

Hands off Ronald McDonald!

A recent decision in The Netherlands has barred Burger King from using the image of Ronald McDonald in its TV adverts. Bas Kist, a partner of Shield Mark in Amsterdam, examines what the ruling reveals about comparative advertising rules in the EU.

On 13th January, a Dutch court ruled that the hamburger restaurant Burger King must stop using the mascot of its competitor McDonald's in its TV commercials. In the commercial, the well-known clown Ronald McDonald is seen ordering a hamburger at a Burger King outlet. The message is clear: even Ronald McDonald prefers to eat burgers from Burger King.

A heavy penalty

In the ruling – the full text of which had not been issued when this newsletter went to press – the examining magistrate at the District Court in Amsterdam stated that Burger King had infringed the laws of comparative advertising. As a result, not only will it have to stop using the clown in its commercials, but it has also been forced to publish a rectification on its Dutch website. It seems a heavy penalty for a relatively harmless joke.

So what exactly are the laws governing comparative advertising? In the Netherlands (and the rest of Europe), these laws are set

down in the EU Directive on misleading and comparative advertising, which has been transposed into the legislation of all the EU Member States. The Directive states that comparative advertising is permitted, even if it mentions or shows the trade mark of another company, provided it respects a number of conditions, viz:

- It is not misleading.
- It compares goods or services that are intended for the same purpose.
- It objectively compares one or more material, relevant, verifiable and representative features of the goods (including the price).
- It does not create confusion.
- It does not denigrate the trade marks or other distinguishing signs of a competitor.
- In the case of a product with a designation of origin, it relates to products with the same designation.
- It does not take unfair advantage of the trade mark of a competitor.
- It does not present goods as imitations.

The rectification published on the Burger King website shows why the court decided to ban this particular example of comparative advertising. According to the magistrate: "The use of the clown in this particular context is derogatory to McDonald's."

"Derogatory" advertising

This ruling again shows that while comparative advertising is theoretically



allowed, it often conflicts with the EU Directive in practice. We've seen a lot of comparative advertising in the Netherlands over the past year – chiefly from supermarkets, mobile phone service providers, opticians and razor blade

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“ This ruling again shows that while comparative advertising is theoretically allowed, it often conflicts with the EU Directive in practice ”



manufacturers – all of which boldly mention or depict a rival product. However, many of these commercials have had to be withdrawn after court rulings found that they fell foul of the EU Directive. The rulings frequently state that they make unfair comparisons by omitting important elements, thereby rendering them misleading. Even so, the argument that an example of comparative advertising infringes the rules because it is “derogatory”, as in the case of McDonald’s, is something we don’t often see in the Netherlands. It would therefore be interesting to know how other countries approach comparative advertising. A Dutch advertising magazine recently reported that the same Burger King commercial had already been banned in Germany two years ago. Presumably they were equally incapable of taking a joke.

Bas Kist is a partner and co-director of Shield Mark in Amsterdam and vice-chairman of the MARQUES Publications and Website team. He specialises in trade marks and has written several articles and books in this area.

“ The argument that an example of comparative advertising infringes the rules because it is “derogatory” is something we don’t often see in the Netherlands ”



MARQUES Annual Conference

The **MARQUES** Annual Conference will be held in Prague, Czech Republic, from 14th to 16th September. The programme will include topical sessions on EU brand protection in an enlarged EU, brand management strategies and current hot topics, as well as regular presentations on the latest developments from OHIM and WIPO.

More details will be available soon. See the **MARQUES** website for the latest information.



Jane Collins features in WIPO workshop in Pakistan

MARQUES vice-chairman Jane Collins, of Syngenta, took part in a two-day workshop on the economic importance of trade marks and the Madrid system, held in Islamabad, Pakistan, on 6th and 7th December.

The workshop was jointly organised by WIPO, Pakistan’s Ministry of Commerce and the Japan Patent Office. It was attended by members of IP offices, and private practitioners, from the whole of the south Asian region.

Jane spoke about categories of marks and their commercial use, using trade marks and brands for commercial advantage, the use of brand by export-oriented enterprises and the benefits of the Madrid system.

New OHIM fees proposed

The European Commission has published a draft Regulation on Community trade mark fees. If passed, the proposal will amend Regulation 2869/95 that covers all the fees charged by OHIM for CTMs.

The new fees have been proposed because of the efficiency gains and cost savings achieved at OHIM in the past two years. The Commission has decided to pass on reductions of between €35 million and €40 million to CTM applicants.

While most application and renewal fees for trade marks will be reduced, the cost of oppositions and appeals will increase under the proposals. The Commission claims these increases should deter people from putting forward baseless appeals and oppositions. The cost of applications for revocation or declaration of invalidity would also be increased, to bring them into line with other fees.

The Commission's proposal will be reviewed by the Commission Working Group (Trade Marks) over the coming months, before any final decisions are made on changes to the official fees.

MARQUES welcomes the proposal from the Commission and the principle that costs savings should be passed on to users, and believes that CTM applicants will benefit from the reduced application fees in particular.

Board of Appeal reforms

A number of changes to the Boards of Appeal have been introduced at OHIM, following the implementation of Regulation 2082/2004 in December.

The main changes are the creation of Grand Board to hear complicated or precedent-setting cases, and the opportunity for members of the Boards to hear simple cases – such as disputes over costs – sitting on their own.

The new Grand Board consists of nine members: the President of the Boards of Appeal (a newly created post), the chairs of each of the boards and other members of the boards.

The changes are designed to give the Boards more flexibility in hearing cases with the aim of increasing efficiency and consistency.

Dot-eu gets go-ahead

Following the agreement between EURid

Proposed changes to OHIM fees

	Existing fee (€)	Proposed new fee (€)
Basic application	975	600
Basic application (electronic filing)		500
Each class after first three	200	150
Basic registration	1100	950
Each class after first three	200	150
Madrid Protocol basic (inc registration)	1875	1300
Madrid Protocol (each class after first 3)	400	300
Renewal (basic)	2500	1750
Renewal (Madrid)	2300	1550
Opposition	350	550
Revocation/declaration of invalidity	700	1000
Appeal	800	1200

and the European Commission towards the end of 2004, the .eu top-level domain is likely to be launched later this year. This new domain will be restricted to businesses based in the EU, and is expected to be very popular with brand owners.

MARQUES will inform members about the progress of the launch, including details of the two sunrise periods, as soon as further information is available. The first sunrise period is for registered trade marks, public bodies and geographical indications and the second is for prior rights such as unregistered trade marks.

The .eu registry, EURid, is negotiating with ICANN to incorporate .eu into the root server and then produce a registration

policy. The new domain will be run according to guidelines laid down by the European Commission. The .eu domain will have its own Whois policy and dispute resolution procedure.

Until these procedures are completed, it is not possible to register .eu domain names. EURid has warned brand owners to beware of registrars who claim to provide a pre-registration service.

More information on EURid: <http://www.eurid.org/en/home.php>

For more information please contact Egon Engin-Deniz, chair of the **MARQUES** Cyberspace Team.

Advocate General gives opinion on acquired distinctiveness

David Stone and Calum Smyth of Howrey Simon Arnold & White discuss the recent opinion of Advocate General Kokott that use of a mark as part of (or in conjunction with) another sign may be sufficient to establish acquired distinctiveness.

Launched in 1937, the KIT KAT chocolate bar is one of Great Britain's top selling confectionery brands, with 47 of the chocolate biscuits eaten every second. Nestlé reports that 90% of Britons can recite HAVE A BREAK... HAVE A KIT KAT, the slogan used to promote the brand since 1957.

The famous slogan has now made its way to the ECJ in the case of *Société des produits Nestlé SA v Mars UK Ltd*, on which the Advocate General opined on 27th January 2005.

The question referred

Nestlé had sought registration as a United Kingdom trade mark of HAVE A BREAK, only part of their well-known slogan. The application specified chocolate and confectionery products in Class 30. Following an opposition being filed by competitor Mars, a Hearing Officer of the United Kingdom Patent Office rejected the application on the grounds that HAVE A BREAK was not inherently distinctive (a requirement of section 3(1)(b) of the Trade Marks Act 1994 (UK), the equivalent of Article 3(1)(b) of the First Council Directive 89/104/EEC). The Hearing Officer also found that HAVE A BREAK had not acquired distinctive character (Article 3(3)), despite the extensive use of HAVE A BREAK... HAVE A KIT KAT.

This established the question that was ultimately referred by the English Court of Appeal to the ECJ for a preliminary ruling. The Court of Appeal was unable to reconcile the Hearing Officer's approach with that of the OHIM Board of Appeal in *Ringling Bros – Barnum & Bailey Combined Shows Inc* (Case R111/2000-2) where registration had been granted to THE GREATEST SHOW ON EARTH, even though those words had always appeared alongside other registered trade marks. The question referred was:

"Whether the distinctive character of a mark referred to in Article 3(3) Council Directive 89/104/EEC and Article 7(3) Council Regulation 40/94 [establishing the Community Trade Mark] may be acquired



David Stone



Calum Smyth

following or in consequence of the use of that mark as part of or in conjunction with another mark?"

The Advocate General's Opinion

Advocate General Kokott has provided a positive response to the question posed: "The use of a word sequence as part of a word mark can, as a matter of principle, lead to that word sequence acquiring the requisite distinctive character in order to be registerable as a trade mark."

This must be right. Many marks that are not inherently distinctive are able to acquire distinctiveness through use, and almost

“Many marks that are not inherently distinctive are able to acquire distinctiveness through use, and almost invariably do so as part of or in conjunction with other signs/marks.”

invariably do so as part of or in conjunction with other signs/marks. THE GREATEST SHOW ON EARTH is a good example of a word mark that acquired distinctiveness through use with the name of the circus. As far as we know, the Jeep grille, now registered as a Community trade mark, has always been used on vehicles together with the trade mark JEEP. Deutsche Telekom's magenta colour mark has acquired distinctiveness through use with that company's other registered marks. In the words of the Advocate General "use of a mark literally means both its independent use and its use as part of another composite mark". To require a mark to obtain distinctiveness only through use in isolation would be to set the hurdle impossibly high.

What "use" will be sufficient? After an examination of the various ways in which "use" is referred to in harmonised EU trade mark law, the Advocate General confirms: "Any use which confers on a sign the distinctive character necessary for registration as a mark must be deemed to be use of a mark as a trade mark and meets the requirements of Article 3(3)".

There is something in the Advocate General's reasoning on this point that may cause difficulties for future decision makers.



It is unclear from the Advocate General's opinion whether a mark can acquire distinctive character without being used at all in the jurisdiction, for example, through significant use elsewhere, or through use of a different sign that nevertheless imparts distinctiveness to a new (otherwise non-distinct) mark. An example of the latter might be the question mark recently used in advertising by McDonald's in place of the famous "golden arches". The inherently non-distinct question mark had on launch already acquired distinctiveness through its similarity to the earlier famous mark: it had acquired distinctiveness through use of another mark.

The Advocate General adds a cautionary note: "It appears unlikely that inessential elements, used separately, will develop the requisite distinctive character. The relevant consumers will as a rule not attribute to the proprietor of the composite mark goods and services designated by an inessential part of a mark."

Although it is not binding on the ECJ, the Court usually follows the Advocate General's opinion. A decision is likely before the end of the year.

On a side note, Nestlé has announced that HAVE A BREAK is itself having a break, in favour of a new slogan: MAKE THE MOST OF YOUR BREAK. Good advice indeed, but certainly not yet registrable!

“ It is unclear from the Advocate General's opinion whether a mark can acquire distinctive character without being used at all in the jurisdiction. ”

David Stone is a partner and solicitor advocate with Howrey Simon Arnold & White in London and recently spent 12 months on secondment as trade mark counsel for Western Europe for Coca-Cola. Calum Smyth is an associate with the firm.

Links:

The Advocate General's opinion:
[http://curia.eu.int/jurisp/cgi-bin/gettext.pl?lang=en&num=79951872C19030353&doc=T&ouvert=T&seance=CONCL&where=\(\)](http://curia.eu.int/jurisp/cgi-bin/gettext.pl?lang=en&num=79951872C19030353&doc=T&ouvert=T&seance=CONCL&where=())

The Hearing Officer's decision:
<http://www.patent.gov.uk/tm/legal/summaries/2002/o23202.htm>

WIPO procedure costs cannot be reimbursed

Egon Engin-Deniz, of CMS Strommer Reich-Rohrwig Karasek Hainz and chairman of the MARQUES Cyberspace Committee, analyses a recent ruling of the Austrian Supreme Court that found that WIPO arbitration costs cannot be recovered.

The plaintiff who was an Austrian legal entity was the owner of the trade mark DELIKOMAT. He was successful in recovering the domain delikomat.com at the WIPO Arbitration Mediation Centre, whose Administrative Panel decided that the domain name in question was confusingly similar to the complainants DELIKOMAT trade mark; the respondent had no legitimate interest in the domain and was using the domain in bad faith.

Accordingly, the domain name had been transferred to the complainant. The plaintiff then requested the defendant in Austria to reimburse the costs incurred during the procedure at the WIPO Arbitration and Mediation Centre.

The Austrian Supreme Court held that proceedings before the WIPO Arbitration and Mediation Centre are not arbitration proceedings within the meaning of the Austrian Civil Procedural Code, so that lawyers' fees are not a procedural claim which is excluded from a claim of damages (16th March 2004, 4 Ob 42/04m "delikomat.com"). Therefore costs incurred by WIPO proceedings must be reimbursed and may be claimed as damages in Austrian courts, provided that the Austrian courts have jurisdiction over the defendant.



Egon Engin-Deniz

Latest US developments explained

MARQUES US correspondent, Janet Satterthwaite of Venable LLP, discusses the US Supreme Court's recent trade mark decision, and outlines some other recent US developments of interest to members.

Several recent developments in the US will interest **MARQUES** members.

First, there was a recent Supreme Court case involving trade marks. Why is that in itself interesting? The US Supreme Court reviews decisions of all the federal circuit courts of appeals, which in turn review decisions of federal trial courts, known as district courts, and government agencies, such as the Trademark Trial and Appeal Board; the Court also reviews some types of cases out of the Supreme Courts of the various states. The US Supreme Court has two major functions. First, and what you read about most in the newspapers, is the interpretation of the US constitution on issues such as civil rights, government authority, or states' rights. The other important function, and the reason for which trade mark cases reach the Court, is to resolve conflicts in judge-made law as developed in the various federal circuits. There are 11 different geographical circuits as well as a specialised Federal Circuit, which hears patent cases, among other things. Except in rare circumstances, there is no right of appeal to the Supreme Court, so the Court decides which cases it wants to take.

About once every two years, the Court takes a trade mark case when the circuits

have developed conflicting interpretations of the law.

The Supreme Court's latest trade mark case

In the case of *KP Permanent Makeup Inc v Lasting Impressions, Inc*, the Court resolved a conflict among the circuits as to whether a defendant who asserts fair use as a defence in a trade mark infringement case must first disprove that there is any likelihood of confusion. In some circuits, proof of fair use was a conclusive defence, but in others, fair use was not a defence if there was nevertheless a likelihood of confusion. The reason this conflict developed, probably, is that the statute provides that the plaintiff must show likelihood of confusion, but the statute elsewhere later provides a fair use defence, without relating the two.

In the KP case, the plaintiff, Lasting Impressions, asserted a trade mark registration in the term "micro colours" for permanent makeup. The defendant asserted that its use of "microcolours" was merely to describe a feature of its product, and was thus protected fair use. This was an odd case because the defendant appears to have used the mark first, but that was not material.



Janet Satterthwaite

“ Although the defendant is not required to disprove likelihood of confusion, if there is confusion it might bear on whether there can be fair use defence. ”

Lasting Impressions apparently conceded that there may have been fair use, so the trial court granted summary judgment based on this defence. The Court of Appeals for the Ninth Circuit, which covers appeals from federal courts in California and several other western states, reversed because the trial court had not gone on to consider likelihood of confusion. As such, the Court of Appeals was putting the burden on the defendant to disprove likelihood of confusion before it could succeed on a fair use defence. This was inconsistent with precedent in other federal circuits. The Supreme Court reversed because likelihood of confusion is the plaintiff's burden to prove, and not the defendant's burden to disprove. As the Court put it, as penned by Justice Souter with his dry New England wit: "A defendant has no need of court's true belief when agnosticism will do."

Following its tendency to act in some cases like the *Delphic Oracle*, the Court made its decision ambiguous when it also noted that although the defendant is not required to



US Supreme Court

“ Google’s practice was not per se trade mark infringement because there was no evidence that there would be any likelihood of confusion. ”

disprove likelihood of confusion, if there is confusion it might bear on whether there can be fair use defence. On the other hand, the Court acknowledged that there can be a fair use defence even if there is some confusion.

The bottom line for practitioners may be that if fair use is pled as an affirmative defence, you may still have to litigate the merits of the likelihood of confusion issue before the Court can decide whether the defence applies.

The Google case

Other developments of interest to MARQUES members include the recent *Google v Geico* litigation, and fee increases as the USPTO (see box).

In the Google case, Geico (a US insurance company) sued Google for its practice of selling trade marks as “adwords” so that a search for a competitor’s trade marks can also bring up a sponsored link for the person who paid for the adword. The federal judge in the US District Court for the Eastern District of Virginia ruled orally from the bench on



summary judgment that this practice was not per se trade mark infringement because there was no evidence that there would be any likelihood of confusion.

The judge allowed the case to go forward on the issue of whether pop up ads that use Geico in their text violate trade mark law. The judge has not yet issued a written opinion.

There are probably numerous other cases pending against Google on this issue, both in the US and elsewhere, so this may not be the last word. Indeed, in January 2005, a French court ruled the other way, finding that Google’s sales of Hotel Chain Le Meridien’s trade marks as adwords did violate trade mark law.

Janet Satterthwaite is a partner in the Trademark Group of Venable LLP, Washington DC. She practises trade mark prosecution, litigation and licensing, and is head of the firm’s Domain Name and Cyberpiracy team. She is US correspondent for the MARQUES Newsletter, and is a member of the MARQUES Cyberspace Team.

Links:

Read US Supreme Court decisions here: <http://www.supremecourtus.gov/opinions/04slipopinion.html>

More information on the USPTO here: <http://www.uspto.gov/>

MARQUES members will want to know that the US Patent and Trademark Office has a new fee schedule in effect as of 31st January 2005. The fee schedule provides incentives to file trade mark applications electronically. The current fees are \$335 per class. The new fees are:

Initial Applications:

- (1) \$325 per international class if using the Trademark Electronic Application System (TEAS).
- (2) \$375 per international class if submitting paper.

Amendments or Responses to Office Actions (requiring addition of a class):

- (1) \$325 per additional international class when the fee is paid as part of a TEAS amendment or response.
- (2) \$375 per additional international class when the fee is paid as part of a paper amendment or response.



Trade mark law's adventures in wonderland

Jeremy Phillips and Ilanah Simon review recent European cases on non-traditional marks and examine why applications for such marks continue to be popular, despite the difficulty of obtaining registrations.

Every diligent trade mark lawyer has been on the edge of his or her seat for the past two of three years, carefully monitoring the European Court of Justice's judgments on the registrability of non-traditional trade marks. At last, following the cases on smells (*Sieckmann*), sounds (*Shieldmark v Kist*), colours (*Libertel; KWS Saat and Heidelberger Bauchemie*) and product shapes (*Philips; Linde*; the various detergent tablet cases and the Mag torch shape) and their packaging (the German long-necked bottle reference in *Henkel*) the principles are clear.

Why it's hard to register a non-traditional mark

In theory, absolutely nothing is barred from being registered as a trade mark as long as it is capable of being graphically represented (though this is not always an easy matter for non-traditional marks). In practice, however, consumers are thought to be less accustomed to seeing certain types of signs as conveying messages about origin. That is one of the main reasons why, on the evidence of decisions of the ECJ, CFI, OHIM and national registries, it seems to be very difficult to get non-traditional trade marks registered. The ECJ freely acknowledges this in the case of colours, where it has said in *KWS Saat* that it is "almost inconceivable" that colours will be distinctive without use. Yet non-traditional marks continue to dominate the discussion when it comes to trade mark registrability.



Jeremy Phillips



Ilanah Simon

How non-traditional marks have hijacked the trade mark law agenda

Despite the fact that everybody's talking about non-traditional trade marks, they make up a tiny proportion of applications at national and Community level. According to OHIM's statistics, non-traditional marks have made up a mere 1.05% of the total number of applications between 1996 and the end of 2004 and account for a trifling 0.63% of Community trade marks entered on the Register during that time.

Applications for non-traditional marks: a catalogue of failure

We are aware of the following recent decisions concerning non-traditional marks, many of which are available through the **MARQUES** case note database and a number of which have been or will be reported in full in future issues of the *European Trade Mark Reports*:

- *Institut pour la Protection de Fragrances* (application for a graphic representation of a fragrance failed before OHIM Board of Appeal for insufficiency of graphical representation).
- *Bongrain's Application* (shape of a cheese – application failed before the Court of Appeal for England and Wales for lack of distinctiveness).
- *Retro, 1951 Inc* (application for the shape of a pen failed for lack of distinctiveness before OHIM Board of Appeal).
- *Paul Reed Smith Guitars Ltd* (application for shape of a guitar failed for lack of distinctiveness before OHIM Board of Appeal).
- *Mars Inc v Asda* (shape of the BOUNTY chocolate bar failed before UK Trade Mark Registry for lack of distinctiveness and insufficient graphic representation).
- *MGM'S Application* (sonogram representing the roar of a lion failed before OHIM Board of Appeal for insufficiency of graphical representation).
- *Eli Lilly's Application* (taste of artificial strawberries rejected for lack of distinctive character by OHIM Board of Appeal).
- *Laboratoires France Parfume SA* (smell of ripe strawberry rejected for by OHIM Board of Appeal for insufficient graphic representation – this case has been appealed to the CFI).
- *Eurocermex* (shape of beer bottle containing yellow liquid and a slice of "green lemon" rejected by the CFI for lack of distinctiveness).
- *Werthers* (shape of WERTHERS ORIGINAL sweets and their wrapping rejected by CFI for lack of distinctiveness).
- *Lamborghini* (movement of a car door – application failed before OHIM Board of Appeal on functionality grounds).

“ *Non-traditional marks have made up a mere 1.05% of the total number of applications between 1996 and the end of 2004 and account for a trifling 0.63% of Community trade marks entered on the Register during that time.* ”

In fact, the most interesting and most talked about marks are those which are least likely to be applied for and least likely to be registered. Would-be trade mark owners have been allowed to hijack the trade mark agenda (perhaps unwittingly) merely by applying for marks which stand little or no chance of being found able to serve as trade marks. Is this just a harmless distraction from the real business of trade mark law? Probably, for as long as the registering authorities are prepared to take a tough line against unregistrable marks, and don't give in to the force of the steady stream of applications for "wacky marks". Even so, we wonder whether the time, resources and brainpower being devoted to non-traditional marks might be better invested in trade mark issues of more general application.

Acquired distinctiveness – a more valuable issue to focus on

Most of our comments have been addressed to the difficulty of getting non-traditional marks registered before they have been used, that is in showing that they have inherent distinctiveness. If a mark lacks inherent distinctiveness though, it is open to its would-be owner to show that it has acquired distinctiveness. Often the reason that the mark is considered to lack inherent

distinctiveness is that the "wacky mark" is not the type of sign that consumers will see as an indication of origin. Surely then it will also be difficult to show that consumers see the sign as a trade mark merely because they have been exposed to the sign through the product which bears it going on sale on the market? To make these sorts of marks registrable on the ground of acquired distinctiveness, the would-be proprietor will need to engage in a programme of education, teaching his consumers that the way to recognise goods or services as emanating from his business is through their colour, smell, shape etc. This begs the question, is it really worth going to the trouble and expense of educating consumers, merely in order to obtain a registrable trade mark? There can be two reasons for an affirmative answer to this question: (1) a trade mark registration is a valuable asset in itself and (2) obtaining a trade mark will confer a significant competitive advantage on the proprietor.

If it is the desire to obtain a significant competitive advantage that governs trade mark owners' decisions to educate consumers, a further issue must be addressed. If proprietors think their marks are giving them a significant advantage over their competitors, is it really fair to exclude their competitors from using the sign that has become the property of a single owner?

Following in particular the ECJ's judgment in *Windsurfing Chiemsee*, we are willing to recognise the needs of competitors when assessing the inherent descriptiveness of marks. Why, from the point of view of principle, do we not consider the needs of other competitors when considering acquired distinctiveness? There is a particularly strong argument for doing so when the proprietor himself has identified the sign in question as competitively important by investing in educating consumers about this characteristic of his goods or services. In fact, it can be argued that the needs of other competitors should be taken into account when it comes to assessing acquired

distinctiveness regarding both traditional and non-traditional trade marks. However, the fact that would-be proprietors have to go out of their way to educate consumers to recognise specific non-traditional trade marks as their badge of origin shows how important trade mark owners think specific examples of those types of signs are to their business and emphasises the competitive importance of those particular signs.

On the agenda

We started off discussing the role of non-traditional marks in European trade mark jurisprudence. Though non-traditional marks are superficially enticing, in practice they are of limited commercial and legal importance and have been given a place in the debate that is disproportionate to their true value. Nonetheless, they remain on the agenda thanks to the continued efforts of trade mark owners to get them on to trade mark registers throughout Europe and beyond. Trade mark lawyers' valuable time would be better spent discussing more fundamental issues of trade mark law. Ironically though, non-traditional marks highlight one of these fundamental issues: the importance of protecting the interests of all competitors in the market.

Jeremy Phillips and Ilanah Simon are members of the MARQUES Publication and Website Team and authors of the IPKat blog. Their book, Trade Mark Use, will soon be published by Oxford University Press.

Links

ECJ jurisprudence:
<http://www.curia.eu.int/en/content/juris/index.htm>

MARQUES case note database:
<http://www.marques.org/>

OHIM policy and cases:
<http://oami.eu.int/en/mark/aspects/default.htm>

New team to examine commercialisation

A new MARQUES team is being set up to look at the commercialisation of trade marks and other IP rights. The team will consider various issues related to intellectual asset management and extracting maximum value from IP rights, and how these can be put into practice by brand owners.

Some of the topics the team will address are:

- Getting IP out of the legal department and into the boardroom.
- Getting companies to see the value of their IP and prioritise it.
- Viewing trade marks as assets – which can be sold or licensed – and not as a cost to the company.

- How companies can develop an IP strategy.
- The importance of regular reviews of a company's brand portfolio.
- Valuation and accounting issues relating to brands.

The idea for the new team emerged at the Annual Conference in Rome last year. Team chair Ben Goodger, of Rouse & Co International, is now putting together members and would be interested in hearing from any MARQUES members, especially those working in industry, who would like to join.

For more information, contact Ben at bgoodger@iprights.com

Speedier court proceedings expected in Italy

The new Italian IP Code, approved definitively on 23rd December 2004 but not yet in force, greatly simplifies the procedures for obtaining or transferring IP rights. Above all, explains Fabrizio de Benedetti of Società Italiana Brevetti, it makes important changes to the rules for court proceedings, which should become much quicker.

The recently approved Italian Code of Industrial Property Rights repeals the existing national laws on patents and inventions, designs, trade marks, plant breeders' rights and semiconductor topographies, most of which dated back to between 1939 and 1942, as well as the later amending laws and decrees on industrial property matters issued up until 2003.

The new Code, drafted by a special Committee of the Italian Ministry of Productive Activities, will come into force 15 days after its publication in the Official Journal, which is expected early in 2005, except for the provisions concerning court proceedings, which will only enter into force six months later.

In substance, there have been no significant changes in the provisions on the protection of patents for inventions, utility models, designs, trade marks etc, as these must conform with several international conventions and European Community directives. However, there have been significant changes and additions concerning several points, such as inventions by employees and researchers, the legal value of claims in determining the scope of patent protection, the limits within which preparing patented drugs in a pharmacy is legitimate, the prohibitions against adopting a company domain name in conflict with third parties' trade marks or distinctive signs, the publication of models and designs registered according to Italian copyright law, the exemption from application of copyrights until 19th April 2011 to designs and models that were in the public domain on 19th April 2001.

Greater changes concern the provisions on filing and examination of applications. In particular, rules have been introduced to simplify the filing of applications pursuant to provisions of the Trade Mark Law Treaty and Patent Law Treaty, although these two conventions have not yet been ratified by

Italy. The trade mark opposition procedure, which the previous laws provided for, but was never applied, has been amended and better defined, but will only come into force after a further decree is issued. The procedure for recordal of deeds of assignment and transfer of intellectual property rights has also been streamlined.

The system for appeal against decisions of the Italian Patent and Trade Mark Office has been amended substantially and will work like a jurisdictional appeal. The procedure will be similar to the one used in appeals before administrative courts, and is therefore likely to be more complicated than the current one.

Changes in court actions

One fundamental change introduced concerns court actions. The competence of the specialised sections in 12 Italian courts (Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin, Trieste and Venice) is outlined more precisely and confirmed as far as intellectual property matters are concerned. These courts, although they are defined as Community trade mark and design courts within the meaning of Regulation (EC) No 40/94 of 20th December 1993 on the Community trade mark and Regulation No 6/2002 of 12th December 2001 on Community designs, will have competence not only for trade marks, patents, utility models, plant breeders' rights, models, designs and copyrights, but also for other industrial property rights as defined by the new Code, which are geographical indications, denominations of origin, semiconductor topographies, reserved company information and distinctive signs other than trade marks, which should include business and company names, signboards and company domain names.

Rules of procedure provided for by Law No 5/2003, which so far only applied to company and financial law, will also apply to all court proceedings concerning industrial



Fabrizio de Benedetti

property rights, including those involving the rights of inventors employed by companies, universities of public research organisations, as well as proceedings concerning intellectual property-related infringements of anti-trust or competition laws. These provisions are extremely innovative compared to the current Code of Civil Procedure.

During the first part of proceedings, parties will exchange statements within very short time limits, and during a second phase the court will intervene to attempt a settlement, decide on evidence to be produced by parties, or order a technical expert, especially when the conflict concerns the validity or infringement of a patent. This second phase should also take place in a much shorter time than the terms provided for by current rules, with the aim of concluding proceedings swiftly.

However, the new rules of procedure will be applicable only six months after entry into force of the new Industrial Property Code, and it remains to be seen whether the shorter terms introduced will prove inadequate for proceedings to progress correctly – as feared by some experts – in view of the complexity of the issues involved in assessing the validity or infringement of industrial property rights.

Criminal sanctions

Criminal sanctions for infringements of intellectual property rights have been stepped up and extended, and courts now have more leeway in assessing damage not only on the basis of lost profit, but also of profit made through infringement of rights, as well as of royalties due had a licence been granted.

Rules against piracy have been introduced, but are applicable only where there is

evidence of intent and of systematic infringement. Along the lines of Law No 350/2003, but with greater precision, the Code provides that the Ministry of Productive Activities, or mayors at a local level, will act against acts of piracy to seize counterfeit goods, which may be destroyed with a court's authorisation. The sphere of competence of the National Anti-Counterfeiting Committee, established by Law 350/2003, is also better defined.

The role and tasks of the Italian Patent and Trade Mark Office and of the Ministry of Productive Activities have also been outlined more precisely, and include competence for granting fees applicable to industrial property

rights and terms of payment. Lastly, pending patents, models, designs, trade marks, recordals, etc will be examined under, and subjected to, the new Code's provisions.

© Società Italiana Brevetti 2005. Fabrizio de Benedetti is Senior Partner of Società Italiana Brevetti, and holds a degree in economics and is an Italian and Community Trade Mark Attorney as well as an Italian and European Patent Attorney. He regularly counsels the Italian Government on matters regarding intellectual property law, and is a member of the special Committee that drafted the recently approved Code of Industrial Property Rights.

“ Courts now have more leeway in assessing damage not only on the base of lost profit, but also of profit made through infringement of rights, as well as of royalties due had a licence been granted. ”

Introducing: The **MARQUES** Cyberspace Team – Part 2

Continuing our series of introductions to the people behind the **MARQUES** Project Teams

Following on from last month's profiles, we meet the remaining members of the **MARQUES** Cyberspace Team. The team examines issues such as domain names, privacy, patents, business methods, file sharing, trade marks and unfair competition.



Mary Bagnall

Mary Bagnall is a partner in Mayer, Brown, Rowe & Maw LLP in London. She has extensive experience in intellectual property matters, particularly brand protection, enforcement and exploitation, and issues arising from advertising and the internet, in both contentious and non-contentious matters. She has been involved in a variety of significant intellectual property disputes including successful proceedings to prevent infringement of a colour mark, and in various internet and domain name disputes. She regularly works with substantial brand owners in the effective management of their brands.



Joachim Hofmann

Joachim Hofmann is Senior Trade Mark Specialist/Group Head with Syngenta (Basel, Switzerland). He holds a J D degree from the University of Heidelberg, Germany, a LL M degree from the University of Miami, USA and a Ph D from the University of Mannheim, Germany. He took his Second State/Bar Exam with the Court of Appeals Mannheim and is admitted as a lawyer in Germany. Before the merger of the agro departments of Novartis and AstraZeneca to form Syngenta, Joachim worked for Novartis, BASF and several law firms. Joachim handles international trade mark, domain name and counterfeiting matters. He is married and lives in Lörrach (Germany) with his wife and three children. In his free time he enjoys all kinds of outdoor sports and reading.



Raffaella Barbuto

Raffaella Barbuto graduated from the School of Law of Turin University completing a thesis on Criminal Commercial Law. She started her career at a civil and commercial law firm. In 1996 she moved to a larger Italian law firm, where she specialised in trade mark matters. She joined Studio Torta in 2001, where she became an associate in January 2003. She is a registered Italian Trade Mark Attorney, a Community Trade Mark and Design Attorney, a member of Collegio Italiano dei Consulenti in Proprietà Industriale, LES-Italy, ECTA and AIPPI and is the author of numerous articles in the field of industrial property. She also lectures on trade mark protection issues at conferences, seminars and round tables. At Studio Torta's Milan office, she handles the search, filing and prosecution of Italian, Community and foreign trade marks and proceedings and contracts concerning industrial property matters of Italian and foreign clients.



Janet Satterthwaite

Janet Satterthwaite is a partner in the trade mark group of Venable LLP in Washington DC. She handles trade mark prosecution, litigation, counselling, and licensing, and also specialises in worldwide domain name dispute and registration strategies and internet fraud. She is head of the firm's domain name and cyberspace team. She studied at the University of Virginia, Cambridge University and Yale University, and is admitted to the bar in Virginia, Washington and the District of Columbia. She has written a number of articles.



Philippe Claude

After a Law degree at the University of Geneva, Philippe Claude was admitted to the Geneva bar. He then took a Masters Degree in Intellectual Property in Alicante (Spain). He joined Nestlé in 1999 as Trade Mark Adviser and worked for various Strategic Business Units and developed and implemented a domain name management policy for the whole Nestlé Group. He has been dealing with domain name management and internet litigation since that date.



Tony Willoughby

Tony Willoughby has been a partner of Willoughby & Partners in London since 1994. Prior to that, he was a partner of Herbert Smith for 17 years. He specialises in trade marks, passing off, copyright and confidential information work, and has particular experience of parallel imports/grey market and anti-counterfeiting litigation, and the Anton Piller Order and Mareva Injunction. Tony has acted in leading reported IP cases and is an arbitrator for the WIPO ICANN and Nominet UK domain name dispute resolution process. He has also recently been appointed Chairman of Experts for Nominet UK.

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 or proposed changes to the laws of practice within their jurisdiction. We are conscious that English is not the first language of every member but the Editor will be

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 is YOUR Newsletter and gives you an opportunity to communicate with all **MARQUES** members. Please send any contribution to: editor@marques.org

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

The Council 2004/05

Full details of the Chairman and member of each active and formative **MARQUES** Project Team can be found at: www.marques.org/teams

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

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