark registration.

**A.55.** Beer and wine are in different international classes (32 and 33, respectively). Both are (normally) alcoholic drinks. They are put to the same use, being drunk for pleasure. They are made by different types of concern but at the retail level are commonly consumed or sold on the same premises. Many people drink both products. Identical marks used on them are likely to be seen together in the course of trade and may well cause confusion.

**A.56.** Milk is a drink and so is tea, but "tea" in a trademark registration would refer to the dried leaves of the plant rather than to an infusion made from them. The two substances, tea and milk, are in international classes 30 and 29, respectively. They have different trade origins. They have entirely different compositions. They are not commonly sold in the same retail establishments, and when they are, usually on different counters. While milk is often put into tea drinks, this is not done in the course of trade but after the trade in tea and milk has been completed. It is suggested that the goods are not similar.

**A.57.** Both are domestic electrical appliances, although both can also be used in trade or in the service industries. They have quite different functions. Both work by electricity (but so do many widely disparate goods, such as battery chargers and video tape recorders). They are often made by the same manufacturer and are commonly sold in the same establishments. On the whole, it is suggested that identical marks on these goods are likely to mislead if they do not have a common trade origin.

**A.58.** These three Japanese car models do actually coexist in many countries (the LEGEND is made by Honda, the LEGACY by Subaru and the LEXUS by a special division of Toyota). Apparently there is no danger of interested consumers buying a Subaru LEGACY, for instance, instead of the LEXUS luxury car.

**A.59.** For the reasons explained, ZAPORO may well be prone to confusion with ZAPATA, but RAM is unlikely to be considered too close to DAM.

**A.60.** The word ELECTOR has a well-known meaning as a person who has a right to vote in an election. The word ELECTRIDATA has no obvious meaning; clearly the suffix "data" is descriptive, and the mark may be construed as referring to "data processing charts," which are within the registered specification. One could then draw the conclusion that not ELECTRIDATA but ELECTRI should be compared with ELECTOR, and that this would be too close. However, the prefix "Electri" also has a descriptive meaning, quite obviously referring to the use of electricity. The suffix "data" cannot therefore be totally disregarded. Looked on as a whole, however, ELECTRIDATA with its five syllables is quite different from the three-syllable word ELECTOR, and, if one also takes into account the very different meanings of the two marks, confusion is not very likely to arise, despite the first five letters that the marks have in common.

**A.61.** Although the two marks are different in look and speech, they share a common element and that element is an invented word and a registered trademark. What possible motive can there be for coining SANRUS? It must be assumed that RUS is in use (if it is not the SANRUS owner must apply for its removal from the Register). Those who are familiar with RUS bricks may easily see the difference between RUS and SANRUS but, in view of the highly distinctive RUS mark, may think that a SANRUS brick is a variety of RUS brick. In that, they would be wrong. This an attempt to obtain some of the goodwill attached to the RUS mark, and should be stopped.

**A.62.** These two marks also share a common element, but this time it is purely descriptive. Cola is the name of a West African tree whose seeds are used as a condiment and tonic. Extracts of cola are used in making soft drinks. The common element therefore has no trademark significance and the comparison effectively becomes one between PEPSI and COCA. There is no real possibility of confusing the two marks.

**A.63.** Each of the registered trademarks is distinctive when viewed as a whole, despite the semi-descriptive common prefix MIGRA (suggesting migraine). They all share this element, and there is some likelihood of the public having come to expect that any mark with this prefix and applied to chemical products will indicate that the products concerned come from the same source. This is a matter of fact, however, of which the owner of the registered series of marks has to submit some evidence. If the other goods do come from the same source, the new mark would be likely to confuse the public as to the origin of the goods to which it is affixed.

**A.64.** The fact that all the registered marks can be used on the same market without any confusion occurring is an indication that the public is able to distinguish between them. Normally, therefore, another mark with the same prefix but in different ownership could be added to the existing series of marks. However, the new mark must then be judged against each of the registered marks separately. On balance it could be said that the registered marks are sufficiently distinct from each other in spite of the common prefix, whereas the application MIGRAVEN is too similar to the registered mark MIGRAVSS. The application is therefore to be refused (British Trademark Registry, October 18, 1991).

**A.65.** Both marks are quite distinct, and there is no reason to believe that any confusion would arise.

**A.66.** The similarity of the letter styles will lead to confusion. This was confirmed by the High Court of Delhi in a decision of May 4, 1988, and the defendant's claim that he chose the trademark KITTOO's because Kittoo was the name of a daughter of the Managing Director did not help him.

**A.67.** The marks are so similar, in both sound and appearance, that confusion would be inevitable if they were both used for shoes and clothing.

**A.68.** The two marks are very different in their graphic presentation. Similarity of writing is therefore to be excluded. These differences are irrelevant in oral communication, however, so use of the KINKY's trademark does infringe the rights in the KINDY trademark in spite of the very unusual graphic presentation (Paris Court of Appeal, September 28, 1987).

**A.69.** Both marks are very different in appearance. However, "femme" (the French word for woman) is in French pronounced "fam," which means that the FAM trademark is in its pronunciation virtually identical to the FEMME trademark. Consequently, it is no surprise that FAM was held by the Paris Court of Appeal to infringe the FEMME trademark (decision of November 23, 1989). However, even in countries where French is not normally understood, use of the FAM trademark for perfume would probably be regarded as an infringement of the FEMME trademark, since this is a very famous trademark of the Rochas company, used for a perfume sold and known, as correctly pronounced, to many people all over the world.

**A.70.** Clearly the BALL trademark is quite similar to BALLY, a very well-established trademark for shoes. Under normal rules, therefore, BALL would be considered confusingly similar to BALLY. Yet the German Supreme Court, in a decision of October 10, 1991, denied an infringement of the BALLY trademark on the argument that the normal meaning of the word "Ball" in German (which is the same as in English) would be so apparent to consumers that, faced with the BALL trademark, they would immediately think of that meaning and any possibility of confusion with the name BALLY would be excluded. Thus the German Supreme Court confirmed a precedent that had been set by an earlier decision, in which confusing similarity between QUICK and GLUECK (German for "good luck") had been denied.

**A.71.** Viewed side-by-side these two marks have obvious differences, and also obvious similarities. They both have a circle and a sort of 4-pointed star. One has the circle within a diamond with points; the other has the points mostly within the circle and one of the points is elongated. However, this sort of comparison is not the right

way to answer the question. One has to assume that a customer knows only one of the marks and encounters the other. If all he remembers is that the mark is a kind of "circle and star" he may think the other mark is the one he knows. Even if he remembers that the circle is inside the star and sees that the other mark has it outside he may just think that his memory is at fault and still be deceived. This will at least be true if the goods concerned are not merely similar, but identical.

**A.72.** Installations for ventilating and air conditioning plant are very similar goods, if not the same goods. The question is whether the marks bear a deceptive resemblance to each other. One is a white square with 6 points, on a black square background. The other is a white circle with 6 points on a black circular background. On the whole, it is thought that the similarities outweigh the differences and that, despite the sophisticated nature of the goods, they are likely to be confused with each other. A useful approach is to assume you are trading under one of the marks and to ask yourself if you could tolerate competing goods being sold under the other, assuming it will be used in a normal and fair manner. In full opposition cases, of course, one would be guided by the evidence.

**A.73.** Both devices have the common feature of a predator's head shown in very similar positions. Even though the two predators are of different species, the lynx and the tiger are related, and are presented very similarly in the two devices. Under these circumstances, the addition of the names of the animals shown in the devices clearly helps reduce the danger of confusion, and so their omission increases the possibility of confusion.

**A.74.** There can be no doubt that the two marks KODAK and KOJAK are confusingly similar, both visually and phonetically, despite their independent origins. However, the use of KODAK on unprocessed film is not likely to lead to confusion with the use of KOJAK on films prepared for exhibition, since the two markets are quite separate. But if KODAK films, e.g., on the subject of photography, are made and sold, KOJAK may be a possible source of confusion in "that" market, and the owners of the KODAK mark could preclude the use of KOJAK.

**A.75.** It is suggested that KODAK neither can, nor should be able to, do anything about it. There is no conceivable connection between photographic goods and lollipops. Although an invented word, used as a trademark, is more likely than other kinds of marks to carry its owner's reputation well beyond the goods on which it is used, there must be some limit. Further, the lollipop-sucking detective is likely to have his own devotees and reputation, which will minimize any remote possibility there may be that the public will consider KODAK films and KOJAK lollipops to be a common field of activity.

**A.76.** Although the product on sale is toilet paper, the statement is a use of the trademark in relation to disinfectants. The trademark owner should be able to prohibit this use, as his right is absolute. There is no deception of the public, of course, and presumably the owner of the mark will be interested in such free publicity for MAGSAN. However, it should be left to him to decide whether or not to agree to such use, and normally he will wish to be assured that the quality of the toilet paper is not such as might reflect adversely on his product.

**A.77.** The only purpose of referring to the MYADOR product is to try and influence its customers to abandon it and buy DEEGAM flour instead. This is designed to damage the MYADOR business. The statement may be true, and there may be no

deception of the public, but that is irrelevant. It could also be argued, with some justification, that some members of the public might think that the DEEGAM flour was marketed by the MYADOR people.

**A.78.** This is a malicious falsehood, well calculated to cause serious damage to the MYADOR reputation. Moreover, it is a criminal act in foisting on the public food declared unfit for human consumption. The laws against unfair competition should contain criminal as well as civil sanctions, to be applied according to the severity of the offence. This approach is adopted by the Model Law (see Section 53).

**A.79.** Silver charms and flour are such different goods that the exclusive right given by the class 30 registration probably does not extend to the jewellery, despite the fact that MYADOR is an invented word. On the other hand, there seems to be no good reason why the name should have been adopted for such goods, and the implied connection with the vendors of flour is reinforced by articles associated with the milling or baking of flour. Where there is no provision for “defensive” registration of a trademark (i.e., registration where the proprietor has no intention to use it on the goods concerned but wishes to prevent others using it on any goods), the owner of MYADOR cannot register it for jewellery. He cannot license its use under any trademark provisions. Unless the owner of MYADOR can show that he has suffered, or is likely to suffer, damage, it is suggested that the jeweller’s use of a MYADOR mark cannot be restrained.

**A.80.** Independent consumer reports have assumed great importance in developed countries. They have a high reputation for accuracy and their investigations are well researched. Reports of this standard provide an important public service and are often welcomed by traders (especially if their product is selected as the best buy!). On the face of it, there seems to be no reason why MYADOR should object to the selection of DEEGAM as the best buy, particularly as it is true. However, the choice has been made purely on price, and it is suggested that this is an unfair practice. It is open to DEEGAM to increase its price to 35 rupees per kilo to profit from the publicity. Further, MYADOR could decide to reduce the price of its flour to 30 rupees or below. In either event, the report’s conclusion would no longer be true, yet it would remain on record to the possible detriment of MYADOR’s trade.

**A.81.** Even though this statement is true in the opinion of the writer of the report and at the time, it is undesirable to allow DEEGAM to make use of it to promote its own product. Quite apart from possible future price changes, there is no reason why owners of marks should not improve the quality of the products sold under them, or reduce it for that matter. The statement by DEEGAM is not linked to the report, and the public to whom such claims are addressed may not be reminded of any limitations there were in the full report and may not even be the same public that read the report. (Incidentally, vague statements of the type that “DEEGAM flour is better” should not be encouraged. One is tempted to ask whether it is better than its competitors, better than it used to be, or merely better than rice pudding!)

**A.82.** The first question is whether the two marks are confusingly similar, for if they are not that is the end of the matter. The word SONIC means “of or relating to or using sound or sound waves,” and it is capable of being used as a suffix, as, for example, in the word ULTRASONIC, meaning “sound waves beyond the upper pitch of human hearing.” In relation to goods which use sound waves, such as radios, therefore, the SONIC part of the mark is purely descriptive. Attention must, accordingly, be focussed on the rest of the marks. PAT does not seem to have any relevance for any of the goods for which it is registered, and PATSONIC, taken as a whole, is distinctive,

even for radios. BATERI is phonetically equivalent to "Battery," and may indicate that the radios sold under the mark are battery operated. Nevertheless, the totality of the mark BATERISONIC is quite capable of being distinctive *per se*. The spelling adopted results in BAT being the first syllable, and this is remarkably similar to PAT; the letters P and B sound very much alike. The probability is that the two marks are confusable, one with the other. In that case, the owner of PATSONIC is entitled to object to the use of BATERISONIC on radios, being goods for which his own mark is registered. This is despite the fact his use is restricted to computers. It is not necessary to consider the rather difficult construction of Section 18(a), stemming from the double use of the phrase "likely to mislead the public," which applies only when goods outside the ambit of the registration are to be considered.

**A.83.** Yes. Section 21(2) applies if the effect of the assignment is liable to mislead the public regarding the source of the goods. It is not necessary that that effect should be intended by either party. The result of the assignment would be that the public would be offered TRISHAW cigars and TRISHAW cigarettes which came from different establishments, with neither owner exercising quality control over the other's product. This is bound to lead to the public being misled.

**A.84.** This assignment is liable to be "caught" by Section 21(2) of the Model Law. The public would continue to be offered GIGOBOY boy's clothing by the original proprietor, and would now be offered GIGOGIRL girl's clothing. Even if they remember nothing of the former GIGOGIRL sales, they are bound to consider that the new product comes from the same source as the boys' goods, and that the owner has merely extended his business. Both types of goods are commonly sold in the same establishments, and are obviously similar. Confusion of the public could only be avoided in such a case by very far-reaching obligations on the two trademark owners (for instance, the owner of GIGOBOY is to sell his boy's clothing in a single shop in one town only, and the assignee agrees to use GIGOGIRL exclusively for girl's clothing offered for sale in a different, distant region of the country).

**A.85.** In principle, the same mark is capable of being used in the same business to indicate not only the goods that are available to be hired but also the service that provides the hiring. However, in this context, KEYTAG is being used only as a service mark; it indicates, not the manufacture or the source of manufacture or the quality of the car, but the services of hiring cars provided by the company.

**A.86.** AIRLANKA is of course the name of the Sri Lankan national airline, and the device, the shape of which suggests the tail fin of an aircraft, is peculiar to that company. It could be argued that, even if another Sri Lankan trader in air luggage should wish to describe his goods as "Lanka air" luggage, that mark, considered as a whole, could be considered distinctive for such goods and AIRLANKA should be able to prevent others from using it. However, consumers will not expect luggage to be manufactured and/or marketed by AIRLANKA, so the mark, which can of course enjoy protection as a service mark, cannot be registered in cl. 25. This would not, of course, leave AIRLANKA without any legal protection, since the mark is obviously a famous mark in Sri Lanka, and its use by a third party for luggage would be considered an act of unfair competition.

**A.87.** BUDGET refers in its meaning to car-hire services and was therefore refused registration in the United Kingdom in 1989. The peculiarity of the case was that the mark was refused despite evidence of "factual distinctiveness," on the argument that the mark would lack inherent distinctiveness, as well as the capacity to distinguish. Proof provided by market research of a high awareness of BUDGET as a reference to

the car-hire company operating under that name in the United Kingdom did not help the applicant. Such a decision, which can be understood only in the framework of the system of the present Trade Marks Act, will no longer be possible in the future, since the British law will have to be adapted to the EC Harmonization Directive, which excludes registrability only where a sign is purely descriptive, and if it has not acquired distinctiveness through use (see also the Manual, Chapter 3, under 3.1.2).

**A.88.** The answer is yes, since ice cream and liquors are sometimes home-made by the owners of hotels and restaurants, apart from which coffee and tea-trading houses sometimes run their own coffee and tea shops, where they offer their customers hot coffee and tea on the spot.

**A.89.** The clients of an architect would not expect him to have a building materials business, and traders in building materials do not usually employ architects, so there is no similarity and consequently no danger of confusion.

**A.90.** Window and door manufacturers frequently offer their clients an installation service. The service involving "installation of doors and windows" is therefore similar to the goods "doors and windows."

**A.91.** Even if the two enterprises are engaged in very different activities (it can be assumed that the mark in cl. 16 is filed for registration by a publishing house), consumers may well expect a dance academy not only to offer the service of dancing classes, but also to publish printed material related to dancing. The goods and the services are therefore similar. The question remaining is whether confusion is likely to arise from the use of the two different devices. When compared side by side, they are clearly quite different, as one shows a single figure in black and the other the shape of a couple. Neither is particularly memorable, however, and the only feature that consumers remember is that of a dancing figure. On the other hand, such devices are quite common in the musical goods trade, and if one further takes into account that the specific dancing couple device is typically reminiscent of ballroom dancing, which the single dancer device obviously is not, there is also an argument for denying confusing similarity.

**A.92.** The expression "Made in Singapore" is an indication of source. It does not name any goods. It is a statement simply naming the country of origin of any goods to which it is applied. Such goods could conceivably be made in other countries also. On the other hand, the phrase "Ceylon tea" indicates not only that the tea emanates from Sri Lanka, but also that it has the flavor, strength, color, etc., that are peculiarly associated with Sri Lanka's production. It is, therefore, an appellation of origin.

**A.93.** This depends on the particular circumstances of the country where it is to be used. If that is, or was recently, a monarchy, the word ROYAL is likely to be taken to indicate royal patronage, which, if untrue, would render the name inadmissible. This, however, is a question upon which evidence could be adduced. The company could have been founded by Royal Charter, and in that case the name could be protected. In countries where no connection with royalty would be taken, the name would not be objectionable.

## **APPENDIX II**

# **THE INTERNATIONAL CLASSIFICATION OF GOODS AND SERVICES FOR THE PURPOSES OF THE REGISTRATION OF MARKS**



**APPENDIX II**  
**NICE AGREEMENT OF JUNE 15, 1957**  
**CONCERNING THE INTERNATIONAL CLASSIFICATION**  
**OF GOODS AND SERVICES**  
**FOR THE PURPOSES OF THE REGISTRATION OF MARKS**

The classification consists of a list of classes and an alphabetical list of goods and services. There are 42 classes (34 for goods and 8 for services), and over 12,000 items in the alphabetical list. Both lists are kept up to date by a Committee of Experts on which all States party to the agreement are represented. The list of classes includes some General Remarks, which set out the main criteria by which goods are classified, and Explanatory Notes for each class, which set out the main goods and services which are, or are not, included in the class. Only the class headings are given in this Appendix, which is intended to give students a broad idea of the contents of each class. The full text of the agreement and the alphabetical list are published by WIPO and may be obtained from the headquarters of WIPO in Geneva.

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**GOODS**

- CLASS 1    Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry;  
unprocessed artificial resins, unprocessed plastics;  
manures;  
fire extinguishing compositions;  
tempering and soldering preparations;  
chemical substances for preserving foodstuffs;  
tanning substances;  
adhesives used in industry.
- CLASS 2    Paints, varnishes, lacquers;  
preservatives against rust and against deterioration of wood;  
colorants;  
mordants;  
raw natural resins;  
metals in foil and powder form for painters, decorators, printers and artists.
- CLASS 3    Bleaching preparations and other substances for laundry use;  
cleaning, polishing, scouring and abrasive preparations;  
soaps;  
perfumery, essential oils, cosmetics, hair lotions;  
dentifrices.
- CLASS 4    Industrial oils and greases;  
lubricants;  
dust absorbing, wetting and binding compositions;  
fuels (including motor spirit) and illuminants;  
candles, wicks.
- CLASS 5    Pharmaceutical, veterinary and sanitary preparations;  
dietetic substances adapted for medical use, food for babies;  
plasters, materials for dressings;  
material for stopping teeth, dental wax;  
disinfectants;  
preparations for destroying vermin;  
fungicides, herbicides.

- CLASS 6 Common metals and their alloys;  
metal building materials;  
transportable buildings of metal;  
materials of metal for railway tracks;  
non-electric cables and wires of common metal;  
ironmongery, small items of metal hardware;  
pipes and tubes of metal;  
safes;  
goods of common metal not included in other classes;  
ores.
- CLASS 7 Machines and machine tools;  
motors and engines (except for land vehicles);  
machine coupling and transmission components (except for land vehicles);  
agricultural implements;  
incubators for eggs.
- CLASS 8 Hand tools and implements (hand operated);  
cutlery;  
side arms;  
razors.
- CLASS 9 Scientific, nautical, surveying, electric, photographic, cinematographic, optical,  
weighing, measuring, signalling, checking (supervision), life-saving and  
teaching apparatus and instruments;  
apparatus for recording, transmission or reproduction of sound or images;  
magnetic data carriers, recording discs;  
automatic vending machines and mechanisms for coin-operated apparatus;  
cash registers, calculating machines, data processing equipment and computers;  
fire extinguishing apparatus.
- CLASS 10 Surgical, medical, dental and veterinary apparatus and instruments, artificial  
limbs, eyes and teeth;  
orthopedic articles;  
suture materials.
- CLASS 11 Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying,  
ventilating, water supply and sanitary purposes.
- CLASS 12 Vehicles;  
apparatus for locomotion by land, air or water.
- CLASS 13 Firearms;  
ammunition and projectiles;  
explosives;  
fireworks.
- CLASS 14 Precious metals and their alloys and goods in precious metals or coated there-  
with, not included in other classes;  
jewellery, precious stones;  
horological and chronometric instruments.
- CLASS 15 Musical instruments.
- CLASS 16 Paper, cardboard and goods made from these materials, not included in other  
classes;  
printed matter;  
bookbinding material;  
photographs;  
stationery;  
adhesives for stationery or household purposes;  
artists' materials;  
paint brushes;  
typewriters and office requisites (except furniture);

- instructional and teaching material (except apparatus);  
plastic materials for packaging (not included in other classes);  
playing cards;  
printers' type;  
printing blocks.
- CLASS 17 Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes;  
plastics in extruded form for use in manufacture;  
packing, stopping and insulating materials;  
flexible pipes, not of metal.
- CLASS 18 Leather and imitations of leather, and goods made of these materials and not included in other classes;  
animal skins, hides;  
trunks and travelling bags;  
umbrellas, parasols and walking sticks;  
whips, harness and saddlery.
- CLASS 19 Building materials (non-metallic);  
non-metallic rigid pipes for building;  
asphalt, pitch and bitumen;  
non-metallic transportable buildings;  
monuments, not of metal.
- CLASS 20 Furniture, mirrors, picture frames;  
goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.
- CLASS 21 Household or kitchen utensils and containers (not of precious metal or coated therewith);  
combs and sponges;  
brushes (except paint brushes);  
brush-making materials;  
articles for cleaning purposes;  
steelwool;  
unworked or semi-worked glass (except glass used in building);  
glassware, porcelain and earthenware not included in other classes.
- CLASS 22 Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes);  
padding and stuffing materials (except of rubber or plastics);  
raw fibrous textile materials.
- CLASS 23 Yarns and threads, for textile use.
- CLASS 24 Textiles and textile goods, not included in other classes; bed and table covers.
- CLASS 25 Clothing, footwear, headgear.
- CLASS 26 Lace and embroidery, ribbons and braid;  
buttons, hooks and eyes, pins and needles;  
artificial flowers.
- CLASS 27 Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors;  
wall hangings (non-textile).
- CLASS 28 Games and playthings;  
gymnastics and sporting articles not included in other classes;  
decorations for Christmas trees.

- CLASS 29 Meat, fish, poultry and game;  
meat extracts;  
preserved, dried and cooked fruits and vegetables;  
jellies, jams, fruit sauces;  
eggs, milk and milk products;  
edible oils and fats.
- CLASS 30 Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee;  
flour and preparations made from cereals, bread, pastry and confectionery, ices;  
honey, treacle;  
yeast, baking-powder;  
salt, mustard;  
vinegar, sauces (condiments);  
spices;  
ice.
- CLASS 31 Agricultural, horticultural and forestry products and grains not included in other  
classes;  
live animals;  
fresh fruits and vegetables;  
seeds, natural plants and flowers;  
foodstuffs for animals, malt.
- CLASS 32 Beers;  
mineral and aerated waters and other non-alcoholic drinks;  
fruit drinks and fruit juices;  
syrops and other preparations for making beverages.
- CLASS 33 Alcoholic beverages (except beers).
- CLASS 34 Tobacco;  
smokers' articles;  
matches.

### SERVICES

- CLASS 35 Advertising;  
business management;  
business administration;  
office functions.
- CLASS 36 Insurance;  
financial affairs;  
monetary affairs;  
real estate affairs.
- CLASS 37 Building construction;  
repair;  
installation services.
- CLASS 38 Telecommunications.
- CLASS 39 Transport;  
packaging and storage of goods;  
travel arrangement.
- CLASS 40 Treatment of materials.
- CLASS 41 Education;  
providing of training;  
entertainment;  
sporting and cultural activities.

CLASS 42 Providing of food and drink;  
temporary accommodation;  
medical, hygienic and beauty care;  
veterinary and agricultural services;  
legal services;  
scientific and industrial research;  
computer programming;  
services that cannot be placed in other classes.



**APPENDIX III**

**LIST OF MEMBER STATES PARTY  
TO THE MADRID AGREEMENT CONCERNING THE  
INTERNATIONAL REGISTRATION OF MARKS  
ON JANUARY 1, 1993**



**APPENDIX III**  
**MEMBER STATES PARTY TO THE**  
**MADRID AGREEMENT CONCERNING THE**  
**INTERNATIONAL REGISTRATION OF MARKS**  
**ON JANUARY 1, 1993**

Algeria	Monaco
Austria	Mongolia
Belgium	Morocco
Bulgaria	Netherlands
China	Poland
Croatia	Portugal
Cuba	Romania
Czech Republic	Russian Federation
Democratic People's Republic of Korea	San Marino
Egypt	Slovakia
France	Slovenia
Germany	Spain
Hungary	Sudan
Italy	Switzerland
Kazakhstan	Ukraine
Liechtenstein	Viet Nam
Luxembourg	Yugoslavia