



# Marks with reputation and what is needed to prove it – The state of the law after the ECJ decisions

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Focus on well known marks according to  
Art. 6*bis* of the Paris Convention

# Issues to be discussed

- Reasons to give marks extended protection, i.e. provide exceptions to the principles of
  - territoriality ('well-known' marks properly so called: Art 6bis Paris Convention) and
  - specialty (TRIPS, European Directive)
- Focus on Paris Convention 'well known' marks, but considering differences with marks with reputation
  - in terminology
  - in law
- What a well known mark is and how to prove it – with ECJ case law

# Why give extended protection?

L'Oréal, ECJ C-487/07, par. 63: in addition to the essential function of indication of origin, a mark has functions such as:

- communication , investment , advertising

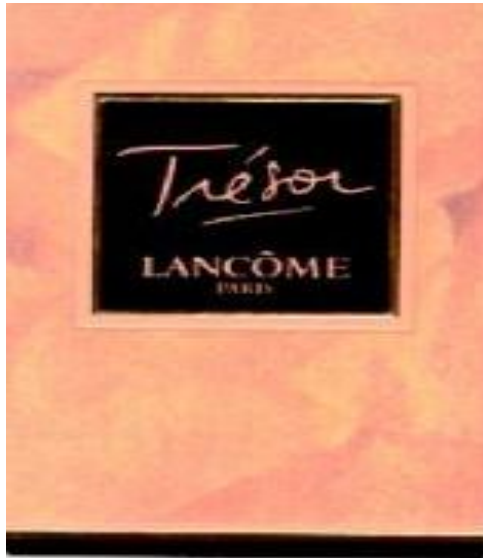
SIGNA SA (VIPS), CFI T-215/03, par. 35: A mark is:

“a means of conveying messages concerning ...the qualities or particular characteristics of the goods or services ... or the images and feelings which it conveys, such as, for example, luxury, lifestyle, exclusivity, adventure, youth.”

“...the mark has an **inherent economic value** which is **independent of and separate from** that of the goods and services for which it is registered... The messages confer on that mark **a significant value** which deserves protection, particularly because, in most cases, the reputation of a mark is the result of **considerable effort and investment** on the part of its proprietor.

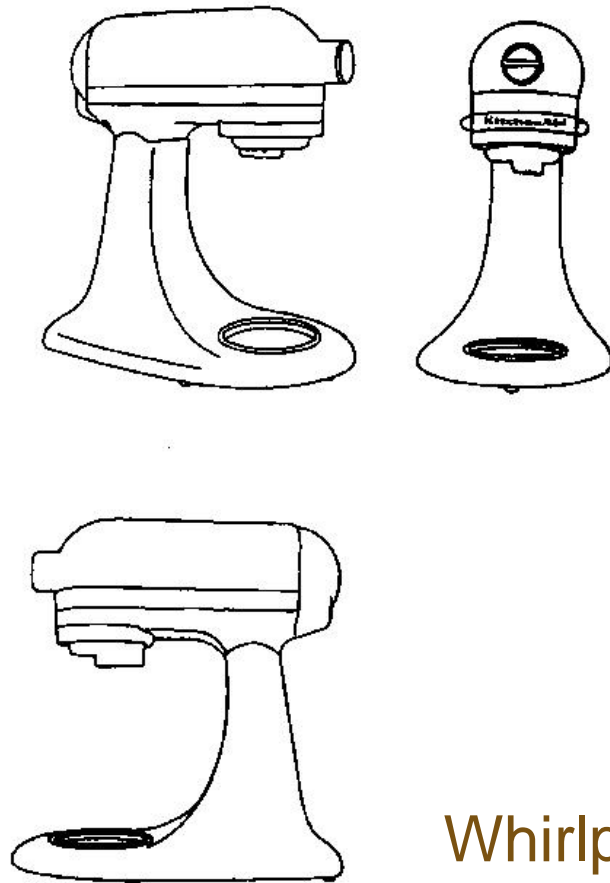
These ‘secondary’ functions are the particular object of extended protection

# Unfair advantage



Case C-487/07 L'Oréal SA v Bellure NV. Benefit to non-competitor's sign and not detriment to earlier mark - "riding on the coat-tails of the mark with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark"

# Unfair advantage?



Whirlpool v Kenwood CA [2010] ETMR 7

# Dilution

CTM002870111, classes 32,33

**Red Dog**

CTM005225611 classes 32,33...

**Red Bull**

Cancellation Division: “There is a conceptual link between the marks, since they refer to red coloured four-legged mammals, namely an ‘uncastrated male bovine’ and a ‘common four-legged animal’, especially kept by people as a pet or to hunt or guard things”

# ‘Change in economic behaviour’

- BoA: Case R 70/2009 (Red Dog)/Red Bull 11 Jan 2010  
It is likely that the average consumers of the RED BULL beverages perceives that the RED DOG beverage is a **cheaper replica** and at least a portion of the relevant public would accept to **trade down** and buy the cheaper version instead of the ‘original’ product. This would no doubt represent a ‘**change in the economic behaviour**’. That change would, of course, **reduce the appeal, exclusivity and lustre** – in other words, the **strong distinctive character** – of the earlier mark
- BoA: Case R 821/2005-1 CITIBANK/(CITYGATE)  
30 April 2009  
NOT ‘change in spending habits’ or ‘an imminent danger of lost sales’ but ‘a probability of damage to the mark’s advertising function as a vehicle for building up and retaining brand loyalty’

# Classic tarnishment



Lucas-Bols v Colgate-Palmolive (Benelux Court of Justice)  
Claeryn for gin/Klarein for detergent

# Tarnishment



US Court case Coca-Cola Co v Gemini Rising Inc

# 'Time-limited' endorsement



- Our watches are so accurate that you can time your affairs exactly and still be on time for supper with your wife
- IPKat winner: "There's always time to play a round..."  
(Alex Freelove, Herbert Smith)



Terminology – a bit of a muddle?

# Interchangeable terms?

- Famous
- Well known
- Notorious
- Having reputation
- Highly reputed
- Highly renowned
- Exceptionally well known

# Famous v Well known

- Dictionary meanings interchangeable
- US Lanham Act s.43(as amended): Famous mark is ““a mark [which]..is widely recognized by the *general consuming* public of the United States as a designation of source of the goods or services of the mark’s owner.”
- No mention in Convention nor TRIPS
- Different from ‘mere’ well known: WIPO Memorandum

# Well known v Reputation

- “...has a reputation” – Directive Art 5(2)
- “...well known” – Directive Art. 4(2)(d)
- No mention of ‘reputation’ in Paris Convention nor TRIPS
- Linguistic nuance or nuisance?
- Are DIFFERENT during discussions for ECJ Case C-375/97 GENERAL MOTORS, Nov 1998
- ECJ Case C-328/06 FINCAS TARROGONA, Nov 2007: ‘kindred concept’ (par.17)
- ECJ Case C-487/07 AG Opinion L’ORÉAL, Feb 2009: in English, French, German - terms interchangeable

# Linguistic comparison

- Convention language, and Art 4(2)(d) ('well known'): **'notoirement connues' (FR); 'notorisch bekannt' (DE); 'notoriamente conosciuti' (IT)**
- Directive Art 5(2) ('has a reputation'): **'jouit d'une renommée' (FR); 'bekannt' (DE); gode di notorietà (IT)**
- AG L'Oréal in regard to Art 5(2) ('well known'): **'notoirement connues' (FR); 'notorisch bekannten' (DE); 'che godono di notorietà' or 'marchio notorio' (IT)**



# Paris Convention and TRIPS

# Paris Convention Article 6bis

“The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use **to be well known** in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation”

# What Article 6bis says/doesn't say

- No definition of or guidance on what *constitutes* a well known mark
- Effect is to control trade mark piracy with injunctive relief, but not damages
- For confusingly similar marks/similar goods
- For goods only, not services (Articles 6sexies, introduced in 1958, invites the signatory States to protect service marks but does not mandate this)
- Does not protect against non-competing goods
- Requiring use? Does not state it is a prerequisite

# Purpose

- For UNREGISTERED marks
- An exception to the principle of territoriality
- *“the intention [of the provision] is clearly to discourage unfair practices made attractive by the reputation of the mark, so as to ensure that third parties are not able to appropriate it by registering or using it in a country where it is not yet protected, the result of which would be to prevent the proprietor from having access to the market in question or to make him feel that he should pay for the trade mark right to be transferred to him.”*  
AG Mengozzi FINCAS TARRAGONA, par 30

# Plus ça change

“It is not infrequent that traders or even other persons file applications for the registration of well-known foreign marks in order to obtain property therein and prevent the true owner of the mark to use it in the country in question or to make it expensive for him to obtain the right to use it.”

*(Economic and financial committee of the League of Nations on measures for effective protection against unfair competition, 1924)*



TRIPS

# WTO Agreement (TRIPS)

## Article 16

1...

*2. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.*

*3. Article 6bis of the Paris Convention (1967) shall apply, mutatis mutandis, to goods or services which are not similar to those in respect of which a trademark is **registered**, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the **registered** trademark and provided that the interests of the owner of the registered **trademark** are likely to be damaged by such use.*

# TRIPS (1994) Art 16(2)

- Extends protection to *services*
- Provides some guidance on what constitutes a well known mark – “*relevant sector of the public*” (i.e. not general public like in US law for a famous mark)
- Focuses on marketing (‘promotion’) not use

# TRIPS (1994) Art 16(3)

- Introduces protection for dissimilar goods, thus breaking with the principle of specialty on the (cumulative) condition that:
  - there is a ‘connection’
  - there is damage to the ‘interests of the owner’

BUT – only for ‘registered’ well known marks

Originally it was proposed that UNREGISTERED marks also be included

# TRIPS and the Paris Convention

- Welcome new protection for brand owners in jurisdictions where there is no anti-dilution protection in their national legislation for trade marks (registered)
- Does not alter in any way Article 6bis – this is not an amendment
- Minimum requirement only for well known marks – now somewhat ‘divorced’ from original Art 6bis (hence “mutatis mutandis”)



# European Directive

# Well known mark as 'earlier trade mark'

Article 4 (2)(d) 'Earlier trade marks' ... means:

“trade marks which..., are **well known** in a Member State, **in the sense in which the words 'well known' are used in Article 6 bis of the Paris Convention**”

Cf. CTMR 8(2)(c); UK TMA **6 (1)(c)**

An unregistered well known mark that may not have goodwill in the country of protection (e.g. UK) can be an earlier mark for opposition/cancellation actions for identical/similar goods/services. Cf. TOSCA T-150/04, par. 51-53

# ECJ case law

- *C-375/07 General Motors – [mark having reputation] must be known by a significant part of the public (in a Member State) Par 27: “In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it”. By Analogy applied to well known marks too*
- *C-328/06 Nuño v Franquet (FINCAS TARRAGONA): “well known throughout the territory of the Member State of registration or in a substantial part of it”*
- *C-301/07 Pago v Tirolmilch - Reputation must be in a substantial part of the territory of the Community. May be satisfied where only known in one Member State*

*[Also all that is necessary for a ‘well known mark’ to qualify as an earlier mark for the purposes of extended protection over non-competing goods under the CTM system]*

# 'Well known mark' and services

- Paris Convention gave discretion to member states to extend scope of protection to service marks (cf. Art 6*sexies*)
- Community legislature intended to exercise that power of discretion and to extend to service marks the protection granted to trade marks for goods under the Paris Convention.  
AMERICAN CLOTHING ECJ joined cases C-202/08P and C-208/08P (in considering Art 6*ter*)
- Cf. Art 4(2)(d) – '*earlier trade mark*' in relation to Art 4(1)(a) & (b)

# Directive Article 5(2)

- For registered marks in EC legislation (as a minimum): cf TOSCA par. 55-57  
par. 55: "It follows from Article 8(5) of Regulation No 40/94 which uses the expression 'for which the earlier trade mark is registered', that this provision only applies to earlier marks within the meaning of Article 8(2) of that regulation in **so far as they have been registered**"  
  
par. 56: "Consequently .... Article 8(5) of Regulation No 40/94 protects, in relation to goods or services which are not similar, only those well-known marks within the meaning of Article 6 bis of the Paris Convention for which proof of registration has been provided."

Contrast this with UK legislation



Well known marks in UK law

# Summary of law in UK TMA (1994)

s. 6. (1) *In this Act an “earlier trade mark” means –*

...

*(c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention or the WTO agreement as a **well known trade mark**.*

s. 55. (1) *In this Act-*

*(b) a “Convention country” means a country, **other than the United Kingdom**, which is a party to that Convention or **to that Agreement**.*

Cf. CUTTY SARK BL O/281/01: s.56 does NOT apply to UK businesses;  
WADLOW, 3<sup>rd</sup> Edition par. 2-11.

s.56(1): No business or goodwill required

s.56 (2): *“entitled to restrain by **injunction** the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause **confusion**.”*

# Protection of well known marks in the UK

- Well known mark to be given protection to the extent that it qualifies as 'an earlier trade mark' in the TMA NOT according to what Art 6bis says or Article 16(2) or (3) of TRIPS - Richard Arnold QC, *Le Mans Autoparts Ltd's Trade Mark Application* (O/012/05)
- Well known marks (unregistered) ALSO have the protection of s.5(3) – equivalent of [but not identical to] Art 5(2) of the Directive

# CIPRIANI – Court of Appeal

- Cipriani SRL & Ors v Cipriani (Grosvenor Street) Ltd & Ors [2010] EWCA Civ 110 (24 February 2010)
- Approved but did not further comment on the appealed decision regarding the application of s.56 of the TMA (1994) in the High Court. Criteria of WIPO indirectly approved

*Restaurant now in administration. Damages awarded in the £millions [CTM infringement also made out]*



# WIPO Joint Recommendations

# What is a well known mark?

- Need for legal certainty
- WIPO produced a set of six guidelines – factors for consideration:
  - Degree of recognition
  - Duration, extent and geographical area of use
  - Duration, extent and geographical area of promotion
  - Duration and geographical area of registrations
  - Record of successful enforcement
  - Value associated with mark

# WIPO

Not preconditions:

*“In some cases all of the factors may be relevant.  
In other cases some of the factors may be relevant.  
In still other cases none of the factors may be relevant,  
and the decision may be based on additional factors that  
are not listed...  
Such additional factors may be relevant alone, or in  
combination with one or more of the factors listed...  
above..”*

# WIPO

Great flexibility:

“A Member State may determine that a mark is a well-known mark, *even* if the mark is not well known”  
(2d)

Conclusion:

A well known mark is whatever you want it to be... (?)

# Registers of well known marks

- Proposal for international register
- Several countries have their own registers
- INTA Request for Action 2005 – guidelines on criteria for inclusion
- Mixed views from brand owners

# WIPO guidelines in the UK

- Criteria for well known mark:

WIPO guidelines followed in *Le Mans Autoparts Ltd's Trade Mark Application* (O/012/050) and

*Hotel Cipriani SRL v Cipriani (Grosvenor Street) Limited [2008] EWHC 3032 (Ch), 9 December 2008.*

*Indirectly approved by the Court of Appeal*



Examples

# ...in Brazil

- CICA
- KIBOB
- AYMORÉ NINHO PREDIGÃO
- ITAPEMIRIM
- ELMA-CHIPS
- PETROBRAS
- BLACK PEARLS

# ...in Korea

- JEEP corporation were unsuccessful in their action to invalidate defendant's JEEP CASUAL registration for clothing
- JEEP was not recognised as a well known mark with protection under the Paris Convention or TRIPS or under national law
- Korean Supreme Court ruled that the term JEEP was a generic word understood by the majority of the public to mean 'a small box-type automobile'

# ...pretty much everywhere



EMPORIO ARMANI



The Hilton Family



REMINGTON



# Thank you

Thank you!

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