

Harmony or fallacy

An International litigation comparison

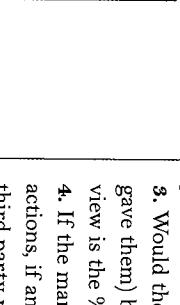
Richard Kempner and **Brian Clayton** (respectively Head of IP and Head of Trademarks at UK law firm Addleshaw Goddard) reveal the findings of their report into the reality of internationally harmonised IP laws

- Intellectual property laws and procedures around the world are becoming ever more harmonised
- But are the laws and procedures within the EU as harmonised, as we may like to think?
- Just how harmonised are those laws and procedures between jurisdictions around the world?
- The way in which the laws are applied and the costs incurred in doing so can make a huge difference to the outcome of a matter from one country to another.

AUTHORS

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Intellectual property laws and procedures around the world are becoming ever more harmonised. Nowhere is this more apparent than in the European Union where many could be forgiven for thinking that, particularly in the trademark field, law and procedures are uniform across the continent.

Those of us who practice in the EU know that this view is a fallacy and that the way in which the laws are applied – and the costs incurred in doing so – can make a huge difference to the outcome of a matter from one country to another. This applies both in relation to the basics of obtaining a registration for a mark and also to taking action to defend your rights under a mark. So, if the laws and procedures within the EU are perhaps not as harmonised as we may like to think, just how harmonised are those laws and procedures between jurisdictions around the world?

In order to test this, we took a fictional "borderline" registrable trademark and asked our friends and colleagues in a number of key jurisdictions around the world, including within the EU, for their views on five specific questions surrounding the registrability, potential infringement and processes for taking action in their country.

The territories we looked at were Australia, China, India, Germany, Italy, UK (including the CTM), United States, Brazil and Pakistan. We felt that these territories gave a good geographical spread and contained a good mix of developed and developing countries both in economic terms and in terms of their trademark laws and practices. For each territory we asked:

1. Would the mark be likely to be registrable in your country and if so, under what conditions?
2. If it is not registrable what, if any, other protection would be available to it?
3. Would the third party mark (which we gave them) be an infringement – what in your view is the % likelihood of this?
4. If the mark is not registrable what actions, if any, would be available against the third party mark?

5. What are the procedural steps required for the infringement action and/or other available actions including the venue for the proceedings, timescales involved, likely costs, remedies available and possibility of appeal, etc?

The mark we chose was one which, as already explained, we knew was likely to be borderline for protection in at least some of the countries polled. We chose the slogan mark "LIKE HAVING YOUR OWN PRIVATE CAR COMPANY" used in relation to "vehicle design, construction, repair and maintenance services". The potentially infringing third party mark chosen was "LIKE HAVING YOUR OWN PRIVATE BOAT COMPANY" used in relation to the design and customisation of boats.

The (abbreviated) responses received for each territory are set out in tabular form. We have split the results into two – one for protection and infringement issues and one for the steps, costs, venues, etc. For Table 1 we have ordered the countries starting with the one offering the highest likelihood of registration and a successful infringement action whilst for Table 2 they are in order of costs, highest to lowest.

The responses show a wide range of answers to these questions, some of them expected but others perhaps quite surprising. With regard to basic registrability the majority of countries are unlikely to allow registration of this mark in the first instance but may well do so following extensive use resulting in an acquired reputation. Perhaps one of the first surprises here is the number of territories where this possibility – generally the preserve of the common law countries – is possible. None of the territories polled categorically refuse registration and more and more seem willing to accept the premise of "acquired distinctiveness" meaning that owners of less distinctive marks may not be so limited in the protection available to them – at least eventually.

On the question of other protections available – from day one – there is more

TABLE 1: REGISTRABILITY AND LIKELIHOOD OF INFRINGEMENT

COUNTRY	REGISTRABILITY	OTHER PROTECTION AVAILABLE	POTENTIAL INFRINGEMENT	OTHER ACTIONS AVAILABLE
PAKISTAN	Registrable subject to a disclaimer of each individual word used separately.	Common law action for passing off available if the mark has been used.	Highly likely to be viewed as an infringement – 60%+ chance of success.	If not registered then an action for passing off – provided there has been use of the mark sufficient to support such a claim – and for Unfair Competition could be brought
BRAZIL	Not strictly registrable under Brazilian IP Law but the majority of appeals against refusal of slogan marks have been accepted. Registrability likely to depend on the manner of use of the mark.	Protection for slogans can be better obtained through unfair competition law, copyright law and consumer protection law.	There is a high likelihood of success in an infringement action if the mark is registrable.	Use of the 3rd party slogan is likely to be an infringement of our client's copyright in an original phrase but success under unfair competition or consumer protection legislation depends on being able to show consumer confusion.
USA	Yes, subject to prior rights.	Common law trademark rights and/or statutory and common law doctrines of unfair competition.	Low chance of successful infringement claim – dependent on degree of consumer recognition of our mark. If high recognition then perhaps 75% chance of success based on trademark dilution but if low recognition then likely to be only 25% chance.	Actions for common law trademark infringement or statutory/common law unfair competition may be available but success would depend on level of consumer recognition and degree of association of the mark with the client.
GERMANY	Yes – more than 50% likelihood of registrability.	No other avenues for protection available. Insufficient creativity for protection via copyright; only likely to receive protection via the Unfair Competition Act if the 3rd party incorporates a special unfair element such as an exploitation of a reputation.	Low chance of success unless the mark has a reputation in Germany.	No other actions available unless falls within the ambit of the Unfair Competition Act.
UK/CTM	As the mark is essentially a slogan, it would not be registrable in the UK without evidence of acquired distinctiveness. The mark may prove to be easier to register as a CTM.	In the UK, unregistered rights will accrue through use. A passing off action would be available, if the proprietor can demonstrate that it has actionable goodwill in the mark. EU – no Community wide doctrine of unregistered trade mark protection.	Being a weak mark, an infringement action for both a UK/CTM would be unlikely to succeed unless the claimant can demonstrate reputation and evidence of actual confusion.	In the UK, a passing off action would be available, if the proprietor can demonstrate that it has actionable goodwill in the mark, that a misrepresentation has occurred (or is likely to occur) and that damage has, or is likely, to occur.
INDIA	Not registrable as too descriptive. Can be overcome through proof of acquired distinctiveness through use, either within India or worldwide, prior registrations, etc. Ability to show high degree of reputation will also assist in obtaining registration.	Common law rights for passing off can be acquired through extensive use of the mark.	If registered then the use suggested would be likely to constitute an infringement. Likelihood of success would depend on the reputation our mark has acquired and the use which has been made of it.	If the mark is not registered then an action for passing off would be available provided the use made of the mark had resulted in sufficient goodwill and reputation accruing to the mark.
ITALY	Registrable as a "weak" trademark – protectable only against identical and nearly identical marks.	Even if registrable protectable also as an "advertising message" under Article 13 of the regulation issued by the Institute for the Self-Regulation of Advertisement or under the Unfair Competition Act.	Weak nature of the mark means chances of success in infringement action are low – only around 10% or so. Chances improved if the mark has a strong reputation through use in Italy.	Action via Article 13 of the Advertisement Regulation or under the Unfair Competition Act. The former could lead to a prohibition on the use of the offending slogan in all communication and advertisement conveyed by media making use of the slogan extremely difficult. Action via Unfair Competition Act would be very difficult and likely to be no more effective than an infringement action.
AUSTRALIA	Possibly but may need use in support plus limit to services for "cars" rather than "vehicles".	Use could lead to common law rights for passing off being achieved and/or statutory remedies for misleading and deceptive conduct.	If our mark was registered the possibility of a successful infringement action would be no better than 50%.	If unregistered then actions for passing off or misleading and deceptive conduct would be possible provided the mark had been used sufficiently to establish a reputation.
CHINA	No since contains a descriptive feature of the services. May be addressed through extensive use resulting in an acquired distinctive character.	No other means of protection available.	Low chance of success since unlikely to be registrable.	No other course of action realistically available.

