

TIPS FOR THE EUROPEAN PRACTITIONER AS THE U.S. ENTERS THE MADRID SYSTEM

As of 2 November, 2003, the USPTO began accepting trademark applications under the Madrid Protocol. From discussions with PTO officials and review of changes in the Rules of Practice in the U.S., we have become aware of some issues from the European perspective for your consideration.

What role will the U.S. counsel play in Madrid filings?

It is not yet possible to appoint a U.S. attorney representative for prosecution purposes at the time of the application. But such representation will be needed in the 70-80% of filings giving rise to office action.

Searching in the U.S. is still necessary to limit possible problems with third party objection to use and registration in the U.S. Search companies will include, as a rule, Madrid extensions into the U.S. as a part of normal searching. The issue of prior common use in the U.S. – giving rise to prior rights in a confusingly similar mark – has not changed under Madrid. A full search by your U.S. representative will also assist in properly narrowing the coverage of the basic application/ registration for extension into the U.S. to avoid an office action based on third party rights.

I recommend appointment of a U.S. domestic representative so that notices

such as oppositions and petitions to cancel will be notified to a practitioner, instead of being published in the Official Gazette.

The PTO will check the assignment database before certifying the IR. Therefore, ownership of related marks should be updated prior to filing in the U.S. under the Protocol. Recordals can be done within one to three days on the PTO website (www.uspto.gov) or by fax, with paper mailed requests still taking months to process.

What do I need to know about rule changes in 37 CFR Parts 2 and 7 the U.S. under the Madrid Protocol?

A Declaration of Intention to use the mark in the U.S. is required when filing in the U.S. under the Protocol.

These may be signed by the applicant.

Affidavits of Use in the U.S. need to be filed with the USPTO 5-6 years after registration (presently no grace period for Madrid registrations) and every 10 years from registration (from date of extension of protection in the U.S. –



Elizabeth Atkins

Elizabeth Atkins is a partner in the New York Office of Duane Morris LLP. She was 2002-03 Chair of the International Trademark Association's Trademark Office Practices Committee, which included the USPTO, OHIM, Classification, Exam Guidelines, Benchmarking and Madrid subcommittees.

IN THIS ISSUE

Introducing the MARQUES Programming Team

Escape from Babel

Sounds Good! Trade Mark Judgement

Recent Developments in South Africa

The MARQUES Trade Mark Team – Review

TIPS FOR THE EUROPEAN PRACTITIONER *(continued)*

not the date of the IR). You may wish to have your U.S. representative docket these dates for you and correct them as an anticipated legislative fix eliminates the current disparity between Madrid and non-Madrid allowable dates for filing affidavits of use.

Prior to implementation of Madrid in the U.S., unlimited extensions of time to oppose could be obtained with the applicant's consent. Now, where the first extension of time to oppose was filed on or after 2 November, 2003, the right to extend time to oppose, even with consent, runs out at six months from publication. However, where the first extension to oppose was filed prior to 2 November, 2003, the prior rule of possible "unlimited" consent extensions still applies.

Marks filed as Madrid extensions into the U.S. must rise to the level of a Principal Registration, as they cannot go on the Supplemental Register (which protects names capable of being source indicators).

For non-Protocol applicants filing in the U.S. under the "real and effective commercial establishment" basis, the USPTO will presume that this basis claim is adequate. However, keeping in mind that a third party may later object to the basis, be sure to have available the appropriate evidence to support your claim under U.S. case law. This would include a real operating business with employees and ongoing promotional activity under the mark in the U.S.

Extensions to oppose and oppositions to Madrid applications must be filed electronically with the USPTO.

I suggest filing all extensions and oppositions electronically to avoid an accidental paper filing on a Protocol application, which would not be accepted.

Correspondence to the PTO relating to an application under the Protocol must be in English.

- *PTO's goal of totally electronic filing under the Protocol has been delayed, and presently, filing must be on paper.*

See details at www.uspto.gov

Drawing requirements for Madrid applications are very specific and must be adhered to. (See 37 CFR 2.52 and 2.53.) Drawings in U.S. applications under the Protocol may not be amended, even if the commercial impression of the mark is not changed. Therefore, consider filing a U.S. national application instead of extending an IR into the U.S. to preserve the possible right to amend a drawing.

Joint applicants must actually exercise joint control over use of the mark in connection with the goods/services in the U.S.

How does the detailed identification of goods and services required in the U.S. affect my extensions into the U.S. under Madrid?

The USPTO requires all applications to conform to the goods and services

manual, which can be found at www.uspto.gov. Generally, coverage must be more detailed than that required by most national offices and OHIM. While some broad terms, such as "cosmetics" are acceptable, most, such as "clothing" are not, and require a detailed list of each item to be covered.

Language acceptable to the USPTO should be used. Your U.S. representative should be familiar with acceptable terminology for USPTO filings, and you may want to consult with your U.S. practitioner before filing an IR extension into the U.S. to avoid a possible office action.

The detail of goods and services required by the USPTO forces detail and efficiency in crafting the identification of goods/services. When a U.S. application/registration forms the basis of the IR, this may be beneficial in avoiding some objections on the basis of third party marks in extension countries.

To sum up, in most cases, the involvement of U.S. counsel in applications under Madrid will be necessary, as well as advantageous to European trademark owners.

Elizabeth Atkins
Duane Morris LLP
380 Lexington Avenue
New York, NY 10168
Tel: 212 692-1015
Fax 212 692-1021
eatkins@duanemorris.com

Introducing: The MARQUES Programming Team

We will introduce the members of other teams in future issues

The Programming Team is responsible for planning and organising **MARQUES** Seminars, working with other teams for cross seminars and dealing with post-seminar material.



Kay-Uwe Jonas

Kay-Uwe studied law and economics in Cologne. He was admitted to the Cologne Bar in 1990 and has been a partner of **Linklaters Oppenhoff & Rädler** in the Cologne office since 1996. His main areas of practice are trademark law (trademark filings and litigation) and unfair competition law. He has published various articles.

Kay-Uwe Jonas is a Council member of

MARQUES and national correspondent for the International Annual Trademark Law Review.

Nicholas Foot

Nicholas is a Trade Mark Lawyer in the Corporate Legal & Intellectual Property Department of the **British Broadcasting Corporation**. He is a graduate of the University of Auckland, New Zealand, with degrees in Law and in Spanish. After completing his legal professionals' course, he was admitted as a Barrister & Solicitor of the High Court of New Zealand in June 1991.

Following his move to the U.K. in 1998, Nicholas was employed by Rouse & Co. in its trade mark department before joining the BBC's Corporate Legal & Intellectual Property Department in January 1999. Nicholas is a member of **MARQUES** Council.



Thomas Raab

Thomas is partner in the IP department of **Taylor Wessing**. Based in Munich he is head of Taylor Wessing's German Trademark Group. With more than 15 years of experience in the field of IP Thomas specialises in all legal aspects of trade marks, company names, domain names as well as advertising, trade dress and designs. Thomas is author and co-author of various German

and international publications in the fields of trademark, design and internet law. He is a regular speaker at conferences dealing with trademark law topics.

Ingrid de Groot

Ingrid was the in-house IP counsel for the second-largest confectionery manufacturer in Europe (**Perfetti Van Melle Holding B.V.**) for some 15 years. Early in 2003 Ingrid was appointed to the post of **MARQUES** Development Executive to further expand its role in shaping IP in Europe.

She sees the **MARQUES** Newsletter as an important tool in achieving that purpose.



Willem Leppink

Willem is an attorney at law and partner in the IP department of **NautaDutilh** in The Netherlands. He was educated at Western Carolina University and the University of Groningen. He focuses on litigation in the field of trademark and copyright law. As an anti-counterfeiting specialist he regularly enforces the IP rights of clients in close cooperation with customs

and other government agencies. Willem is a specialist on advertising law issues ranging from prize contests to tobacco advertising, he often advises on the IP aspects of transactions and tax structures.

Ms Nunzia M Varricchio

Nunzia Varricchio began her career in IP in 1986 with John Labatt Limited in London, Canada. In 1992 she transferred to Labatt Brewing Company Limited where she was instrumental in the establishment of Labatt International Limited, and held the position of General Manager, responsible for the Labatt offshore portfolio. In July 2000 Nunzia was seconded to Interbrew S.A. in

Belgium to manage the integration of newly acquired portfolios and to assist in the development of their in-house IP department.

She has accepted a permanent position with **Interbrew** and is now, Legal Director, IP. She has been a member of the **MARQUES** Council since September 2000.



ESCAPE FROM BABEL

By Jeremy Phillips and Ilanah Simon¹

Trade mark owners depend heavily on legal advice. But should they also have to depend upon their advisers' language skills? This question goes to the heart of the provision of trade mark legal advice later this year, when the accession of ten new EU Member States rises from 11 to 20 the number of official languages in which European trade mark law must be expressed. This review examines the present position in the EU regarding languages, touching on matters both legal and pragmatic.

CTMs

How has the Commission responded to the linguistic challenge of making European trade mark law both viable and accessible? It has limited to just five the number of official languages in which OHIM functions. OHIM's policy, characterised as prejudicial to practitioners in minority language jurisdictions, was upheld last year as a good working compromise by the European Court of Justice in Case C-361/01 P *Christina Kik v OHIM*. This decision has strengthened the Commission's resolve not to increase the number of official tongues in which OHIM works.

Court of Justice decisions

All EU Member States look to the twin judicial organs of the EU for the most powerful guidance as to what the law is. The Court of Justice's rulings on the meaning of Regulation 40/94 on the CTM and on harmonising Directive 89/104 are absolutely binding on all Member States. Accordingly, they must be translated into all of the Community's languages. Unfortunately, those rulings may be made initially available in only a small number of languages. The same applies to Opinions of the Advocate General which predate the Court's ultimate ruling, as well as to the very large number of decisions of the Court of First Instance (CFI) that relate to appeals from OHIM and to a small number of actions brought against the Commission itself (for example Case T-195/00 *Travelex v*

Commission, in which Travelex complained that the euro symbol infringed an earlier trade mark in respect of financial services).

The EU's translation problem


There are two sides to the translation problem. The first relates to documents that originate in a language that almost no-one understands outside the country of origin. This issue will be of concern when the accession states join the EU later this year and a trade mark owner wants to satisfy himself that the harmonisation Directive, for example, is faithfully reflected in the provisions of the Czech or Estonian law. The second relates to documents that are originally written in a well-known language but which take a long time to filter through the system through being translated into other languages.

Which of these problems requires the greater priority? English-speaking trade mark owners and their advisers may be enraged at the delay they experience in obtaining English language versions of key decisions or Opinions (for example, the Opinion in Case C-265/00 *Campina Melkunie*, which remains untranslated from the original Spanish into English, Danish and Greek at the time of writing, nearly two full years after it was delivered). But it's much easier for a practitioner to discover what a Spanish document means than to gain access to the meaning of a Czech or Estonian one.



The Court's translation department knows the problems facing trade mark owners (and indeed of anyone who needs to know what a judgment actually means) and has taken active steps to resolve them. For translations from minority languages a "pivot" system has been established whereby texts go straight from the minority language into a mainstream language, from which it may more easily be translated into all the other languages. This makes translations available more quickly but with a greater risk of error caused when translating translations, not original documents.

Other developments are also shaping the resolution of the translation department's difficulties. For example the facts that (i) national courts referring trade mark questions to the Court now tend to express themselves increasingly in the idiom of



European trade mark law and not in terms of their own national concepts; (ii) the CFI is more frequently couching its decisions within a structure and with verbal formulae which allow the development of matrices for standard passages; (iii) computer applications enable translators to identify in advance those paragraphs of decisions that have been previously translated; (iv) Advocate Generals' Opinions, if given, are no longer routinely translated into all languages and (v) CFI judgments are becoming shorter.

This augurs well for an increased output of translated documents even if the Commission's tightly-stretched translation resources are not augmented. There is however a legal downside. If the length of judgments, the way in which they are expressed and the availability of

Opinions is made to depend upon the needs of translators rather than on the requirements of justice.

National marks

Since there is no centralised Community trade mark Court, each EU Member State has its own. These Courts can make rulings that (i) determine the validity of CTMs, (ii) can affect the exploitation of trade mark rights in other countries and (iii) may need to be enforced by Courts in other EU Member States; the lack of a common language is a major potential bar to achieving justice in the individual case. There is however no anecdotal evidence to suggest that these potential problems cause any trade mark owner any hardship right now. If **MARQUES** members have any experiences to the contrary, they should air them in this Newsletter.

Towards the future

The ideal solution, the adoption of a single language for all trade mark-related matters, is neither feasible nor politically acceptable. Even if it were, trade marks reflect cultural sensitivities that frequently do not transcend national linguistic constraints (e.g. a word mark may appeal to consumers in a jurisdiction in which its meaning conjures up pleasant connotations that are lost in translation; or a word mark may be confusingly similar to another when pronounced in some Community languages but not in others). We must therefore face the reality: Babel is here to stay. Our job is to make the most of the situation and to enable it to assist trade mark owners, their competitors and consumers as much as possible, not merely to bemoan its inherent inconvenience.

1. The authors, who write the IPKat weblog (www.ipkat.com) and supply cases for the **MARQUES** case law database, are members of the **MARQUES** Publication and Website Team.

TRADE MARK LAW: A PRACTICAL ANATOMY

Professor Jeremy Phillips, who holds several visiting academic posts and edits the European Trade Mark Reports, has just written a new book, *Trade Mark Law: a Practical Anatomy*. This book, published by Oxford University Press, takes a broad view of the issues governing trade mark law and practice today. In doing so, it cites examples from modern trade mark legislation and from cases drawn from over 50 different jurisdictions. The book, which also considers trade mark law from the point of view of business reality, seeks to balance criticisms aimed at trade mark owners and big brand companies against the need to provide both them and their consumers with an adequate level of legal protection.

Professor Phillips has been an enthusiastic supporter of **MARQUES** since the organisation was founded. He has also contributed cases to the **MARQUES** case law database since its inception and currently serves as a member of the **MARQUES** Newsletter and Database Project Team.

It is hoped that Professor Phillips' book will be reviewed in the next issue of the **MARQUES** Newsletter.

Sounds Good!

ECJ Judgement in Shield Mark v Kist

By Adrian Smith¹, Simmons & Simmons, London.

For some time brand owners and practitioners in the EU have been seeking answers to the questions – what non-traditional marks are registerable and how? Following the Sieckmann and Libertel decisions concerning smells and colours respectively, the ECJ with its decision of 27 November 2003 in the case of Shield Mark BV against Joost Kist trading as Memex (C-283/01) has supplied another piece of the jigsaw dealing with the issue of sound marks.

The case

This was a test case concerning a series of Benelux registrations obtained by Shield Mark in respect of the opening notes of Beethoven's "Fur Elise" and also the sound of a cock crowing – in each case represented/described in various different ways. Following an initial unsuccessful infringement action, Shield Mark appealed to the Hoge Raad which in turn referred a number of questions to the ECJ concerning registerability and means of graphically representing sound marks.

The questions posed

The ECJ was asked first, whether Article 2 of the Directive must be interpreted as precluding sounds from being regarded as trade marks and, if the answer to that was no, whether (conversely) sounds or noises must be capable of being regarded as trade marks. Secondly (if sounds and noises are not precluded from trade marks) the Court was asked what the requirements are for such signs to be capable of being represented graphically and how that should take place. In this regard the Court was also asked to confirm whether or not a number of specified forms of representation/description satisfied the requirements of the Directive.

The answers

On the first question the ECJ ruled that the Directive was to be interpreted as meaning that sounds must be capable of being regarded as trade marks provided that they

are capable of distinguishing the goods or services of one undertaking from those of other undertakings and are capable of being represented graphically. In answer to the second question the Court ruled that the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually provided that it can be represented graphically, particularly by means of images, lines or characters and that its representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective (the criteria laid down in the Sieckmann decision). Specifically, the Court held that these requirements are **not** satisfied in respect of sound signs by written (verbal) descriptions/representations (including either a description listing the notes within a musical work or an indication that the mark is the cry of an animal or by means of onomatopoeia). However, the requirements **are** satisfied by the use of a stave with the relevant musical notation, in particular, a clef, notes and rests.

Clear practical effects

In summary, the following conclusions can be drawn from the ECJ's judgment.

1. Sounds are, in principle, capable of being trade marks.
2. It is an acceptable form of graphical representation of a sound mark to use a stave with an appropriate musical notation. It is important to note however, that the application must



state expressly that it is for a sound mark.

3. A written (verbal) description of a sound or onomatopoeia is **not** an acceptable form of graphically representing a sound mark.

Important points to note

The judgment does not mean that all sounds are registerable as trade marks – obviously, they must be capable of distinguishing the goods or services of one undertaking from those of other undertakings as well as being capable of being graphically represented. Whilst the Libertel decision should (by analogy) mean that the test for distinctiveness in relation to sound marks is no different to that for any other form of mark, in practice it seems likely that brand owners may encounter greater difficulty in demonstrating that their sound marks have sufficient ability to distinguish their goods/services the less complex and unique are the sounds they use.

Also, the judgment does not mean that a stave with musical notation is the only form of graphical representation which is acceptable for a sound mark. Rather unhelpfully, although the questions put to the ECJ asked about the acceptability of a

number of specific alternative options for representing such marks, the Court indicated that it could not give advisory opinions on what it described as "general or hypothetical issues". Accordingly the ECJ did not answer the question of whether the various other options put to it (i.e. sonograms, sound recordings, digital recordings, combinations of these) were acceptable. In view of the length of time which ECJ decisions take to be issued, it seems a great shame that the Court was not able to take this opportunity to deal at least with the options put to it. As a result of this position, the door remains open on this issue, such that these or other options may indeed be acceptable depending on the circumstances. Practically speaking, however, any brand owner who can properly represent his sound mark through a stave and musical notation would be advised to do so for the sake of certainty.

Despite the resulting uncertainty, in one sense it is helpful for brand owners that the possibility remains that other options for representing sound marks may be acceptable. Whilst musical notation will always meet a number of the Sieckmann criteria (e.g. durable, self-contained, easily accessible), it seems most unlikely that it can meet requirements of clarity and precision when it comes to representing sounds other than music as it is conventionally understood. In particular, it seems most unlikely that musical notation could ever clearly and precisely represent a sound such as a cock crowing. Whilst this decision may therefore be music to the ears of those with marks like that of Intel, very significant challenges remain for those brand owners with non-musical sound marks to persuade registries to accept some other appropriate means of graphical representation. It remains to be seen whether this must await further decision of the ECJ as, unfortunately, seems likely!

MARQUES Cyberspace Team

The Cyberspace Team continues to monitor matters of concern to trade mark owners wherever they occur on the internet. Of course, this mostly means the domain name system where MARQUES' founder-membership of the Intellectual Property Constituency of ICANN means the Team works with representatives of the other major IP organisations feeding in comment and discussing issues from the availability of Whois data to the success of the measures to protect IP that exists in the generic Top Level Domains.

Current matters of concern to the Cyberspace Team include the spread of Internationalised Domains (or IDNS) which are domains in scripts other than Romanesque (such as Cyrillic) or with accents, the proposed introduction of new Sponsored Top Level Domains later this year – following on from .aero and .museum which are only open to members of those sponsored groupings and, of course, the study that ICANN is undertaking to see if there is an appetite for more GTLDs (such as .biz or .info).

With the excellent support of Tove Graulund, some members of the team have also been meeting with the European Commission and EURID, the operator of .eu which is to be launched in November this year, following a Sunrise period that will begin in September. The Team has contributed written advice and participated in several discussions, focussing primarily on how an effective Sunrise proposal could be run.

The Team has ambitions to run a Workshop in various locations on .eu in the late Spring as well as to establish a resource of links and FAQs on internet-IP matters on the **MARQUES** website.

Nick Wood

Head of Domain Services

CPA Management Systems Ltd

Patent, Design and Trade Mark Renewals, Domain Name Management, Software Solutions and Trade Mark Watching.

E-mail: nwood@cpaglobal.com

Telephone: +44 (0)1784 224397 or +44 (0) 207 549 0679

Recent Developments in South Africa

By André van der Merwe, Director, D. M. Kisch Incorporated.

Andre van der Merwe is amongst the first of a number of **MARQUES** members who have offered to become Rapporteurs for the **MARQUES** Newsletter. These rapporteurs will report new IP developments within their jurisdictions. This article is the first of what is hoped to become many more. The Publications & Website Team would be pleased to hear from other members who would be willing to report items of news or interesting developments in IP in their own country.



1. TRADE MARKS OFFICE RE-ORGANISATION

During 2002, the Trade Marks, Patents, Designs and Copyright Offices were amalgamated with the Companies Office into a semi-autonomous organisation called CIPRO (Companies and Intellectual Property Registration Office). CIPRO determines its own budget, which has to be approved by the Department of Trade and Industry and the Ministry of Finance, but otherwise manages its own day-to-day affairs. The Minister of Trade and Industry retains the power to appoint the Registrar of Companies and the Registrar of Patents, Trade Marks, etc.

The intention of CIPRO is to provide an

improved registration service which it aims to run along business lines.

At the end of 2003, CIPRO appointed a consultant to the Trade Marks Office to improve certain operations in the Trade Marks Office *inter alia* to reduce the examination period of trade mark applications.

2. NEW REGISTRAR OF PATENTS, TRADE MARKS, DESIGNS AND COPYRIGHT

On 1 May 2003, the Minister of Trade and Industry appointed Mr Desmond Marumo as the new Registrar. Mr Marumo is an attorney and has served as a legal advisor in the Public Works Department and as a business manager in the Industrial Development Corporation.

Shortly after his appointment he met with a delegation from the South African Institute of Intellectual Property Law, and during the second half of the year he met with various liaison committees of the Institute.

Mr Marumo has shown a great willingness to learn the intricacies of intellectual property law and has a commitment to improving the Registry for all its users.

3. MADRID PROTOCOL

The former Registrar had indicated the intention of government for South Africa to become a signatory to the Madrid Protocol in the near future, and a

workshop was held at the end of 2002 at which officials of WIPO were present and explained the Madrid system.

At present, the examination period for trade mark applications is approximately three years, and the Trade Marks Registry is committed to reducing this period to comply with the requirements of the Madrid Protocol. The South Africa Trade Marks Act will probably be amended to make it "Madrid-compliant" during the course of this year.

4. INTERESTING RECENT TRADE MARK JUDGEMENTS

(a) BAFANA BAFANA & ARSENAL – Trouble in the Soccer Arena!

Whilst the Arsenal Football Club vs Mathew Reed conflict was raging, another match was taking place in South Africa. This case concerned the rightful ownership of the mark BAFANA BAFANA (which means "Boys, Boys" in the Nguni languages which include Zulu and Xhosa).

During July 1992, three sports journalists in a series of newspaper articles about the South African soccer squad suggested BAFANA BAFANA as its nickname. Shortly thereafter an entrepreneur, namely Mr Stanley Smidt of Stanton Woodrush (Pty) Ltd, applied to register the trade mark BAFANA BAFANA in class 25 for clothing. In the vibrant urban culture (including the soccer culture!) of South Africa, BAFANA

BAFANA came to be overwhelmingly accepted with pride and affection by the South African public.

During 1997, SAFA (the South African Football Association) began a massive campaign to appropriate and promote the name BAFANA BAFANA, including filing trade mark applications in all the available classes. Eventually SAFA challenged the rights of Stanton Woodrush (Pty) Ltd in the High Court. But the Court denied the application for rectification and removal of the BAFANA BAFANA mark in the name of Stanton Woodrush (Pty) Ltd. One-nil to Stanton Woodrush (Pty) Ltd in the first half!

The judgement was appealed to the Supreme Court of Appeals which blew the final whistle in what is seen as a controversial outcome in favour of Stanton Woodrush (Pty) Ltd. SAFA was unable to substantiate its claim that it intended to commercialise the name for merchandising purposes. The prior rights of Stanton Woodrush (Pty) Ltd prevailed and the Court found that BAFANA BAFANA may have become distinctive of the South African National Football team but not necessarily distinctive in the hands of SAFA. The mark had acquired a significance it did not have at the time Stanton Woodrush had applied to register it, and the intention of SAFA was formed years after Stanton Woodrush had first adopted the mark for clothing.

(a) S A B vs LAUGH IT OFF PROMOTIONS – Mischief Brewing!

During 2003, S A Breweries International (now known as S A B Miller) obtained a High Court ruling against Laugh It Off Promotions to restrain the parodying and disparagement of its well known Black Label beer brand.



(Above left) STANTON WOODRUSH'S use of BAFANA BAFANA and (above right) SAFA'S use of BAFANA BAFANA.



(Above) WHITE GUILT and AFRICA'S LUSTY LIVELY EXPLOITATION SINCE 1652.

Laugh It Off had commenced selling T-shirts bearing a parody of this trade mark, namely, by using the wording BLACK LABOUR, WHITE GUILT, and AFRICA'S LUSTY LIVELY EXPLOITATION SINCE 1652.

Against the background that Laugh It Off was selling T-shirts bearing parodied trade marks of various other multinational companies, Laugh It Off alleged that in terms of fair comment and freedom of speech, as provided for in Section 16 of the Constitution, it had the right to humorous comment or critique. SAB Miller, in turn, alleged that such use by Laugh It Off Promotions took unfair advantage of or

was detrimental to the distinctive character of its well known Black Label registered trade marks.

The Court found in favour of S A B Miller in terms of the provisions of the Trade Marks Act. The Court also found that Laugh It Off Promotions had exceeded the limits of freedom of speech, and that such use bordered on hate speech in terms of Section 10 of the Promotion of Equality and Prevention of Unfair Discrimination Act of 2000.

Laugh It Off Promotions has appealed the judgement to the Supreme Court of Appeals, and the appeal is pending.

The **MARQUES** Trade Mark Team

by Huib Berendschot, Novagraaf Nederland B.V. – The Netherlands

Chair of the Trade Mark Team

The Chairman of the **MARQUES** Trademark Team reviews the issues that the Team have grappled with, in close cooperation with the MARQUES Council, during 2003. These have included two important legislative developments (EU accession to the Madrid Protocol and the amendment of Article 39 of the CTMR regarding searches). Other than that there has been the enlargement of the EU and its effect on the Community Trade Mark as well as a proposal for a Directive on business-to-consumer unfair commercial practices. Finally the Team indicates the issues they will be looking at in 2004.

EU accession to the Madrid Protocol

The accession of the EU to the Madrid Protocol has now been approved by the EU Council. On 27 October, the Council adopted the decision approving accession of the EC to the Madrid Protocol. As of later this year it will be possible to designate the EU as part of an International Registration. This will further improve the possibilities to seek protection as a Community Trade Mark. Should the designation fail, then rights holders can convert the CTM by designating countries as part of the International Registration.

Art 39 CTMR

The issue of whether to abolish the searches under Article 39 CTMR appears to be coming to a close as well. On this matter **MARQUES** joined forces with AIM, the Association des Industries de Marque, and UNICE, the Union des Industries de la Communauté Européenne. Together they lobbied for completely abolishing the searches. Initially this appeared to be successful as the Commission made a proposal to that effect. However the proposal, which

required unanimity, has not made it.

The lobby has, however, had some effect. At the Coerper meeting of 19 November 2003, the Member States agreed to change the search system. The search as regards prior national trademarks carried out by national trade mark offices is made voluntary. If the applicant chooses to have a search done this will be done by all the national offices participating in the search system. The search for prior Community Trade Marks carried out by the Community Office (OHIM) remains compulsory. Criteria in relation to the search reports aimed at improving the quality of the searches will be set out in the Implementing Regulation.

The change will be implemented after a transitional period of four years.

Enlargement of the EU

Another important change will be the enlargement of the European Union on 1 May 2004. As of that date, Community Trade Marks will automatically extend to the new Member States. Whether rights holders can use their mark will depend on the existence of national identical or similar marks that have priority over the CTM, in the sense that these rights existed in those countries prior to 1 May 2004. To an extent, the enlargement is already happening. Holders of older national rights can already oppose Community Trade Marks that have been filed after 1 November 2004 and will be published after 1 May 2004. On filing a CTM now, therefore, it is important to search the registers of the acceding countries as well.

Community Design

OHIM expects 12,000 design applications to be received by the end of 2003, corresponding to some 40,000 designs. Most applications to date are for



multiple designs. There is a larger geographical spread than with CTM applications: most design applications are coming from Germany then Italy – the US and Japan are not so well represented.

Certain problems have been encountered, such as applicants claiming non-existent exhibition rights, trying to file by fax and other such technical issues.

Like the CTM link to the Madrid Protocol, the Commission will be considering linking the Community Design to the Hague system. OHIM has received this suggestion warmly and are planning consultations with industry to pursue this issue shortly.

Unfair commercial practices

The Trade Mark Team draws to your attention the proposal of the EU Commission for a Directive on unfair business-to-consumer practices amending Directives 84/450 EEC, 97/7/EC and 98/27/EC (the unfair commercial practices Directive).

The Directive *inter alia* defines the conditions which determine whether a commercial practice is **unfair**.

The Directive identifies two key types of unfair commercial practice; those which are 'misleading' and those which are 'aggressive'. The provisions on 'misleading' commercial practices define both actions and omissions which can mislead. The Directive applies the same principles of fairness to commercial

practices before and after the point of sale.

The Directive is interesting as it potentially provides more grounds for businesses to deal with competitors who are misleading consumers by making products that mislead through their appearance.

Issues for 2004

The issues the Team aims to be looking at in 2004 are the following.

In the first place, we aim to monitor the enlargement of the European Union. Should you see or experience things in the IP arena which need to be addressed with the relevant organisation through **MARQUES** we invite you to let us know.

Secondly, we will be participating in meetings at WIPO that address the Trademark Law Treaty. The Treaty seeks to eliminate unnecessary formalities in the trade mark registration process.

As any reduction in the administrative burden is a benefit for rights holders, we will be encouraging developments that might achieve this aim.

Thirdly, we will be following case law on non-conventional marks such as smells, sounds, and shapes. We have seen a number of important decisions in 2003 and more may be coming up in 2004.

Other than that we will, together with the **MARQUES** Council, seek to continue our good relationships with OHIM and WIPO.

MARQUES IP Outer Borders Team

At this stage, the IP Outer Borders Team are continuing to collect material on major IP rights limitations (peer-to-peer file distribution, geographical indications after Cancun, Made in the EU, etc.), that are being reported every day in the international press.

The Team Chairman (Massimo Sterpi) has been invited to make presentations on "Overbranding and social reaction" in both Croatia and Sweden.

A new member has joined the team, namely Marieke Westgeest of Markenizer B.V. The Team will next meet in Prague in February, where possible new subjects for specific research will be selected.

Call for Articles, Rapporteurs and "Letters to the Editor"

The **MARQUES** Newsletter is an ideal vehicle for communicating your news, your ideas, your opinions or your vision of where trade mark law is or should be heading. It will be seen and read by in-house counsel, trade mark practitioners, IP lawyers, academics, government officials and other NGOs. We are also actively seeking volunteer "Rapporteurs" from every country to advise **MARQUES** members of recent cases or proposed changes to the laws or practice within their jurisdiction. We are conscious that English is not the first language of every member but the Editor will be pleased to check any article for mistakes of grammar or spelling etc. Finally, if you disagree with or have any comment to make about any article in the Newsletter, please write to the Editor. This after all YOUR Newsletter and an opportunity for you to communicate will all **MARQUES** members.

Please send any contribution to robin_tyler@bat.com or:

The Editor, **MARQUES** Newsletter, 840 Melton Road, Thurmaston, Leicester LE4 8BN, United Kingdom.

MARQUES

will be present at

The Brand Management Forum

"Managing your brand to achieve better shareholder value"

Hosted by Managing Intellectual Property
The Berkeley Hotel, London.

Tuesday 9th & Wednesday 10th March, 2004

We look forward to welcoming you at our stand

DISCLAIMER:

The views expressed by contributors to this Newsletter are their own and do not necessarily reflect the policy and/or opinions of MARQUES and/or its membership. Information is published only as a guide and not as a comprehensive authority on any of the subjects covered. While every effort has been made to ensure that the information given is accurate and not misleading, neither MARQUES nor the contributors can accept responsibility for any loss or liability perceived to have arisen from the use or application of any such information or for errors and omissions. Readers are strongly advised to follow up articles of interest with quoted sources and specialist advisers.

THE COUNCIL 2004

Full details of the Chairmen and members of each active and formative Team can be found at:
<http://www.marques.org/teams>

Chairman: **Tove Graulund** (Denmark)

Vice-Chairmen:

Jane Collins (Switzerland)

Nunzia Varricchio (Belgium)

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Knud Wallberg (Denmark)

Hanne Weywardt (Denmark)

Nick Wood (UK)

Development Executive:

Ingrid de Groot (Netherlands)

Company Secretary: **Robert Seager** (UK)

NOTE: Council is composed of up to 40 members with not more than six from any individual country; not more than six drawn from countries outside of Europe and not more than 14 Special Members.

One half of Special Members and one third of Ordinary Members retire, by rotation, each year but may offer themselves for re-election.

MARQUES

THE ASSOCIATION OF EUROPEAN TRADE MARK OWNERS

840 Melton Road, Thurmaston,
Leicester LE4 8BN United Kingdom
Tel: +44 116 264 0080 Fax: +44 116 264 0141
Email: info@marques.org
Internet Home Page: <http://www.marques.org>