

# Trademarks

*Contributing editor*  
**Claus Eckhardt**



2017

GETTING THE  
DEAL THROUGH 

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DEAL THROUGH 

# Trademarks 2017

*Contributing editor*

**Claus Eckhardt**

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# Preface

## Trademarks 2017

### Thirteenth edition

**Getting the Deal Through** is delighted to publish the thirteenth edition of *Trademarks*, which is available in print, as an e-book and online at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

**Getting the Deal Through** provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique **Getting the Deal Through** format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Costa Rica, France, Nigeria and Spain.

**Getting the Deal Through** titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at [www.gettingthedealthrough.com](http://www.gettingthedealthrough.com).

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

**Getting the Deal Through** gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. **Getting the Deal Through** would like to extend special thanks to the contributing editor Claus Eckhardt of Bardehle Pagenberg Partnerschaft mbB for his assistance with this edition, and Kenyon & Kenyon LLP, who contributed the original format from which the current questionnaire has been derived and who helped to shape the publication to date.

GETTING THE  
DEAL THROUGH 

London  
September 2016

# Angola

Márcia Gonçalves

Raul César Ferreira (Herd) SA

## 1 Ownership of marks

### Who may apply?

Any person (individual, firm or body corporate) that has a legitimate interest may apply for the registration of a mark. Foreign nationals may apply for registration provided that a proof of their activity in their home country is produced upon filing the application in Angola. This proof may consist of a certificate of incorporation of the applicant or extract from the Commercial Register.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The law defines a trademark as any visible sign used to distinguish the products or services of one person from the products or services of another person. The following may be a mark: surname, geographical name, 'fancy words', monograms, emblems, figures, digits, labels, combinations of colours, drawings, photographs, stamps and in general, all material visible signs.

The following are not registrable:

- marks containing false indications or being likely to deceive the public with regard to the nature, characteristics, or utility of the products or services for which the mark is to be used;
- marks containing false indications as to the geographical, manufacturing plant, workshop, or business origin of the goods or services concerned;
- insignia, flags, coats of arms, or official seals adopted by the state, an international organisation, or any other public body whether national or foreign, without the consent of the competent authorities;
- firm names, business names, or insignia not owned by the applicant for registration or the use of which the applicant is not authorised;
- marks being an entire or partial reproduction or imitation of a mark previously registered in the name of another party for the same or similar goods or services, if this may lead to confusion or error in the market;
- expressions and designs that are contrary to good morals, law, or public policy; and
- the name or portrait of a person without such person's consent.

## 3 Common law trademarks

### Can trademark rights be established without registration?

A provisional protection is given to the trademark application. The total protection is given as from the grant of the trademark registration. Thus, the trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

It usually takes from four to six months to obtain the publication of the trademark application. Owing to the lack of human and technical resources, the administrative procedure of the Angolan National Institute of Industrial Property (PTMO) takes more time than usual. Hence, if no opposition is filed against the trademark application, it currently takes a few years to obtain registration of a trademark.

The requirements and related documents for the filing of a trademark application in Angola are as follows:

- applicant's full name, nationality, occupation, address or place of business;
- copy of the mark (in the case of a device mark);
- certified copy of the home application, if a priority is claimed;
- list of products and services;
- power of attorney signed by the applicant and legalised by an Angolan consulate; and
- an extract from the commercial registry of the applicant to demonstrate the activity of the company, duly legalised by an Angolan consulate.

All documents must be translated into Portuguese and the related translation must also be legalised by the Angolan Consulate located in the country of the applicant.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The applicable classification is the 10th edition of the International Classification of Goods and Services under the Nice Agreement.

In Angola there is no multi-class registration system. Therefore an application should be filed for each class of products and services.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Applications are examined only as to compliance with the formal requirements. There is no examination for potential conflicts with other trademarks.

It is possible to file an appeal against a decision granted by the Angolan PTMO.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Only registered trademarks are obliged to be used. The Angolan IP law does not foresee that before the registration there is obligation to use the trademarks.

The registration of a mark may be cancelled if the mark is not used and there are no legitimate reasons for the non-use. At present, the law does not specify the period of time of non-use of the mark that may lead to cancellation.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

There is a judicial appeal for the decision of the PTMO that determines the refusal of a trademark. The IP Code does not specify the deadline for this judicial proceeding.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

When a trademark application is published in the Industrial Property Official Bulletin, a third party may file an opposition against said trademark application.

The opposition or the cancellation of a trademark can be requested in the following circumstances:

- marks containing false indications or being apt to deceive the public with regard to the nature, characteristics, or utility of the products or services for which the mark is to be used;
- marks containing false indications as to the geographical, manufacturing plant, workshop, or business origin of the goods or services concerned;
- insignia, flags, coats of arms, or official seals adopted by the state, an international organisation, or any other public body whether national or foreign, without the consent of the competent authorities;
- firm names, business names, or insignia not owned by the applicant for registration or the use of which the applicant is not authorised;
- marks being an entire or partial reproduction or imitation of a mark previously registered in the name of another party for the same or similar goods or services, if this may lead to confusion or error in the market;
- expressions and designs that are contrary to good morals, law, or public policy; and
- the name or portrait of a person without such person's consent.

A brand owner that does not yet have its trademark protected in Angola cannot oppose a bad-faith application.

Costs associated with a third-party opposition or cancellation proceeding are given upon request.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The duration of registration of a trademark is 10 years from the application date and is indefinitely renewable for further 10-year periods.

The registration of a mark may be cancelled if the mark is not used and there are no legitimate excuses for the non-use. At present, the law does not specify the period of time of non-use of the mark that may lead to cancellation.

The evidence of use can be, for example, original or certified copies of invoices proving the use of the products of said trademarks in Angola, booklets and pamphlets distributed in this country, local publicity, etc.

## 11 The benefits of registration

**What are the benefits of registration?**

Only registration confers exclusive rights to a mark.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

The following acts done without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Angola of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Angola of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

Not considered as infringement is use of a protected mark for goods that have been brought into the trade under the mark by the owner or with his or her consent in Angola, unless there are legitimate grounds that justify that the owner of the mark opposes the further commercialisation of the goods, in particular if the condition of the goods has been altered or deteriorated after they were brought into the trade.

The following acts done by a person with the intention to cause damages or to obtain illegal benefit shall be deemed a criminal offence punishable by imprisonment of up to three months or a fine:

- entirely or partially counterfeiting or in any way reproducing a registered mark without the consent of its owner;
- imitating a registered mark, either entirely or in any of its characteristic elements;
- using counterfeit or imitated marks;
- using, infringing or imitating a well-known mark or a highly renowned mark whose registration has been applied for in Angola;
- displaying on his or her products a registered mark belonging to another party; and
- using his or her own registered mark on products belonging to other parties in such way as to deceive the customer with regard to the origin of the products.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The holder of the written registration agreement can grant a partial or total licence to operate in parts of or throughout the country.

All the licence agreement should provide for is effective control by the licensor of the quality of products or services of the licensee in respect of which the mark is used, under penalty of nullity.

The licensee, unless otherwise stated in the licence agreement, enjoys all the powers assigned to the holder of the trademark registration.

The right arising from the operating licence can not be alienated without express written permission of the owner of the trademark registration, unless otherwise established in the licence agreement.



Recordation is a prerequisite at the time that licensees exercise their rights against third parties.

Notarisation and legalisation at the Angolan consulate of the country of origin of the applicant is also required.

### 13 Assignment

#### What can be assigned?

A registered mark may be assigned with or without the goodwill of the business. An assignment must be registered in order to be effective against third parties.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

The requirements for registration of an assignment are the following:

- deed of assignment in Portuguese, signed by the assignor and the assignee, and notarised and legalised by the consul of Angola; and
- power of attorney in Portuguese, signed by the assignee and notarised and legalised by the consul of Angola.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

The recordal of the assignment is required in order to be valid.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

The IP Law of Angola does not establish the procedures of the recordal of the security interests. However, the PTMO recognises them and they must be legalised by the Angolan consulate. They must be recorded for purposes of its validity in Angola.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is not compulsory. Possible markings are 'Marca Registrada' or ®.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

There is no legislation on enforcement proceedings for IP rights in Angola.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

Only registration confers exclusive rights to a mark.

The following acts done without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Angola of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Angola of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

Not considered as infringement is use of a protected mark for goods that have been brought into the trade under the mark by the owner or with his or her consent in Angola, unless there are legitimate grounds that justify that the owner of the mark opposes the further commercialisation of the goods, in particular if the condition of the goods has been altered or deteriorated after they were brought into the trade.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

The Angolan IP Law does not establish the infringement proceeding.

### 20 Burden of proof

#### What is the burden of proof to establish infringement or dilution?

The burden of proof lies with the plaintiff, who must prove that its mark has been infringed.

### 21 Standing

#### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Angolan Trademarks Office and the licensee can only intervene if the registered user agreement (licence to use) is recorded before said Office.

### 22 Foreign activities

#### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Only activities that take place in the Angolan territory may be taken into account. However, this is not applicable to goods made outside the country from the moment that they are imported into Angola.

### 23 Discovery

#### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist, a court order may be sought.

### 24 Timing

#### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Unfortunately, there is no typical time frame for infringement or dilution actions. They are lengthy and can last for years.

### 25 Litigation costs

#### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

There is no schedule of official fees published of infringement or dilution action in Angola.



**26 Appeals****What avenues of appeal are available?**

Decisions regarding an infringement or dilution action can be appealed against to the competent court.

**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceeding by responding to the complaint and submitting evidence.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Law contains provisions regarding the penalties imposed on an infringer but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are not available in Angola.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

This matter is applicable as per the Paris Convention.

The owner of a mark that is well known in Angola, even if it is not registered, may oppose the registration of an identical or similar mark for the same or similar goods or services, provided that he or she applies for registration of the mark. Marks having a reputation in Angola are further protected by this, since the owners of such mark may oppose the registration of an identical or similar mark even if registration is applied for in respect of different goods or services, if use of the mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the renowned mark.

The evidences that are required are, for example, market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies and sales volume, as other factors relevant to the reputation of the mark.



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# Australia

Marie Wong

Wrays

## 1 Ownership of marks

### Who may apply?

Any person (whether an individual, company, incorporated or unincorporated association, or other legal entity) who claims to be the owner of the trademark may apply for registration of a trademark in Australia as long as they:

- are using or intend to use the trademark in relation to the goods or services being claimed;
- have authorised or intend to authorise another person to use the trademark in relation to the goods or services being claimed; or
- intend to assign the trademark to a body corporate that is about to be constituted, with a view to the use by the body corporate of the trademark in relation to the goods or services being claimed.

No statement of use is required at the time of application and the act of applying for registration will generally be taken to indicate use or intended use sufficient for entitlement to registration.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A 'sign' used, or intended to be used, to distinguish the goods or services of one trader from another may be protected and registered as a trademark; and 'sign' is defined without limitation under the Australian Trade Marks Act to include the following, or any combination of the following: any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound or scent. Given the expansive definition, 'signs' such as movements, textures and tastes have also been the subject of trademark applications in Australia.

As a trademark must be distinguishable, major geographical names, common surnames and highly laudatory or descriptive words that may be required by other traders to describe their goods or services will generally not be protectable as a trademark without evidence of acquired distinctiveness (often requiring at least five years of evidence of extensive use in Australia). Similarly, shapes or designs that are common to the trade or serve a functional purpose may not be easily accepted for registration without substantial evidence of use.

Despite the above, non-traditional marks, such as shapes, sounds, smells and designs are registrable as trademarks in Australia, provided that they are capable of being distinguished and of being described and recorded in the Australian Register of Trade Marks (Register). Examples of non-traditional trademarks that are recorded on the Register include:

- Australian trademark number 745,164: a device shape mark for a tap applied to the roof of a car, as shown in representations accompanying the application, registered in class 37 for plumbing services. The endorsement is:

*[t]he trade mark consists of a three-dimensional shape of a tap applied to the roof of a vehicle. The trademark is shown in the representations accompanying the application, wherein the shape of the vehicle as shown in phantom is to be disregarded;*

- Australian trademark number 899,848: a composite colour mark for black and gold diagonal striping applied to a vehicle, registered in classes 37 and 39 for motor vehicle maintenance and breakdown services and towing services. The endorsement is:

*[t]he trade mark consists of the distinctive marking of a vehicle as depicted in the accompanying representations; a GOLD coloured upper and lower portion divided by a BLACK and GOLD diagonal striping section, and the RAC WA shield logo;*

- Australian trademark number 1,241,420: a scent mark for the scent of a native Australian tree species with a distinctive scent, registered in class 28 for golf tees. The endorsement is '[t]he mark consists of a Eucalyptus Radiata scent for the goods'; and
- Australian trademark number 759,707: a sound mark for what is described as the words 'Ah McCain' followed by a 'ping' sound, being a high-pitched ping sound of short duration, followed by the words 'You've Done It Again', registered in classes 29 and 30 for fresh and frozen foodstuffs.

Trademarks that contain or consist of scandalous matter or certain signs (such as 'Patent', 'Copyright' or 'Registered Design', among others) or the arms or emblem of an Australian city, town, authority or public institution are generally not registrable.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Yes. Trademark rights can be established through use, whether the owner of the trademark seeks registration or not. Enforceable trademark rights will be established where the trademark owner can establish use of a trademark to such an extent that the mark has come to be exclusively associated with the owner's goods or services. Such rights are typically enforced through common law actions for passing off, or statutory actions for misleading and deceptive conduct and misrepresentation under Australian consumer protection legislation.

Provided that the trademark owner has used the mark to a sufficient extent and developed sufficient reputation in the mark, it will have equivalent rights to the owner of a registered trademark, namely, to use the mark exclusively in relation to the goods or services for which the trademark is being used and to exclude others from using a deceptively similar trademark. However, given the evidentiary burden, time, expense and cost often involved in establishing common law trademark rights, as well as additional statutory remedies available for infringement of a registered trademark, trademark registration is preferable.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

The earliest that a trademark application can be registered in Australia is approximately seven months from the date of filing in order to meet

Australia's international obligations to recognise priority claims from Paris Convention countries. However, the typical time for a trademark application to progress to registration, assuming no substantive objections or oppositions to registration are raised, is approximately 10 to 12 months from the date of filing.

The government body that administers the examination and registration of trademarks in Australia is known as IP Australia. A trademark application will usually be subjected to examination by IP Australia approximately two to four months after filing. However, it is possible to reduce this time to four weeks by requesting expedited examination of the application. A request for expedited examination must be accompanied by a declaration setting out the circumstances that necessitate early examination of the trademark, such as an impending product launch or risk of infringement.

Another alternative to expediting examination is to file a trademark application via the 'TM Headstart' process. This service allows a trademark applicant to obtain a quick, preliminary assessment from IP Australia (within five days) as to registrability of a proposed trademark by paying an initial proportion of the usual application fee. Depending on the results of the assessment, a trademark applicant may then take steps to either: pay the remaining fee and convert the application into a standard application, in which case it will undergo substantive examination again within approximately two to three weeks (although this is a fresh examination, new issues are rarely raised) and proceed in the ordinary course; abandon the application if insurmountable obstacles to registration are identified; or amend the application in an attempt to overcome the issues raised on assessment.

The cost to file and register one trademark in one class would typically be around A\$1,700 (including official government fees), assuming that the application proceeds to registration without objections or opposition. Multi-class applications can be filed in Australia and each additional class will add approximately A\$1,000 to the cost.

Further costs will be incurred if IP Australia issues an adverse examination report that requires a response. The extent of further costs (and time) incurred will be dependent upon the nature of the objections raised, but could range from A\$200, if a simple administrative issue is raised, to several thousands of dollars if multiple submissions or evidence of use is required.

The registration fee is payable upon acceptance of the trademark application. The application is then open to opposition from third parties for a period of two months. If an application is accepted and a third party files an opposition to the trademark registration, this will also increase the time and cost associated with prosecuting the application. The increased time and cost will be that associated with defending the opposition proceedings.

To file a trademark application in Australia, a power of attorney is not required. All that is required are name and address details of the trademark applicant, details of the mark and a description of the goods and services claimed.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The Nice classification system is followed in Australia, which is the International Classification of Goods and Services published by the World Intellectual Property Organisation. In addition, IP Australia maintains a database of IP Australia's determinations relating to classification of goods and services not covered by the Nice classification to assist examiners and trademark owners to search for and classify goods and services.

As mentioned above, it is possible to file multi-class applications in Australia. While the official fees incurred for filing and registration are the same and will be charged at the same rate per class regardless of whether an application claims one or multiple classes, costs savings are generally derived from multi-class applications due to a reduction in the professional fees associated with filing and reporting on multi-class applications for the same mark.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

In addition to examination for compliance with formalities (eg, classification and owner identity issues), the primary substantive grounds upon which trademark applications are typically examined (and objections raised) are:

- for potential conflicts with prior, similar applications or registered trademarks; and
- whether they are capable of distinguishing the relevant goods or services.

Other grounds upon which trademark applications are assessed include whether the trademark:

- is scandalous or contrary to law, including whether its use would infringe copyright or contravene another legislative provision; or
- is likely to deceive or cause confusion, including whether it connotes a false geographical origin or approbation, endorsement or licence inherent in the mark.

If IP Australia raises obstacles to registration on the basis of one or more of the above-listed grounds, an adverse examination report will be issued with a deadline of 15 months from the date of issue of the report to finalise the application. This 15-month period can be extended for up to six months upon payment of fees to IP Australia, and for further periods of time upon payment of fees and sufficient circumstances warranting further extensions. It is also possible to defer the examination process in some instances.

If IP Australia raises obstacles to registration of a trademark on the basis of prior, similar trademarks (cited marks), the applicant can typically respond in one or more of the following ways, depending on the extent of the obstacle raised:

- file submissions seeking to distinguish the trademark from the cited marks, either in terms of overall impression of the marks or the goods or services claimed;
- file evidence of prior or honest concurrent use of their trademark;
- amend the specification to exclude conflicting goods or services;
- seek consent from the owner of the cited marks; or
- seek to remove the cited marks from the register for non-use.

If IP Australia raises obstacles to registration of a trademark due to lack of distinctiveness, the applicant can endeavour to respond with written submissions setting out the reasons why the trademark distinguishes the relevant goods or services or by filing evidence of use of the trademark to demonstrate acquired distinctiveness.

If IP Australia raises no obstacles to registration or all obstacles are addressed, the trademark will be advertised as accepted and open to opposition from third parties for a period of two months. Assuming no opposition, the certificate of registration will be issued upon payment of registration fees.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

It is not necessary for a trademark to have been used in order to obtain or maintain an Australian trademark registration, and the act of applying for registration will generally be taken to indicate use or intended use providing entitlement to registration. However, evidence of use of a trademark might be required to be submitted to obtain registration in certain circumstances; for example, when objections to registration have been raised on the basis of distinctiveness or a prior similar mark and evidence is required in order to prosecute a trademark application to acceptance.

Australia is party to the Paris Convention and grants priority to applications filed in other Convention countries within a period of six months.

Although use is not required to maintain an Australian trademark registration, a trademark must be used within five years after the effective date of registration to avoid being vulnerable to removal from the register for non-use. After five years, the trademark will be vulnerable to removal if it has not been used at any time within a continuous period of three years ending one month before the removal application for non-use is filed. However, use is not monitored by IP Australia and any removal for non-use is generally only at the instigation of a third party. A removal application can be defeated by demonstrating use within the relevant three-year period or if other certain special circumstances of non-use are established.

In addition, a trademark registration may be vulnerable to removal at any time if it can be established that, on the day on which the application for registration was filed, the applicant had no intention to use the mark in good faith in Australia.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

If IP Australia intends to reject a trademark application, it must first give the applicant an opportunity of a hearing before issuing the final rejection of the application. Attendance at a hearing can be in person, by telephone or videoconference link. The hearing officer exercises an administrative rather than judicial role and proceedings are less formal than in a court. If the hearing officer maintains the rejection, a final decision rejecting the application is made.

A decision rejecting the application can be appealed to the Federal Court or the Federal Circuit Court of Australia within 21 days of receiving the decision (extensions of time are available in some circumstances). However, such an appeal is, in fact, heard on a *de novo* basis, meaning that it is considered from new: the previous decision of IP Australia is not taken into account and new evidence and submissions can be relied upon. Thus, an appeal to the court provides the trademark applicant with a second opportunity to argue in full the basis upon which its trademark application should be registered.

A decision of the Federal Court or the Federal Circuit Court of Australia to reject a trademark application can be appealed to the full Federal Court (comprising a panel of three Federal Court judges) or in some instances a single judge in the case of appeals from the Federal Circuit Court, but only with leave of the Federal Court. An application for leave to appeal must be made within 14 days after the date on which the judgment was pronounced or the order was made.

It may also be possible to apply to the Federal Court or the Federal Circuit Court of Australia (within 28 days of receiving a decision rejecting the application) for a review of the manner in which IP Australia's decision to reject the application was made (eg, on grounds of a breach of natural justice or a decision induced by fraud) under the provisions of the Administrative Decisions (Judicial Review) Act 1977 (Cth). However, the effect of a successful review is that the original decision will be set aside and the making of the decision simply remitted back to IP Australia for further consideration in accordance with the law.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Trademark applications are published for opposition by being advertised as accepted in the Australian Official Journal of Trade Marks. All trademark applications are open to opposition by third parties for a period of two months following advertisement of acceptance. The grounds on which a third party may oppose a trademark application are the same as the grounds on which IP Australia can raise objections to registration (bar one), together with some additional grounds.

The grounds for rejecting registration are on the basis that the trademark:

- does not distinguish the applicant's goods or services;
- is substantially identical or deceptively similar to a prior registered or pending trademark for the same or similar goods or services;
- contains certain signs (such as 'Patent', 'Copyright' or 'Registered Design', among others) or the arms or emblem of an Australian city, town, authority or public institution;
- is scandalous or contrary to law; or
- is likely to deceive or cause confusion.

A trademark can also be opposed on the basis that:

- the applicant is not the owner of the trademark (eg, because the third-party opponent asserts earlier use and therefore proprietorship in Australia);
- the opponent used its similar registered mark earlier than the trademark applicant (in circumstances where a trademark applicant was able to overcome this similar registered mark during the examination process by submitting evidence of prior use);
- the applicant is not intending to use the trademark;
- the trademark is similar to a trademark that has acquired a reputation in Australia (whether registered or not);
- the trademark contains or consists of a false geographical indication;
- the application was defective or accepted for registration on the basis of false information; or
- the application was made in bad faith.

Notice of opposition is a two-stage process consisting of the filing of a notice of intention to oppose by the opponent within two months of advertised acceptance of a trademark application, followed by a statement of grounds and particulars a month thereafter. The trademark applicant must file a notice of intention to defend the opposition within a further month, following which the opposition process commences and there is a process of evidence exchange and submissions leading up to the opposition hearing and determination. As with a decision to reject a trademark application, any opposition decision can be appealed to the Federal Court or the Federal Circuit Court as a *de novo* hearing.

A third party may file an application to remove a trademark for non-use if it has been registered for a minimum of five years and has not been used at any time within a continuous period of three years ending one month before the filing of the removal application.

If a third party claims that the trademark application was filed with no intention in good faith to use the trademark in Australia, a removal application can be filed in respect of the trademark at any time (whether prior to or after registration).

Provided that a trademark has not been registered for more than 12 months, a third party may also apply to IP Australia to have a trademark removed (or revoked) from the Register on the basis that it should never have been registered, taking account of any circumstances that existed when the trademark became registered. However, the act of revocation is entirely within the discretion of IP Australia, and there is no duty for it to consider whether to revoke registration on these grounds, whether or not it has been requested to do so.

The ability to file an opposition or removal application on the basis that the trademark application was filed in bad faith extends to a brand owner that does not yet have trademark protection within the jurisdiction, provided that it can otherwise establish the grounds for such opposition or removal.

A third party can also seek to cancel a trademark registration if the trademark is no longer capable of distinguishing (eg, because it has become generic) or if the third party can establish any of the grounds on which registration of the trademark could have been opposed. However, such a request for cancellation must be made before the court and is not administered by IP Australia.

The costs of applying to IP Australia to either oppose registration of a trademark or have a trademark application or registration removed for non-use, or no intention to use in good faith, can be relatively cost effective where the trademark owner does not challenge the application. In this instance, costs can be limited to the cost of filing the initial application (and any statement of grounds and particulars for an opposition) – around A\$400 for a simple removal application to A\$3,000 for an opposition (including any official government fees payable). However, if an opposition or removal application is challenged, and



evidence and a hearing required, costs can be in the range of A\$40,000 to A\$80,000 and higher for a fully contested hearing.

The costs of applying to cancel a trademark registration before the court can be significantly higher and in the range of A\$50,000 to A\$200,000 and higher, depending on whether any cross-claims are involved.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Trademark registration remains in effect for 10 years from the effective date of registration, and can be renewed indefinitely for successive 10-year periods by payment of a renewal fee. No proof of use is required to renew a trademark. However, as mentioned above, a trademark will be vulnerable to removal from the Register if it has not been used within a continuous period of three years following five years of registration.

## 11 The benefits of registration

**What are the benefits of registration?**

The benefit of trademark registration is the presumption of proprietorship and exclusivity to use the mark in connection with the registered goods and services, arising from registration. Provided that there is no challenge to the registration itself, the use by a third party of a similar mark for similar goods or services will, *prima facie*, constitute trademark infringement. In contrast, common law rights (in an action for passing off) are typically more difficult to establish and costly to enforce due to the evidentiary burden, time, expense and cost involved in establishing reputation.

Additional benefits conferred by trademark registration include:

- notice to the public of the owner's interest in a trademark through recording on the Register;
- entitlement to additional (statutory) damages for flagrant infringement, recently made available under the Commonwealth Trade Marks Act 1995 (Australian Trade Marks Act); and
- as discussed further below, the ability for a trademark owner to provide a notice to the customs CEO requesting that customs seize at the Australian border and deal with goods that appear to infringe a registered trademark.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence may be recorded against a registered trademark; however, the recordal of the licence is voluntary only and is not proof of the licence being claimed. The benefit of recording the licence on the Register (for a licensee) is that it puts others (in particular, prospective assignees) on notice of the licence and the applicant for recordal will be notified by IP Australia if the trademark is assigned.

## 13 Assignment

**What can be assigned?**

A trademark can be assigned together with its goodwill or without goodwill. Further, a trademark assignment can be made in respect of all goods and services to which the trademark registration relates or only in respect of some goods and services. Where assignment is made only in respect of some goods or services, a new trademark number will be allocated for the assigned goods or services.

A trademark assignment does not need to be made as part of a wider transaction, although it often is. A trademark can be assigned as a discrete transaction. However, an assignee of a trademark in a discrete transaction and without goodwill should be aware that acquiring rights in relation to a registration only could be redundant if the assignor otherwise retains and uses rights in relation to very similar marks that could render use of the assigned mark misleading or ineffective by its new owner.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

In order to record the assignment of a trademark on the Australian Register of Trade Marks, it is necessary to file an application to record the assignment or transmission, together with proof of title. Proof of title may consist of one of the following documents:

- deed of assignment;
- merger document;
- sale and purchase agreement;
- letter of assignment; or
- declaration.

The proof of title document must include the following information:

- the name and address of the assignee;
- the name, signature and position of the assignor;
- the trademark number of the mark being assigned;
- whether the assignment is full or partial; and
- if partial, the goods and services that are being assigned.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The Australian Trade Marks Act provides that an assignment of a trademark must be recorded on the Australian Register of Trade Marks. However, there is no time limit set for doing so and no direct consequences flow from failing to do so.

In practice, however, it is in the assignee's interests to record its rights in respect of the trademark as soon as practicable to ensure that it receives notices from IP Australia and can immediately enforce its rights against third-party infringement. In addition, failing to record an assignment on the Register leaves the trademark vulnerable to an application for removal or cancellation on the basis that it is not being used by its recorded owner or is not being used to distinguish the goods or services of its recorded owner.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests may be recorded on the Australian Register of Trade Marks, but recordals are simply such and do not confer priority or proof of the interest claimed. In order to ensure that security interests in trademarks are afforded priority in Australia, they must be recorded on the Australian Personal Property Securities Register.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking to signify trademark ownership is not mandatory, but is highly recommended. The <sup>TM</sup> symbol may be used against unregistered trademarks (even where registration is not being sought). However, it is an offence to use the <sup>®</sup> symbol until the trademark is registered in Australia.

The benefits of using these symbols is that it makes a party's registered or unregistered rights in the trademark clear, acting as a potential deterrent to infringement by other parties.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Enforcement of trademark rights is through legal proceedings. Proceedings are typically commenced in the Federal Court of Australia (as the Australian Trade Marks Act is a federally based statute), either

in the regular list or in the fast track list. Proceedings may also be commenced in the Federal Circuit Court.

The fast track list of the Federal Court is well suited to straightforward intellectual property disputes with an estimated trial duration of less than five days and for which large volumes of evidence will not be required. In addition, while not a dedicated intellectual property court, many of the judges in the fast track list are well versed in matters of intellectual property and trademarks.

Proceedings in the fast-track list are generally finalised more quickly and are less expensive (although not always) to run than cases in the regular list because of the simplified pretrial process, including restricted access to discovery.

In parallel with trademark infringement claims, it is common practice to assert claims in passing off and misleading and deceptive conduct (under Australian consumer law) and these claims form the basis for enforcement of unregistered trademark rights.

Remedies available to a successful party include:

- injunctive and declaratory relief;
- delivery or destruction of infringing goods and materials;
- damages or an account of profits at the trademark owner's election; and
- additional damages for flagrant infringement.

In addition to enforcement through legal proceedings, it is also possible for a registered trademark owner to provide a notice to the customs CEO requesting that customs seize alleged infringing goods at the Australian border. If a trademark owner or authorised user provides such a notice to the customs CEO, it will remain in force for a period of four years unless it is revoked by the party that originally provided the notice.

If customs seizes relevant goods, a seizure notice will be provided to the trademark owner and importer. Previously, the onus was on the trademark owner to commence proceedings against the importer of alleged infringing goods upon receipt of a seizure notice, failing which the goods would be released. The onus is now first on the importer to seek release of the goods by providing the customs CEO with sufficient information to allow the trademark owner to identify the true owner of the goods. Failure to provide these details will result in the goods being forfeited and destroyed.

Although a trademark owner must still commence proceedings for infringement to prevent the goods being released into Australia if an importer does seek their release, there are increased opportunities for the trademark owner to obtain important information prior to bringing an infringement claim and it is likely that the requirement for the importer to provide detailed contact information to obtain release of goods may act as a deterrent to more flagrant infringers of counterfeit goods.

There are also criminal offences relating to trademark infringement, however, these are enforced publicly through government agencies. Criminal offences under the Australian Trade Marks Act include:

- falsifying or removing a registered trademark;
- falsely applying a registered trademark;
- making a die, block, machine or instrument that is likely to be used for, or in the course of, committing a trademark offence;
- drawing or programming a computer or other device to draw a registered trademark or part thereof that is likely to be used for an offence;
- possessing or disposing of things for use in trademarks offences;
- selling, exposing, possessing or importing goods with false trademarks; and
- aiding, abetting, counselling or procuring any of the above offences.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

As mentioned above, proceedings are typically commenced in the Federal Court of Australia, either in the regular list or the fast-track list, or in the Federal Circuit Court.

Proceedings commence with the filing of a statement of claim and originating motion setting out the elements of the trademark infringement claim (and any other claims) and relief sought. In the fast-track list, this is called the fast track statement and originating application.

Within a set period of time, a defence and any counterclaim must be filed. Often, an alleged infringer may counterclaim by seeking to attack the validity of the trademark registration, on one or more of the grounds on which a trademark registration can be cancelled, or on the ground of non-use.

Discovery may or may not be ordered. In the fast-track list, discovery is typically not ordered (and if ordered will be limited to documents on which a party intends to rely and have a significant probative value adverse to a party's case) owing to the expedited nature of that list.

In trademark infringement proceedings, evidence in chief is typically presented by way of affidavits or witness statements exchanged by the parties before the trial, with witnesses then cross-examined on their evidence before the judge at hearing.

Expert evidence will typically only be appropriate where the court does not have the requisite capacity to assess a matter (eg, where deceptive similarity of two trademarks is to be assessed from the point of view of a very specialised audience) or at the quantum stage in assessing damages.

Hearings on intellectual property matters (including trademark infringement) are often split in order to assess liability before quantum. This is to avoid what can often be a complex and protracted hearing on issues confined to assessing damages, in circumstances where liability is ultimately not established. There are no juries for trademark infringement proceedings in Australia.

In the fast-track list, which is usually considered the most suitable forum for straightforward trademark proceedings, the matter could be heard in as little as four to six months, although this can be shorter or longer depending on the nature of the matter and what pretrial steps and processes are ultimately ordered. The Federal Circuit Court similarly adopts simpler pretrial steps and streamlined processes conducive to quicker and more cost-effective hearings.

In proceedings commenced in the regular list of the Federal Court of Australia, a matter could typically be heard within 12 to 24 months from commencement, depending on pretrial steps and what further interlocutory motions are made, the extent of any counterclaims and cross-claims, whether discovery is ordered, whether expert evidence is called upon and the complexity of the matter.

Decisions made in the Federal Court can be appealed to a full court of the Federal Court in certain circumstances (where there has been an error of law or a finding of fact on an important issue that could not be supported by the evidence), and to the High Court of Australia in very limited circumstances (requiring the court's special leave, and demonstration of a matter of public interest to be determined), adding further time to conclusion of a matter.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The trademark owner must make out its claim of trademark infringement by establishing the elements of its claim on the balance of probabilities.

In general, the trademark owner will bear the onus of establishing that the alleged infringer has used a mark:

- as a trademark;
- that is substantially identical with, or deceptively similar to, the owner's registered trademark; and
- in relation to the goods or services in respect of which the trademark is registered, or goods or services that are of the same description or closely related to the goods or services in respect of which the trademark is registered.

The test of substantial identity requires an assessment of the respective marks compared side by side, their similarities and differences noted and the importance of their similarities and differences assessed having regard to the essential features of the prior registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison.

In contrast, the test of deceptive similarity is an assessment of the respective marks having regard to the impression based on recollection of the prior registered mark that persons of ordinary intelligence and memory would have of the marks, such that there is a real tangible danger of deception or confusion.

In considering whether there is a likelihood of deception or confusion, all surrounding circumstances will be taken into consideration, including the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.

Where a trademark infringement claim is made based on use of a mark in relation to goods or services that are not exactly the same as the goods and services in respect of which the trademark is registered, but in respect of goods or services that are of the same description or are closely related, it will be an additional defence to infringement (to be established by the alleged infringer on the balance of probabilities) that using the sign as the person did is not likely to deceive or cause confusion.

There is no anti-dilution provision in the Australian Trade Marks Act, per se, although there is an infringement provision that protects well-known trademarks where use of a substantially identical or deceptively similar mark in relation to goods or services that are unrelated to the registered goods or services would nevertheless likely indicate a connection between the well-known mark and the alleged infringer, such that the interests of the registered trademark owner are likely to be adversely affected. The trademark owner bears the onus of establishing that its registered trademark is well known, as well as how its interests would be adversely affected (whether economically through lost opportunity or licensing fees, or through a 'dilution' effect).

Some of the trademark criminal offences attract strict liability, while others have a fault element of knowledge, negligence or recklessness.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A trademark owner or authorised user of a registered trademark may commence civil infringement proceedings against an alleged infringer. In the case of unregistered trademarks, both the owner and authorised users may also have standing to bring actions for unregistered trademark infringement through common law actions for passing off, or statutory actions for misleading and deceptive conduct and misrepresentation under Australian consumer protection legislation.

In relation to registered trademarks, the authorised user of a trademark may only commence infringement proceedings against another party, subject to certain limitations. The authorised user may commence infringement proceedings with the consent of the registered trademark owner at any time. If the authorised user has asked the registered owner to bring an action for infringement of the trademark, and the registered owner has refused or fails to bring such an action within a period of two months, the authorised user may commence infringement proceedings, but must join the registered owner as a defendant to the proceedings. However, in such circumstances, the registered owner is not liable for any costs if he or she does not participate in the proceedings.

Typically, a rights holder without an established presence or assets within the Australian jurisdiction will be requested (or ordered by the court) to provide security for costs as a condition of proceeding with an infringement claim.

Although the Australian Trade Marks Act does not expressly limit the persons who may prosecute an offence, criminal proceedings are generally brought by the Department of Public Prosecutions, upon referral by the Australian Federal Police.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Activities outside of Australia cannot support a charge of infringement unless the conduct is shown to have been specifically directed to trade within Australia. Thus, an offer of goods and services on a website to the world at large will typically not constitute infringement in Australia unless there is evidence that a transaction between an Australian consumer and the website owner has been made through the website or there are objective factors that demonstrate that sales under the trademark are being specifically directed to Australia such as prices on

the website stated in Australian dollars or promotion that the website owner delivers to Australia.

As above, a request may be issued to the customs CEO to seize and deal with goods sought to be imported into Australia and if the importation infringes or appears to infringe a registered trademark, assist to prevent infringing goods from entering the jurisdiction.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

As set out above, discovery or disclosure may or may not be ordered during the trial process, depending on the nature of the case and issues and value involved. The Federal Court of Australia in which most actions for trademark infringement are commenced is typically leaning away from the ordering of broad documentary discovery given the excessive costs and burden typically involved.

In the Federal Court of Australia, the court will not order documentary discovery as a matter of course (even where the parties consent to discovery), unless it is necessary for the determination of issues in the proceeding.

In determining whether to order discovery, the court will have regard to the issues in the case and the order in which they are likely to be resolved, the resources and circumstances of the parties, the likely benefit and cost of discovery and whether the cost is proportionate to the nature and complexity of the proceeding. In cases where documentary discovery is warranted, it may be ordered to be provided in specific categories only. In particular, in the fast-track list, if discovery is ordered, it will be confined to documents on which a party intends to rely and that have significant probative value adverse to a party's case.

Additional discovery or disclosure procedures utilised in Australian court proceedings, which assist in elucidating key facts, documents and admissions, as well as limiting issues in dispute, include:

- notices to admit (facts and documents);
- notices to produce (documents referred to in pleadings and other court documents); and
- interrogatories (to answer written questions), although these do not often tend to be used in trademark infringement proceedings.

It is also possible to subpoena a third party to attend court, requiring them to give evidence or produce a document, or both. A third party may also be the subject of an order for discovery from outside the country, following procedures under the Hague Convention.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The length of time from the commencement of an infringement claim to trial and judgment is dependent upon the nature and elements of the dispute, but generally in the range of one to two years for proceedings commenced in the regular list of the Federal Court of Australia, and potentially as little as four to six months for proceedings commenced in the fast track list or Federal Circuit Court.

Urgent preliminary injunctions of an interlocutory nature can be sought prior to commencement of proceedings (either ex parte where a search order to preserve evidence is sought, or inter parties), but the party applying for the preliminary injunction must typically provide an undertaking to the court that it will commence the main proceeding in relation to the subject matter of the injunction within 14 days after the injunction application has been determined. Proceedings then continue in the ordinary course, although often the determination of an injunction successfully in one party's favour over another may be sufficient impetus for the parties to proceed to resolve a matter out of court. Where an injunction is granted in the rights holder's favour, it is typically a condition of the granting of the injunction that the rights holder provide an undertaking as to damages (for any loss incurred as a result of the granting of the injunction) in the event that the main proceedings are determined in the other party's favour and it is found that the preliminary injunction ought not have been granted.



Appeals to the Full Federal Court must be commenced within 21 days after the date of a decision in the lower court, and appeals will typically be held within six to 12 months of filing a notice of appeal, depending on whether there is any cross-appeal and contention filed, the extent of any further preparation involved and the availability and dates on which the Full Federal Court is sitting on a particular circuit.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

For a matter that proceeds to conclusion of trial, the costs of a typical trademark infringement claim in the Federal Court of Australia could generally be in the region of A\$120,000 to A\$200,000, more (potentially in the range of up to A\$300,000 to A\$400,000) if extensive cross-claims are filed, there are many parties to the dispute and various interlocutory motions are filed and determined.

Costs may be lower when commencing proceedings in the fast track list due to the expedited pretrial process involved (in particular, the less onerous discovery obligations), the shorter time period to trial and the necessarily shorter duration of hearing (the fast track list is only suitable for matters with an estimated trial duration of no more than five days).

Similarly, costs may be (or are intended to be) lower in the Federal Circuit Court due to simpler and speedier pretrial processes and lower court fees, although the costs recoverable for a successful party will also generally be lower.

The costs of appealing to the Full Federal Court of Australia could generally be in the region of A\$40,000 to A\$80,000, depending on the extent of the appeal (include the number and nature of the grounds of appeal) and any cross-appeal and contention claims filed.

In Australia a successful party to litigation will usually be awarded costs, calculated on a court scale. In practice, this means that the unsuccessful party will typically be required to pay approximately 30 per cent to 70 per cent of the successful party's costs (on what is referred to as a 'party-party' basis). The court is also able to award costs on an indemnity basis (a higher level of costs recovery) in certain circumstances, such as where a party made a settlement offer to the other party prior to trial that was better than the outcome ultimately achieved by that other party. In these circumstances, the party that rejected the better offer may be ordered to pay the successful party's costs from the time of the rejected offer on an indemnity basis.

## 26 Appeals

### What avenues of appeal are available?

As mentioned above, appeals from decisions of the Registrar of Trade Marks lie to the Federal Court of Australia or the Federal Circuit Court to be determined as a de novo hearing.

Appeals from decisions of the Federal Court of Australia or Federal Circuit Court for enforcement proceedings can be appealed to a Full Court of the Federal Court of Australia where there has been an error of law or a finding of fact on an important issue that could not be supported by the evidence.

In exceptional circumstances, a decision of the Full Court of the Federal Court of Australia can be appealed to the High Court of Australia, Australia's highest court. However, appeals can only be taken to the High Court with special leave of that court, where it can be demonstrated that the matter to be appealed involves an unsettled question of law that is of public importance to be determined by the highest court in the jurisdiction.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

A person defending a claim of trademark infringement may seek to argue that the elements of the claim have not been established because the person is not using a mark:

- as a trademark;
- that is substantially identical with, or deceptively similar to, the owner's registered trademark; or

- in relation to the goods or services in respect of which the trademark is registered, or goods or services that are of the same description or closely related to the goods or services in respect of which the trademark is registered.

In addition, where the goods or services are only of the same description or closely related to the goods or services in respect of which the trademark is registered, a defence may be established if using the sign as the person did is not likely to deceive or cause confusion.

The Australian Trade Marks Act provides further specific defences to infringement, including where the person:

- used a person's name or place of business in good faith;
- used a sign in good faith to indicate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services;
- used the trademark in good faith to indicate the intended purpose of goods;
- used the trademark for the purpose of comparative advertising; and
- exercised a right to use the trademark given under Australian trademarks legislation.

Further, a person does not infringe a registered trademark where the person can demonstrate that it would obtain registration of the trademark (or a substantially identical or deceptively similar mark) if applied for in that person's name, due to being a prior or honest concurrent user of the mark.

Defences to infringement can also include defences based on consent or licence (either contractual or otherwise), acquiescence, laches and estoppel.

Typical counterclaims to an allegation of trademark infringement include that the trademark has lost its distinctiveness or is liable for cancellation for some other reason or is vulnerable to removal for non-use (eg, if the registered owner has not been using its trademark in Australia during the requisite period in the form appearing on the Register).

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The primary relief sought by a successful party to an action for infringement is typically injunctive, that is, an order permanently preventing the other party from engaging in the infringement. Declarations of infringement can also be made.

Other remedies available to a successful party are:

- an order for delivery or destruction of infringing goods and materials;
- damages or an account of profits; and
- additional damages for flagrant infringements.

In addition, as above, the successful party will typically be awarded its costs (on a party-party basis).

In order to obtain an interlocutory injunction (that is, injunctive relief before the primary proceeding is heard in full and determined), the rights owner must establish that the following requirements for an urgent interlocutory injunction are satisfied:

- there must be a serious question to be tried (ie, the applicant has made out a prima facie case, such that there is a reasonable probability of the rights holder succeeding at trial); and
- the balance of convenience favours the granting of the injunction, which balancing consideration includes regard to the following factors:
  - hardship to either party or a third party;
  - risk of irreparable damage to the applicant;
  - any delay by the applicant;
  - the adequacy of the applicant's undertakings as to damages (the applicant's undertaking that it will compensate the respondent for any injury or loss sustained by the respondent if the injunction is later found to be wrongly granted);
  - the need to protect the applicant's business goodwill;
  - harm to the respondent's business goodwill; and

### Update and trends

IP Australia published a schedule of proposed fee changes in August 2016 which, at the time of writing, were scheduled to become effective on 10 October 2016 via the signing of the Intellectual Property Legislation Amendment (Fee review) Regulation 2016. The most significant fee changes to come about as a result of the new fee structure are:

- Increase to the trademark application fee, but removal of the registration fee. Under the new fee structure, applicants pay a fee when they submit a trademark application. Following examination, acceptance and expiry of the opposition period (or successful determination of an opposition), the trademark will then automatically be registered. Removal of the trademark registration fee will result in lower official fees overall, but does bring forward costs to the application stage, when an applicant's ability to successfully register a trademark is more uncertain. This is predicted to result in a potential increase in trademark applications

filed via IP Australia's 'TM Headstart' preliminary assessment process. However, removal of the trademark registration fee brings IP Australia in line with many other international IP offices, most notably most member countries of the Madrid Protocol.

- Increased trademark renewal fees. The 10-yearly renewal fee has also increased slightly to offset the removal of the registration fee. However, the extension of time fee to pay late renewal fees has decrease from a fixed fee per class, per month (or part thereof) to a fixed fee per month (or part thereof).
- Removal of initial fee for filing opposition to a non-use action. The official fee associated with filing a notice of intention to oppose a non-use action has now been removed.
- Fees for obtaining copies of documents from the Register. Official fees for searching and obtaining copy documents and certificates have been streamlined.

- whether damages would be an adequate remedy. For example, where the applicant would otherwise suffer irreparable harm (eg, the collapse of a business, or the benefit of a status quo that cannot be adequately regained or compensated through damages) an injunction will more readily be granted. In addition, it will be relevant to consider the respondent's ability to pay damages in the event that infringement is established.

As mentioned above, it is typically a condition of the granting of the interlocutory injunction that the rights holder provide an undertaking as to damages (for any loss incurred as a result of the granting of the injunction) in the event that the main proceedings are determined in the other party's favour and it is found that the preliminary injunction ought not have been granted. The applicant may then apply for the injunction to be made permanent following a successful outcome in the primary proceeding or may be called upon to undertake to pay damages if unsuccessful.

### 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available and encouraged in the Australian legal system. Such forms of ADR are mediation, arbitration and conciliation.

Mediation, either before a registrar of the court or before a private mediator, is typically ordered as part of the pretrial process in the Federal Court of Australia. The benefit of mediation is that the parties have control over the terms on which an outcome is reached and the parties are not compelled to accept a resolution that they do not agree with (in comparison to an arbitration or a decision imposed by a court).

The settlement reached between the parties at mediation is typically recorded in a deed of settlement, which can be kept confidential and enforced as a contract in instances of breach. However, sometimes the parties will seek that the court make certain consent orders or declarations as to infringement as part of a mediated outcome.

### 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A famous foreign trademark can be afforded protection in Australia, even if not used domestically, provided that it is sufficiently well known among members of the Australian public. It is now well established in Australia that 'spillover reputation' through trading activities in other jurisdictions, such as advertisements from overseas and the knowledge of returning travellers, is sufficient reputation to give rise to a claim against another party using the mark in Australia for passing off or misleading and deceptive conduct in contravention of Australia consumer protection legislation. The protection afforded by these claims will be to the extent necessary to ensure passing off and confusion does not occur among Australian consumers.

As there is no requirement of use in order to obtain trademark registration in Australia, a foreign trademark can also be protected through registration, although it will be vulnerable to attack and removal from the Register for non-use, if not used in Australia within five years of the initial registration date.



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# Austria

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## 1 Ownership of marks

### Who may apply?

Any physical or legal person, alone or in combination, may apply, irrespective of running a related business. Collective marks may be applied for by associations having legal personality.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Trademarks may consist of any signs that can be represented graphically, in particular words, including personal names, designs, letters, numerals and the shape or style of the goods, provided that such signs are capable of distinguishing the goods or services of one enterprise from those of other enterprises.

Three-dimensional marks and sound marks are protectable when fulfilling the above-mentioned criteria.

Haptic or olfactory trademarks are still not registrable.

Signs that exclusively consist of state coats of arms, national flags or other national emblems or of the coats of arms of Austrian provincial or local authorities, official test or guarantee signs and signs of international organisations to which a member country of the Paris Convention belongs are excluded from registration.

Further excluded are signs:

- lacking distinctiveness;
- that are descriptive;
- that have become customary in the current language;
- that consist exclusively of the shape of the goods resulting from their nature or necessary to obtain a technical result or giving them a substantial value;
- violating public policy or accepted principles of morality;
- that are deceptive; and
- containing or consisting of improper geographical indications identifying wines or spirits.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Non-registered trademarks are termed in Austria as (mere) 'signs' and may have protection according to article 9 of the Austrian Law Against Unfair Competition under the following conditions:

Names of establishments or premises, outlets, etc, as well as domain names (ie, sub-level domains) are considered as 'special designations' provided they do not correspond with the name or firm name itself. They therefore enjoy protection if misused by a third party in the course of business. However, direct protection is only accepted in the case of distinctiveness per se. Otherwise, acquired distinctiveness has to be proven. Special designations are considered (eg, names of establishments or premises, outlets, etc) as well as domain names (ie, sub-level domains) as long as they do not correspond with the name or firm name itself. Business symbols and other devices used to distinguish one enterprise from another, particularly the shape of goods, their packaging or wrapping and business papers (eg, letters showing the letterhead, the firm's logo or name, firm stamps on letters) that are recognised as being representative of the enterprise by the trade involved

are also deemed to constitute special designations of an enterprise. However, they enjoy protection only with proof of acquired distinctiveness among the business circles involved, which depends on the specific case and may sometimes encompass the whole population of Austria, or, on the contrary, only a limited circle of specialists.

The injured party may sue the infringing party at the Vienna Commercial Court to refrain from misuse, whereby the usual remedies (see question 28) are available. The claim for injunctive relief and elimination lapses, however, after six months from the end of the infringement. For all other claims there is a period of limitation of three years. The claim for injunctive relief lapses after five years of knowledge of the infringement of the sign, provided that the infringer has not acted in bad faith.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Without complications, registrations can be obtained in a few months (two to six), otherwise it can take several years. No additional documentation, referring to the applicant, is needed. An appointed domestic professional representative requires a power of attorney. Costs for up to three classes (official and attorney's fees) are in total about €1,000 to €1,100. Extra costs may arise for further classes (multi-class applications are possible) or in the case of complications (eg, adaptation of lists of goods, professional efforts in the case of objections, complaints about rejection decisions).

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Goods and services are classified according to the Nice Classification. Class headings as well as items from the published list of goods and services (10th edition) may be used. Terms not contained in the list often encounter objections. Multi-class applications are available and might save, depending on the number of classes, up to about 50 per cent of the total costs in comparison with an equivalent number of theoretical single-class applications.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Applications are not examined for conflicts with other trademarks. There is only an examination as to formalities (eg, the correct

classification) and absolute bars. Objections raised by the Patent Office may be responded to by the applicant. An official search report is released only for information.

Senior (trademark) rights are no bar to registration, but may give rise to opposition or cancellation action after registration of the new trademark.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Pre-use of a trademark is not required for registration. Therefore, no proof of use has to be submitted. Based on a foreign application one can claim within six months priority for a domestic application, irrespective of whether the foreign application leads to registration. Mere use in a foreign country does not give rise to priority.

Starting from registration the trademark owner has a five-year grace period within which the trademark cannot be contested on the grounds of non-use. After that period anyone may file a cancellation action based on non-use. In such a case, maintenance of the trademark will depend on proof of use or justification of non-use.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The rejection of an application can be recoured to the Vienna Upper Provincial Court. Against a negative decision (judgment or resolution) revision or revisional recourse, respectively, can be lodged at the Supreme Court of Austria, provided that all prerequisites are fulfilled.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

An opposition may be filed within three months starting from the publication date of a registered Austrian trademark, or within three months starting with the first day of the next month after the publication of a registered international trademark covering Austria, respectively. Opposition may only be based on a senior trademark application or registered trademark (ie, Austrian trademark, international trademark valid in Austria, Community trademark).

The opposition procedure is generally conducted in written form. On request of one of the parties an oral hearing has to be appointed. An oral hearing may also be appointed ex officio. A plea of lack of use of the trademark on which the opposition was based may be brought forward. In that case the opposer need not furnish full proof of use but must only show prima facie evidence of use. In the case of an action (eg, based on non-use) against the trademark on which the opposition is based the opposition proceedings shall be suspended. If there are several oppositions against the same trademark the most promising opposition may be continued whereas the other oppositions will be suspended. The decision on an opposition is rendered by a single member of the Legal Department of the Austrian Patent Office. If an opposition is partly or fully granted the opposed trademark is quashed (not cancelled) from the beginning of its duration of protection. An opposition decision may be recoured before the Vienna Upper Provincial Court. In opposition proceedings each party has to bear its own costs, which may be about €1,000.

After registration a third party may file a cancellation action with the Nullity Department of the Austrian Patent Office.

Any third party may base its action on:

- absolute grounds (lack of distinctiveness, descriptiveness, deceptiveness, generic name, etc) at the time of application;
- bad faith in the course of the application (in the foregoing two cases, the trademark will be deleted retroactively from the date of registration);
- development of the trademark to become deceptive or generic after registration (in these cases the cancellation will be effective from the proven date of the finalised development);
- non-use (in this case the cancellation will have effect from five years before the date of filing the cancellation action but not earlier than five years after registration); or
- bad faith, for example, purported by a foreign brand owner whose brand, either identical or similar, is registered in Austria by someone else with the intention to hinder the foreign brand owner from entering the Austrian market.

The holder of a prior right (registered or unregistered trademark, trade name, etc) may base a cancellation action on relative grounds, namely, confusing similarity between the senior sign and junior trademark in respect of the registered goods and services. In the case of a well-known senior right, cancellation may also be demanded for dissimilar goods and services. In these cases the cancellation has retroactive effect from the date of registration. However, the right to file a cancellation action by a prior right holder based on relative grounds is forfeited after five years from the date of knowledge of the use of the younger trademark.

In cancellation proceedings an oral hearing is scheduled after prior exchange of the applicant's writ and trademark owner's counter-writ. The final decision of the Nullity Department of the Patent Office may be appealed at the Vienna Upper Provincial Court. Costs for a cancellation action in each instance may be about €5,000.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Registration lasts 10 years and may be extended repeatedly for 10-year periods by paying a renewal fee. No other requirements, such as proof of use, are necessary. The Austrian Patent Office does not release a renewal certificate, so the payment receipt is the only proof of renewal besides an extract from the trademark register. The payment can be effected during the last year of the 10-year period or, with an excess fee, within six months after the expiration thereof.

## 11 The benefits of registration

**What are the benefits of registration?**

A registered trademark confers on its owner the exclusive right to prevent third parties that do not have his or her consent from using in the course of trade:

- a sign that is identical to the trademark in relation to goods or services that are identical to those for which the trademark is registered;
- a sign that is identical or similar to the trademark in relation to goods or services that are identical or similar to those for which the trademark is registered, if there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark; or
- a sign that is identical or similar to the trademark in relation to goods or services that are not similar to those for which the trademark is registered, where the latter is well known in Austria and where use of that sign, without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or reputation of the trademark.

A registered trademark is prima facie evidence of an existing right before any administrative authority or court. However, in a trial, a court may examine the validity of a registered trademark in suit as a pre-question.

On the basis of a registered trademark, one may apply for border seizures of counterfeited goods.



**12 Licences**

**May a licence be recorded against a mark in the jurisdiction?  
Are there any benefits to doing so or detriments to not doing so?**

A trademark may be the subject of an exclusive or non-exclusive licence covering the whole territory of Austria, or part of it, in respect of the complete list of goods or services, or part of it. The licence may be recorded in the trademark register. However, the registration only has declaratory character (ie, only serves to inform the public) and is not decisive for the legal validity or effect of the licence (eg, whether the licensee has a right of action against an infringing third party only depends on the content of the licence agreement and not on the registration of the licence in the trademark register).

The benefit of a recorded licence lies in the fact that a trademark infringer cannot successfully argue, if decisive, that they did not know about the licence.

**13 Assignment**

**What can be assigned?**

A trademark may be assigned with or without goodwill or the business concerned for all or part of the registered goods and services. Where the assignment would deceive the public, the assignee has to consent to any restrictions to remedy the deception.

**14 Assignment documentation**

**What documents are required for assignment and what form must they take?**

A deed of assignment or a document referring to the assignment is needed. The signature of the assignor has to be notarised whereby the notary public has to state that the person signing the document is entitled to sign on behalf of the assignor on the date of signing in a legally binding manner. Depending on the countries involved, the notarisation needs to be superlegalised diplomatically or by the Hague Apostille. The signature of the assignee does not need any legalisation.

Further, an unlegalised power of attorney by the assignee is needed.

**15 Validity of assignment**

**Must the assignment be recorded for purposes of its validity?**

Recording an assignment is not mandatory. However, until such time as the transfer of the mark has been recorded, the right to the mark may not be asserted before the Patent Office and all communications concerning the mark served on the registered owner of the mark shall have effect with regard to the acquirer of the mark.

**16 Security interests**

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Licences, liens and other security interests may be recorded in the trademark register. However, that register is only declaratory (serves to inform the public). This means that the entry of such interests, and so on, in the trademark register is not identical to the acquisition of the right and is not binding on third parties.

The signature of the licensor, pledgor, etc, has to be notarised whereby the notary public has to state that the person signing the document is entitled to sign on behalf of the licensor, pledgor, etc, on the date of signing in a legally binding manner. Depending on the countries involved, the notarisation needs to be superlegalised diplomatically or by the Hague Apostille. The signature of the licensee, pledgee, etc, does not need any legalisation.

The application for registration may be filed either by the licensor, pledgor, etc, or the licensee, pledgee, etc. Any representative needs a respective power of attorney.

It is not necessary to file the complete licence contract, lien document, etc. For registration a simple licence declaration, lien declaration, from which the essential conditions can be gathered is sufficient.

**17 Markings**

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The indication of a trademark is not compulsory and therefore has no legal effect whatsoever. Analogous to foreign regulations, some trademark owners use an ® or the letters ™ in a circle to indicate that the trademark is registered. However, such indication has no benefit.

On the other hand, it might, however, be deceptive if, for example, the symbol ® appears after the word of a registered combined word-design mark, because the word per se does not enjoy protection. It also might be regarded as deceptive when the symbol ® is used in combination with a trademark not yet registered (pending application).

**18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Infringers (dilutive users are also regarded as infringers) of Austrian trademarks or of international trademarks covering Austria may be sued in the first instance at the Vienna Commercial Court or at the Vienna Provincial Court for Criminal Matters, or both, on the basis of Austrian Trademark Act, which contains civil and criminal claims against trademark infringements. The second instance is the Vienna Upper Provincial Court. If admissible, for example, if questions of general importance are touched on, then the third instance is the Supreme Court of Austria.

Infringements of Community trademarks may be sued in the first instance at the Vienna Commercial Court or the Vienna Provincial Court for Criminal Matters.

Seizures of counterfeit goods may be effected upon request by the Austrian Customs Authorities according to EC regulations and the Austrian Product Piracy Act. The withheld goods shall be destroyed if the importer will not oppose the seizure. If it will oppose, however, it is up to the trademark owner to launch, within a given term, a civil or criminal proceedings, otherwise the counterfeit goods are released.

**19 Procedural format and timing**

**What is the format of the infringement proceeding?**

In civil matters a single judge decides in the first instance. In the second or third instance, the decision is released by a board or the senate. Any type of suitable evidence is permitted, including live testimony. There is no discovery procedure. Each party may rely on private experts and their opinions. The court may appoint an official expert, for example, when acquired distinctiveness is questionable.

In each instance a decision in the regular proceedings may be expected after about one year. In preliminary injunction proceedings, the periods may be shorter.

Criminal trademark matters are also heard in the first instance by a single judge.

**20 Burden of proof**

**What is the burden of proof to establish infringement or dilution?**

The full burden of proof lies with the plaintiff, that is, the trademark owner or (if empowered) its, his or her licensee. Any type of evidence that is deemed to be appropriate may be brought forward.

**21 Standing**

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Remedy may be claimed by anybody whose rights to a trademark are infringed, namely, by the trademark owner or a derivative thereof (the

licensee, etc). The original or derived trademark right is to be proved to the court.

Criminal complaints may be raised by the injured physical or legal person within six weeks of the knowledge of the action and the offender.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

In general foreign activities cannot support a charge of infringement or dilution. However, for example, if a company has a prior foreign (registered or unregistered) trademark and a competitor files in Austria a similar or identical junior trademark (in order to hinder the first company from entering into the Austrian market), then the first company may successfully sue the competitor for having registered its trademark in bad faith so that the junior trademark will be cancelled *ex tunc*.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

In accordance with the Directive on the Enforcement of Intellectual Property Rights (2004/48/EC), which was introduced into domestic law, the Vienna Commercial Court may order that the infringing party should submit well-defined evidence that it holds. Preliminary injunctions may not only be released for securing of the claim itself but also for preservation of evidence. Such preliminary injunctions may even be released without hearing the defendant if the injured party may probably suffer a non-repairable damage or if there is a risk that evidence will be destroyed. Searching of premises under civil law (as well as under criminal law) may be ordered.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

In provisional proceedings claiming a temporary injunction, a decision in the first instance may be expected within a couple of months. For each instance of appeal, the time frame is, at most, one year. In main proceedings, each instance might last about one year.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Costs depend on the value of the litigation. In the first instance, the overall costs range, from about €5,000 to about €10,000. In the instances of appeal, one should calculate at least €7,000 per instance. A successful plaintiff can recover part of the costs from the infringer. It is generally regulated by law that the losing party has to refund the costs of the procedure and representation to the winning party on basis of the value of litigation. However, these costs are usually lower than the overall costs of the proceedings.

## 26 Appeals

### What avenues of appeal are available?

Resolutions and judgments of the first instance (Vienna Commercial Court) may be recurred or appealed at the Vienna Upper Provincial Court. If admitted, another appeal (revision or revisional recourse) to the Supreme Court of Austria may be launched. If not admitted, an extraordinary appeal to the Supreme Court may be filed.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Substantive defence arguments may be:

- the trademark in suit is not valid;
- the allegedly infringing sign is not used as a trademark;

- lack of confusion (no similarity between the trademark in suit and the alleged infringing sign, no similarity of goods and services);
- the trademark in suit is not well known;
- fair use of the allegedly infringing sign with due cause;
- prior rights in respect of the trademark in suit on the basis of qualified pre-use;
- exhaustion of the trademark right;
- bad faith of the plaintiff; or
- limitation or forfeiture of the right to sue.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The civil remedies available include:

- ceasing of the infringement (preliminary or permanent injunction);
- claim for elimination of the circumstances constituting the violation of the law (eg, destruction of the infringing goods);
- rendering of account;
- publication of the judgment; and
- monetary relief, namely:
  - adequate remuneration (licence analogy);
  - twice that remuneration in the event of gross negligence or intention; and
  - damages, in the event of wilful infringement, including the profits of which the plaintiff has been deprived, or surrender of the profits realised by the infringer through the trademark infringement.

If the trademark in suit has been registered for more than five years, a preliminary injunction is only granted if it is substantiated that the trademark is not vulnerable to cancellation due to non-use.

The criminal remedies available are:

- a monetary fine of up to 360 times the per diem rate for calculating fines; and
- imprisonment for up to two years in the case of professional infringement.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Alternative dispute resolution techniques are commonly used and an attempt is first made to settle the pending dispute by negotiations. Sometimes mediation is accepted by the parties or they agree to contact a local or international arbitration board. The benefits of such techniques lie in saving time and money. The risks are that all these measures do not exclude eventually going to court.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

A foreign trademark, irrespective of its publicity, is generally not granted any protection in Austria. If it is in use domestically without registration it may enjoy protection against infringements based on the Law Against Unfair Competition. Based on the Trademark Act cancellation of a similar or identical registered trademark for similar or identical goods and services may be requested, if the latter is junior to the non-registered trademark. A senior foreign trademark owner may, however, for example, be successful against a similar or identical junior Austrian trademark if the latter was filed in bad faith in order to prevent the foreign national to enter the Austrian market.

On the basis of the degree of publicity the following ranking may be considered:

- known trademarks;
- well-known trademarks;
- notorious known trademarks; and
- famous trademarks.

### Update and trends

#### Amendments to the Austrian Patent Act and Trademark Act as well as to related IP Acts

An Amendment Act published on 1 August 2016 (Federal Gazette I No. 71/2016) has as the main aim to omit the partial legal capacity of the Austrian Patent Office, which was introduced in 1992 to facilitate private enterprise, because it turned out that more drawbacks and risks had occurred in the past than benefits. All services are once again provided by the Austrian Patent Office as the sovereign administration authority, as they were until 1992 (eg, providing similarity search in the course of a trademark application).

Another amendment is still under consideration, which should ease the requirements for recording changes of ownership in the registers because so far they are very strict as most of the registers have a constitutive, but not declaratory character. The mode of the intended simplification is, however, still under heavy discussion due to the different types of registers.

#### Judgments of the Vienna Upper Provincial Court

In the course of two appeals against decisions of the Austrian Patent Office the Vienna Upper Provincial Court pointed out that an opposition against an Austrian trademark cannot be based on the reputation of an earlier trademark (which would grant protection beyond the registered classes) because the Austrian Trademark Act, in contrast to Union Trademark Act and German Trademark Act, does not provide such a claim. An opposition can only be based on an earlier identical or similar trademark covering identical or similar goods or services if there is a risk of confusion. In this connection, however, a higher degree of distinctiveness of the earlier trademark can be

claimed on basis of evidence. A 'higher degree of distinctiveness' must not, however, be mixed up with a 'reputation', because a trademark with a reputation is granted an extended scope of protection even if there is no risk of confusion. (34R99/14Z of 1 October 2014 and 34R9/15S of 19 March 2015).

The Vienna Upper Provincial Court recently held that it is not compulsory for all evidence to be served (completely) in the official language (here: German) because they fall under the purview of free evaluation of the respective office or court. Emanating from this decision an official rule of law was created: 'Even documents that are not filed in German fall under the purview of free evaluation of evidence; that German is the official language is no objection thereto.' (34R24/14W of 14 May 2014)

#### Judgment of the Austrian Supreme Court

According to the Austrian Trademark Act, an owner of an infringed trademark may demand from the infringer information on the origin and distribution networks of the infringing goods and services, unless this would be disproportionate in comparison to the severity of the infringement. The Supreme Court of Austria recently had to deal with the question of disproportion: it held that disclosing the supply channel is disproportionate when only one single infringement of rights has occurred which has not led to severe commercial consequences for the trademark owner, whereas the disclosure of the supply source would lead to the risk of a market partition even with respect to original goods with exhausted trademark protection (4 Ob 170/15a of 17 November 2015).

It depends on the circumstances of each case which degree of publicity is to be taken into account. Trademark rights, enhanced by any degree of publicity, can only be claimed for registered Austrian trademarks. It is crucial that domestic publicity is given. Such publicity of a registered Austrian trademark might be achieved even if the trademark is not used in Austria but only abroad.

A senior Austrian trademark having gained publicity provides protection against registration of a junior Austrian trademark, validity of a junior international trademark covering Austria and registration of a junior Community trademark and use of such a trademark or sign in Austria if the junior trademark or sign is identical or similar, even if the goods or services for which the junior trademark or sign is registered or used, respectively, are dissimilar. In the latter case it is, however, crucial that the use of the junior trademark or sign takes, without due cause, unfair advantage of, or is detrimental to, the distinctive character or the repute of the known trademark. In order to be granted this protection, the publicity of the senior trademark must have been

existent at the latest on the filing date of the junior trademark or the commencement of use of the junior sign, respectively.

Thus, a trademark having gained publicity enjoys extended protection against exploitation of reputation (parasitic exploitation), impairment of repute (damage to reputation), utilisation of distinctiveness (exploitation of attention) and impairment of distinctiveness (dilution). The degree of protection depends in any case on the degree of publicity.

Proof of publicity may be brought by any evidence, namely, documents, private expert opinions, opinions by certified or sworn court experts, or both, public opinion polls, market studies, inquiries and (confirmation) letters of licencees' producers, importers and wholesalers, sales figures, promotion figures, examination of parties and witnesses, etc. However, there are no fixed percentages for the different degrees of publicity, although one might assume that a trademark is well known if it has an accepted view in the related field of about 50 per cent.

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# Brazil

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## 1 Ownership of marks

### Who may apply?

The Brazilian Industrial Property Law – BIPL (Law No. 9,279 of 14 May 1996) states that natural or legal persons who are subject either to public law or private law may apply for the registration of a mark.

Business entities subject to private law may only apply for the registration of a mark covering activities that such persons effectively and lawfully exercise either directly or through companies that they directly or indirectly control. The products or services covered in the filing petition must fall within the scope of such activities.

Likewise, natural persons may only apply for registration of a mark covering their professional activities.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The BIPL establishes that any distinctive, visually perceptible sign may be registered as a trademark, provided it does not fall within the prohibitions arising under Brazilian law.

The requisite of a visual representation excludes from the scope of protection non-traditional trademarks, such as olfactory, sound and gustatory marks. On the other hand, the protection of three-dimensional signs – which are considered non-traditional trademarks – has been admitted in Brazil since the enactment of the current Industrial Property Law, in 1996.

The BIPL sets out, in article 124, a list of signs that are not registrable as trademarks. The list includes:

- signs of a generic, necessary, common, usual or merely descriptive character, when related to the product or service to be distinguished, or those commonly used to designate a characteristic of the product or service with respect to its nature, nationality, weight, value, quality and moment of production of a product or provision of a service, except when the sign is presented in a sufficiently distinctive manner;
- signs or expressions used only as a means of advertising;
- colours and their names, except when arranged or combined in an unusual and distinctive manner; and
- names, prizes or symbols of sporting, artistic, cultural, social, political, economic or technical official or officially recognised events, as well as imitations likely to cause confusion, except when authorised by the competent authority or entity promoting the event.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The BIPL states that the ownership of a mark is acquired by means of a validly granted registration, following which the titleholder has an established right to exclusive use of the trademark throughout the national territory.

However, the BIPL also provides protection for the owners of trademarks that have not yet been registered with the Brazilian Patent and Trademark Office (BPTO).

An example is the right of preference, which establishes that any person who, in good faith, at the date of priority or the filing date of

the application, has been using an identical or similar mark for at least six months in the country, to distinguish or certify a product or service that is identical, similar or akin, is entitled to the right of preference registration.

Another example is trademarks that are well-known in their field of activity, as per article 6-bis (1) of the Paris Convention. Well-known trademarks are given special protection, independently of whether they have been previously filed or registered in Brazil. The BPTO has powers to reject ex officio a trademark application that wholly or partially reproduces or imitates a well-known trademark. On the other hand, in the event of the owner of a well-known trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing with the filing of the opposition or administrative nullity action in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also establishes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not be unaware due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with such third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. Similarly to the situation mentioned in the above paragraph, the owner of the trademark has a 60-day term in which to file an application for registration of his or her mark in Brazil, with said period commencing upon the date he or she filed the opposition or administrative nullity action.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Two-and-a-half years is the estimated time frame from the filing until the grant of registration of a trademark, in the case of 'smooth' prosecution (free of obstacles such as official actions, opposition and rejection).

Usually, the legal fees for obtaining a trademark registration are charged on a fixed-fee basis. Some attorneys, however, charge for prosecuting a trademark application on an hourly rate rather than a fixed-fee basis.

The following circumstances may cause deviations from the average time for final registration and, therefore, increase the estimated time and cost of a trademark prosecution:

- opposition filed by third parties;
- official actions by the BPTO in which an applicant is required to present clarification or supplementary documentation;
- rejection of the trademark application; and
- the abeyance of an application pending a decision on a prior application by a third party.

The required documents for the purpose of filing trademark applications are:

- power of attorney duly executed and signed by the authorised officer of the applicant (no notarisation or legalisation is required), including a clear print of the name and title of the signor below the signature. A simple signed copy sent via e-mail or fax to the applicant's attorney in Brazil is acceptable to the Patent and Trademark Office (PTO). Moreover, the power of attorney can be submitted to the PTO – if not at the filing – within a 60-day term from the filing date in Brazil through a supplementary petition and additional late filing costs;
- in the case of a priority claim, a copy of the priority application, comprising all of the goods and services to be filed in Brazil. The priority documents can be submitted to the PTO – if not at the filing – within a four-month period from the filing date in Brazil through a supplementary petition and additional late filing costs; and
- in the case of composite or device marks, a clear sample of the mark (usually a high definition file in jpeg format) and information regarding any colour claim is also required.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Brazil began to apply the International Classification of Goods and Services in 2000. At that time, the seventh edition of the Nice Classification came into force in Brazil – pursuant to Normative Act No. 150 of 9 September 1999. The 10th edition of the Nice Classification has been in force in Brazil since 1 January 2012.

Given that, until 2000, Brazil followed a national classification system, trademark applications filed prior to that year had to be reclassified in accordance with the international classification as and when renewals were sought.

On 6 January 2006, the BPTO issued Resolution No. 123/06, which suspended the force and applicability of the International Classification System to trademark applications filed up until 31 December 1999, as well as to trademark registrations granted up until 31 December 1999, and which had been classified in accordance with the former Brazilian classification system.

As a consequence, applications or registrations filed or granted up until 31 December 1999 were deemed to have been granted or renewed in accordance with the former Brazilian classification system. The Resolution is still in force, and for this reason there are still registrations in Brazil classified under the national classification system.

As mentioned in question 4, multi-class applications are not allowed in Brazil.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

As per the BIPL, after an application is filed, it will be published in the Official Gazette in order to give any interested parties an opportunity to present an opposition, within a period of 60 days. If an opposition is filed, the applicant will be notified to respond within 60 days. After the terms for opposition and counterarguments have expired, the examination will be conducted. Potential conflicts with senior trademarks will then be considered.

During the period of examination, official actions or requests may be issued and must be responded to within a period of 60 days. If an applicant fails to respond to an official requirement, the application will be definitively shelved. If, however, a response is filed, the examination will continue, even if the requirement has not in fact been satisfied or if the applicant's response was to lodge a formal challenge to the official action or request.

In the absence of oppositions, the examiner will consider the results of the availability search. If potential conflicts with prior registrations are verified, then the examiner will, ex officio, reject the application. If a possible conflicting registration, which might be cited as grounds for

rejection, is under forfeiture or subject to court proceedings or orders, then the examiner will stay the junior application in abeyance pending a final decision in the respective case. The same applies to possible conflicting senior applications that are still under examination.

Once the examination has been concluded, a decision will be issued, either allowing or rejecting the application for registration. In the event of rejection, the applicant will have 60 days to file an appeal to the president of the BPTO.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

When applying for registration in Brazil, there is no need to claim prior use or to submit proof of use of the trademark.

Priority rights are guaranteed for an application for the registration of a mark, when an application has been filed in a country that has an agreement with Brazil, or filed before an international organisation of which Brazil is a member. The application in Brazil must be filed within the time limits established in the agreement, without the occurrence during said time limits of any fact that invalidates or prejudices the application.

The registrant must initiate the use of its trademark within five years from grant. Failing to do so may result, upon the request of any person with a legitimate interest, in the declaration of forfeiture and consequent cancellation of the registration. Likewise, if use of the mark has been interrupted for more than five consecutive years or if, within that time, the mark has been used in a modified form that implies alteration of its original distinctive character as found on the certificate of registration, the registration may, upon third-party request, be deemed forfeited and cancelled.

The use of the mark must include all the products or services mentioned on the certificate, under penalty of partial forfeiture of the registration with respect to those products or services not similar or akin to those for which use of the mark has been proved.

Forfeiture requests will not be admitted if use of the mark has been proved (or if its lack of use has been justified) in earlier proceedings in the past five years.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The applicant may file an appeal against a rejection decision within 60 days. Third parties with a legitimate interest may challenge the appeal within 60 days of the date of publication of notice of appeal.

In the event of the BPTO allowing an application, but subject to limitations or reservations (eg, without the right of exclusive use of a certain word element), the applicant may file an appeal against the limitation.

The appeal and any challenges to it are analysed by the president of the BPTO. A decision to uphold the rejection ends proceedings in the administrative sphere. Thereafter, it is possible for the applicant to file a judicial nullity action against the administrative act that upheld the rejection of the application.

In the event of the rejection being overturned on appeal, the allowance of the application will be automatically published, with the start of the period of time within which the applicant is to pay the final fees for registration.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

As mentioned in question 6, once an application is filed, it will be published in the Official Gazette for opposition purposes. Any interested

party will have a 60-day term, counted from the date of the publication, to submit an opposition to the application. After the opposition is filed, the applicant is notified to submit a reply within 60 days. Once the opposition and reply terms have expired, the examination of the application is conducted. The BIPL establishes a pre-registration opposition system. As a consequence, oppositions may be filed only against trademark applications. In this regard, please see question 6.

Once the registration is granted and published in the Official Gazette, a 180-day term commences in which any person with a legitimate interest may file an administrative nullity action. It is important to highlight that the administrative nullity action may be also commenced ex officio by the BPTO. The registrant will be notified to respond within a period of 60 days. After the term for counter-arguments has expired and even if no response has been presented, the issue will be decided by the President of the BPTO. This decision brings the administrative stage to a close.

A registration is subject to a declaration of administrative nullity if the registration was granted in conflict with the provisions of the BIPL. To be successful in an administrative nullity action a third party must demonstrate, *inter alia*:

- a lack of compliance with one of the legal formalities of the BPTO, essential for the proper processing of the application;
- that the trademark registration infringes one of the provisions of article 124 (signs not registrable as marks) of the BIPL;
- that the sign does not meet the essential requirements to characterise it as a trademark; or
- that the registrant's commercial or professional activities are not consistent with the products or services claimed in the filing petition.

A brand owner who does not have yet trademark protection in Brazil can oppose a bad-faith application for its mark based on the provisions of article 124, XXIII of the BIPL. Said provision specifically establishes that signs that imitate or reproduce, wholly or in part, a third-party mark, of which the applicant could not be unaware due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark and is likely to cause confusion or association with such third-party mark.

Further, in the event the bad-faith application matures into registration, the brand owner will have the possibility to file an administrative nullity action against the bad-faith registration based on the same provision. At this stage, it is also possible to file a judicial nullity action against the decision of the Brazilian PTO in order to have the grant decision reviewed by a federal court.

Any person with a legitimate interest, or the BPTO itself, may file a judicial nullity action against the trademark registration. The registrant or the BPTO itself may also file a judicial nullity action against the administrative act that annulled a trademark registration. A declaration of nullity will take retroactive effect as from the date the trademark application was filed at the BPTO. A judicial nullity action is statute barred following the expiry of five years from the date of publication of the granting decision.

Of note is that in Brazil nullity actions are statute barred following the expiry of five years from the date of publication of the granting decision. Notwithstanding, under the Paris Convention, the five-year rule does not apply for judicial nullity actions based on bad faith. Therefore, an action based on this particular argument is imprescriptible.

Official fees for the preparation and filing of an opposition or a reply to an opposition are US\$150 and US\$50, respectively. On the other hand, the official fees for preparing and filing an administrative nullity action or a reply to an administrative nullity action are US\$200 and US\$50, respectively. The dollar equivalent of official fees (which are fixed in local currency) fluctuates in line with exchange rate variations.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The trademark registration remains in effect for 10 years commencing with the date of its grant, and may be renewed for equal and successive

periods. The renewal request must be filed during the last year of the term of the registration and must be accompanied by proof of payment of the respective fee. If a renewal request has not been made by the end of the registration term, the registrant may make such request within the following six months on payment of an additional fee.

According to the BIPL, it is not necessary to submit proof of use of the trademark when applying for registration or when requesting its renewal. The use of the mark needs to be proved only in the event of a forfeiture request being filed by a third party with a legitimate interest.

As mentioned in question 7, a registrant must initiate the use of its trademark within five years from its grant or the registration may become forfeit and, therefore, extinct. In the event of the use of the mark being interrupted for more than five consecutive years or if, within that time, the mark has been used in a modified form that implies alteration to its original distinctive character, as per the certificate of registration, the registration may also become forfeit and extinct.

If a forfeiture request is filed, the registrant will be notified to reply within a period of 60 days, the onus being on him or her to prove the use of the mark or to justify lack of use for legitimate reasons. An appeal may be lodged against the decision that either declares or rejects forfeiture of the registration. Forfeiture requests will not be admitted if use of the mark has been proved (or if its lack of use has been justified) in earlier proceedings in the past five years.

The BIPL does not set out specific provisions regarding proof of use. When analysing the effective use of trademarks, the BPTO will take into consideration all means of proof admitted by law, such as commercial invoices referring to the registered trademark and its owner, advertising materials and catalogues and documents that prove the import or the nationalisation of the products in Brazil in the case of products that are manufactured abroad.

## 11 The benefits of registration

**What are the benefits of registration?**

The following benefits are guaranteed to the registrant:

- exclusive use of the trademark on Brazilian territory;
- the right to use legal means to prevent third parties from using identical or similar trademarks to identify identical or similar products or services;
- the right to cancel registration of identical or similar trademarks identifying identical or similar products or services; and
- the right to dispose of the trademark, by assigning its registration or licensing its use.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The BIPL allows the owner or the applicant of a trademark registration to enter into licence agreements for the use of the mark without prejudice to their right to exercise effective control over the specifications, nature or quality of the respective products or services.

A licence agreement takes effect between the contracting parties from the moment it is executed. However, it must be recorded with the BPTO in order to be enforceable against third parties. It will produce effects in relation to third parties as from the date of its publication in the Official Gazette.

Registration of the licence agreement with the BPTO is also important if royalties are agreed, in that it is only after such registration that royalties can be remitted abroad and the licence fees become tax-deductible. The remittance of payments from trademark licences will be accepted only after grant of a respective trademark registration by the BPTO. Retroactive payments before the grant of the trademark registration are not allowed.

Registration with the BPTO is not necessary in order to constitute proof of use.



### 13 Assignment

#### What can be assigned?

Applications and registrations may be assigned on condition that the legal requirements for requesting registration are met by the assignee.

The assignment of a trademark application or registration covers the trademark alone and it is not necessary. The goodwill and other business assets need not be assigned in order for assignment of the trademark to be valid.

The assignment must cover all existing registrations and applications in the name of the assignor in relation to identical or similar trademarks that identify identical or similar products or services, failing which the registrations or applications not assigned may be cancelled or deemed abandoned.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

The documents necessary to record a trademark assignment are the following:

- a power of attorney to be executed and signed by an authorised officer of the assignee. There is no need to notarise or legalise this document; and
- an assignment document to be executed and signed by the authorised officers of the assignor and assignee, with all the signatures being notarised before a notary public. The notary should attest that the signatories have the necessary powers to represent the parties in this act. This document must also include the signature and details of the identity of two witnesses (no notarisation is required for the witnesses' signatures).

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

The assignment of a trademark application or registration takes effect between the contracting parties from the moment it is executed and signed by the assignor and assignee.

However, to produce effects in relation to third parties the assignment must be recorded at the BPTO. The assignment will produce effects with respect to third parties as from the date of its publication in the Official Gazette.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are governed by the Brazilian Civil Code (Law No. 10,406 of 10 January 2002). Of the security interests for which the Brazilian Civil Code makes provision the one that applies to trademarks is the lien or pledge. The security interest must be recorded at the BPTO in order to produce effects in relation to third parties. The security interest will produce effects with respect to third parties as from the date of its publication in the Official Gazette.

Pledge agreements that contain references to the amount of the credit, or its estimated value or maximum amount; the time frame for payment of the debt; and the trademark's specifications are usually accepted for registration by the BPTO. The limitation or onus on the application or registration is then published in the Official Gazette by the BPTO.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The symbol ® can be used in Brazil to indicate that the trademark is registered with the BPTO.

The BIPL does not mention the use of marking in any of its provisions. Therefore, one can be assumed that, in Brazil, marking is not mandatory.

The benefit of using the ® symbol is that it reinforces the fact that the sign in question is registered as a trademark and that, consequently, third parties cannot make use of it without express permission from the owner.

Dishonestly claiming for advertising purposes that a product or service has received a prize or distinction is deemed to be a crime of unfair competition under the BIPL.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

In addition to the administrative proceedings of opposition and cancellation, the trademark owner can enforce its rights through criminal and civil proceedings, as provided for in the BIPL, in articles 189 and 190 (crimes against marks) and in articles 207 to 210 (civil measures).

Civil proceedings include, for example, applications for injunctions requiring the immediate cessation of the infringement act (plaintiff may request the imposition of a daily penalty for failure to comply with an injunction or other preliminary relief) and claims for damages. It is important to note that the judge may grant ex parte injunctions in order to avoid irreparable loss or harm that would be difficult to repair. The court may, in such circumstances, require the petitioner to post a judgment bond or a fiduciary guarantee. In cases of blatant reproduction or imitation of a registered mark, the judge may order the seizure of all the merchandise, products, objects, packages, labels and other materials that bear the falsified or imitated mark.

A criminal action requires the filing of a criminal complaint, except in the case of the crime against armorial bearings, crests or official public distinctions, be they national, foreign or international, in which case the criminal action will be public (ie, commenced by the public prosecution service). In addition to preliminary criminal search and seizure measures, the trademark owner may request: seizure of a falsified, altered or imitated mark at its place of preparation or wherever it is to be found, prior to its unlawful use; or destruction of a counterfeit mark on packets or products that contain it, before they are distributed, even in circumstances in which the packages or products themselves appear to have been discarded.

Border enforcement mechanisms are regulated by articles 605 to 608 of Federal Decree No. 6759 of 5 February 2009. The customs authority may, on its own initiative or at the request of an interested party, seize, during the course of a customs inspection, any products carrying falsified, altered or imitated marks or a false indication of source. Following seizure, the customs authority is under a duty to notify the trademark owner so that he or she may, within a period of 10 working days, file the respective complaint and request for judicial seizure.

Moreover, in the event of a trademark owner having sufficient evidence of planned import or export of counterfeit goods, it may request that the customs authority seize the goods. The trademark owner will be required to set out the facts or circumstances that justify its suspicion. The customs authority may require the trademark owner to provide a bond in an amount sufficient to cover any loss that may be caused to the defendant in the event of the seizure proving to be unfounded, and as a means of seeking to ensure that the trademark owner's request is not an abuse of right.

Nullity actions against trademark registration and nullity actions against administrative acts that uphold a rejection decision, or which a trademark registration, are submitted to the Federal Justice of Rio de Janeiro. The BPTO is automatically a party in all such court proceedings. Whenever a government agency is party to a lawsuit, the proceedings must be listed before a federal court. The BPTO head office is in Rio de Janeiro and, therefore, proceedings to which it is a party must commence in the federal court district of that city.

The entry level (first instance) of the Federal Court of Rio de Janeiro has four courts specialising in intellectual property. At the appeal level, the Regional Federal Court of the Second Region, with jurisdiction over the states of Rio de Janeiro and Espírito Santo, has two specialist panels for intellectual property.

Infringement actions must be filed before state courts, as the BPTO does not participate in such proceedings. There are no specialist state courts handling trademark infringement cases.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Discovery, in the form that exists in common law systems as a pretrial phase in a lawsuit, is not provided for in the Brazilian legal system.

According to the Brazilian Code of Civil Procedure, the parties can resort to the following mechanisms (*inter alia*) to obtain evidence for legal proceedings: personal deposition; exhibition of documents or other material; witness testimony; expert evidence and court inspection.

In addition, the Code of Civil Procedure also permits the filing of a request for early production of evidence. This measure allows one party to request the live testimony of the opposing party or witnesses or the undertaking of an expert examination, when there are reasonable grounds for fearing that the evidence may be lost or for some other urgent reason. The application for early production of evidence may be filed prior to the commencement of the substantive proceedings. Such an application may also be made following commencement of proceedings – in these circumstances the party seeking the direction must demonstrate that it could not reasonably be expected to wait until the time at which the evidence would normally be adduced in the proceedings.

Once a civil trademark infringement action is filed, the defendant is notified to present his or her response within 15 days. The plaintiff may respond to the defendant's answer within 10 days. There are usually two hearings at first instance: a conciliatory or preliminary hearing, in which the parties try to settle the case amicably; and an evidentiary hearing, in which the expert and the parties' technical assistants may be cross-examined as to their findings, in the event of a dispute between them (the relevant questions having been filed and responded to in writing prior to the hearing – the scope of the cross-examination being issues that remain in dispute); depositions are taken from the parties and the witnesses listed are heard. It is important to note that this second hearing occurs only in cases where there is a need for evidence to be produced.

A final decision on a civil infringement action may take between one and two years at first instance. This time frame will vary in accordance with the state and court in which the lawsuit is filed.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof system is ruled by the Civil Procedure Code, which apportions the burden of proof equally between the disputing parties.

The plaintiff bears the burden of proving the facts it claims support its right. The defendant has the burden of proving facts that impede, modify or terminate the plaintiff's right. If the defendant merely denies the fact on which the plaintiff's plea is based, the burden of proof remains on the plaintiff.

In general, in infringement actions, the plaintiff has to prove the offence against its trademark rights and the defendant has to demonstrate that no offence was committed.

As of 2003, the Superior Court of Justice has consolidated the view that proof of the violation of a trademark right is sufficient in itself to give rise to a right to damages independently of any evidence of harm caused to the injured party.

In relation to the quantum of damages, the BIPL applies a triple criteria calculation, as follows:

- the benefits that would have been gained by the injured party if the violation had not occurred;
- the benefits gained by the author of the violation of the rights; or
- the remuneration that the author of the violation would have paid to the proprietor of the violated rights for a licence that would have legally permitted him or her to make use of the protected rights.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner is entitled to have recourse to the courts in the event of trademark infringement. Licensees and distributors may also file suit in response to an alleged trademark violation, provided they have been invested by the trademark owner with full powers to act in defence of the mark.

The same conditions apply to criminal complaints.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Activities that take place outside the country, without producing direct effects in the country, may be cited in an infringement action as additional arguments.

When the said activities have a direct effect in Brazil, they may serve as the basis for an infringement action. In this regard, the BIPL establishes, for example, that it is a crime, carrying a penalty of imprisonment for a period of one to three years, or a fine, to import: products branded with the illicitly, wholly or partially, reproduced or imitated mark of a third party; or of a product from the infringer's industry or commerce, held in a vessel, container or package bearing the legitimate mark of a third party. Border enforcement mechanisms are also an example. See question 18.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As mentioned in question 19, the discovery procedure, as conceived in common law systems as a pretrial phase in a lawsuit, is not applicable in Brazil.

To obtain evidence in legal proceedings, the parties can request directions, *inter alia*, for the following: personal deposition by a party; exhibition of documents or other material; witness testimony; expert evidence, documentary evidence and court inspection.

In addition, as stated in question 19, the Code of Civil Procedure also permits an application for early production of evidence.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

A final decision on a civil infringement action may take between one and two years at first instance. A final decision on second instance may take up to two years. These time frames will vary according to the complexity of the case and the state and court in which the lawsuit is filed. Preliminary injunctions may be granted immediately, provided the legal requirements are met.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The attorney's fees associated with a civil trademark infringement action may vary according to the complexity of each case and according to the professional rates charged by the assigned counsel.

Court fees are fixed proportionally to the amount in issue estimated by the plaintiff.

Usually, the legal fees for filing an infringement action, for filing an appeal against the final decision at first instance and for filing an appeal to the Superior Court of Justice against a final decision at second instance are charged on a fixed-fee basis.

Some attorneys, however, charge for such proceedings and for trial preparation and advocacy on an hourly rate rather than a fixed-fee basis.

Additionally, many attorneys charge a success fee, which may also be payable if the disputing parties reach a settlement.

## 26 Appeals

### What avenues of appeal are available?

The Brazilian Civil Procedure Code sets out various avenues of appeal, to which parties in trademark infringement proceedings may resort. There are both appeals on the merits (substantive issue) of a case and appeals on procedural grounds or relating to questions other than the substantive issue.

The possible forms of appeal include motions based on conflicting case law, motions for clarification of the ruling and appeals based on internal court rules.

The final decision of the first instance court, for example, may be challenged on appeal before the state court of appeal by means of an *apelação*. From the appeal court, a further appeal is possible on issues pertaining to federal law, to the Superior Court of Justice or, in the event of a constitutional issue arising, to the Federal Supreme Court.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

In a civil infringement action, the defendant in its reply may assert facts that impede, modify or terminate plaintiff's right or simply present a general denial. In addition to its reply, the defendant may also file a counterclaim against the plaintiff, if the legal prerequisites are duly met.

One commonly used argument asserted by defendants is that there is a lack of confusing similarity between the confronting signs.

The right of prior use mentioned in question 3 may also be asserted in the defendant's reply.

In relation to criminal actions, an allegation of nullity of the registration on which the action is based may be relied upon as a defence. Acquittal of the defendant, however, will not automatically lead to nullity of the registration, which can only be requested in an action before the competent courts.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

As per question 18, the civil remedies include: an order for the immediate cessation of the infringing act (the plaintiff may request the imposition of a daily penalty for failure to comply with a preliminary injunction or with a first instance decision) and compensation for the unauthorised use of the trademark.

In a lawsuit filed seeking cessation of the infringing act and an award of damages, the judge may grant an ex parte preliminary injunction in order to avoid irreparable loss or harm that would be difficult to repair. The court may, in such circumstances, require a petitioner to post a bond or a fiduciary guarantee. In addition, in cases of blatant reproduction or imitation of a registered mark, the judge may order the seizure of all the merchandise, products, objects, packages, labels and other materials that bear the counterfeit or imitated mark.

As for the quantum of damages, the BIPL applies a triple criteria calculation, as follows: the benefits that would have been gained by the injured party if the violation had not occurred; the benefits gained by the author of the violation of the rights; or the remuneration that the author of the violation would have paid to the proprietor of the violated rights for a licence that would have legally permitted him or her to make use of the protected rights.

Criminal remedies include: preliminary criminal search and seizure measures, imprisonment of the infringer and fines.

In criminal proceedings, the trademark owner may request, in addition to preliminary criminal search and seizure measures, the seizure of a falsified, altered or imitated mark at its place of preparation or where it is found, prior to its unlawful use; or destruction of a counterfeit mark on packets or products that contain it, before they are distributed, even if the packages or even the products themselves have been discarded. Further, the BIPL establishes that anyone who: reproduces a registered mark wholly or in part, without the authorisation of the registrant, or

## Update and trends

In early 2015, the Brazilian Congress created a Mixed Parliamentary Front in Defence of Intellectual Property and to Fight Counterfeiting with the objective of proposing practical actions to strengthen mechanisms of innovation, competitiveness and productiveness in Brazil. The members are giving special attention to bills that make penalties for crimes against intellectual property, prescribed in the BIPL, so that they are more stringent and will help to reduce costs and bureaucracy involved in obtaining and enforcing IP rights, including trademarks.

With the objective of clarifying the scope of protection of a trademark granted by the BPTO and to homogenise the use of trademark disclaimers, on 30 May 2016 the BPTO issued Resolution 166, establishing a 'standard disclaimer' (a single disclaimer) to be added to all trademark registrations and renewal certificates. The disclaimers imposed by the BPTO (there were different types) on registrations granted prior to the date that Resolution 166 entered into force will be maintained, and the appeals and administrative nullity actions filed against the decisions of the BPTO that allowed or granted trademarks with a disclaimer will be decided by applying the new standard disclaimer. The certificates of registration for trademark granted after 23 February 2016, will be issued with the new standard disclaimer. This new rule is already generating discussion among IP practitioners and will affect the protection and enforceability of trademarks in Brazil.

imitates it in a manner that may induce confusion; or alters the registered mark of a third party already applied to a product placed on the market, is subject to imprisonment for a period of three months to one year, or a fine. The same penalty applies to anyone caught importing, exporting, selling, offering or exhibiting for sale, hiding or maintaining in stock: a product branded with an illicitly, wholly or partially reproduced or imitated mark of a third party; or a product from the accused's industry or commerce, held in a vessel, container or package carrying a legitimate mark of a third party.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The BIPL does not have any provision related to ADR. Arbitration proceedings are governed by the Arbitration Law (Law No. 9,307 of 23 September 1996). Although arbitration is not commonly used in trademark infringement cases, the parties may agree to arbitration instead of resorting to the courts. Among the possible benefits of using arbitration are the comparative speed of proceedings and their confidentiality. However, in the event of a party needing, for example, injunctive relief for the immediate cessation of use of a confusingly similar mark and, by consequence, the immediate cessation of the sale of products identified by said mark, arbitration would not be an advisable way of proceeding.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

No. If not registered and in use in Brazil, a famous foreign trademark is not afforded special protection in all branches of activity, as foreseen in article 125 of the BIPL. On the other hand, in accordance with article 6-bis (1) of the Paris Convention, well-known trademarks in their field of activity are given special protection, independently of whether they have been previously filed or registered in Brazil. Registration certificates in other jurisdictions and advertising materials are normally sufficient to prove to the BPTO the well-known status of a foreign mark. The BPTO has powers to reject ex officio a trademark application that wholly or partially reproduces or imitates a well-known trademark. Further, in the event of the owner of a well-known trademark filing an opposition or an administrative nullity action based on its well-known trademark, it has a period of 60 days commencing with the filing of the opposition or administrative nullity action, in which to file an application for the registration in Brazil of its well-known mark.

The BIPL also establishes that signs that imitate or reproduce, wholly or in part, a third-party mark of which the applicant could not be unaware, due to the commercial activity in which he or she engages, are not registrable as trademarks, if the sign is intended to distinguish a product or service that is identical, similar or akin to that covered by the existing mark, and is likely to cause confusion or association with such third-party mark. As a consequence, the BIPL enables the owner of a trademark that has not yet been filed or registered in Brazil to challenge third parties who attempt to register similar or identical trademarks. In this case, it is not necessary for the third party mark to be well-known in its field of activity in order to claim this special condition. Similarly to the situation mentioned in the above paragraph, the owner of the trademark has a 60-day term in which to file the application in Brazil commencing with the date of filing of the opposition or administrative nullity action.

## BHERING

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# Canada

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## 1 Ownership of marks

### Who may apply?

Any person entitled to registration may file a trademark application. A 'person' includes an individual, corporation, partnership, trade union, joint venture, charitable organisation and lawful association, as well as the administrative authority of any country, state, province, municipality or other organised administrative area.

An applicant must be a single legal entity. When two or more individuals or legal entities apply for the registration of a trademark, they must confirm in writing that they have a legal agreement between them to form a partnership, joint venture, or other lawful association. An applicant need not be a Canadian resident or citizen. If the applicant has no office or place of business in Canada, it must provide the address of its principal office or place of business abroad as well as the name and address in Canada of a person or firm named as the representative for service.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Significant amendments to the Trademarks Act and Regulations will come into force in 2018 that will expand the definition of a trademark to 'a word, a personal name, a design, a letter, a numeral, a colour, a figurative element, a three-dimensional shape, a hologram, a moving image, a mode of packaging goods, a sound, a scent, a taste, a texture and the positioning of a sign'. The amendments therefore contemplate a substantial expansion of what constitutes a trademark in Canada.

Until these changes come into effect, however, the current definition of a trademark is limited to words, numerals, two-dimensional designs, three-dimensional marks, distinguishing guises (ie, a shaping of goods or a method of packaging goods that is not primarily functional) and certification marks (ie, marks used to identify goods or services of a defined standard). In 2012, the Trademarks Office also began accepting applications for sounds, provided applicants include an electronic recording of the sound, as well as a graphical representation and verbal description of the sound.

A trademark is registrable provided it is not:

- a word that is primarily the name or the surname of an individual who is living or has died within the preceding 30 years;
- whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods or services in association with which it is used or proposed to be used or of the conditions of or the persons employed in their production or of their place of origin;
- the name in any language of the goods or services in connection with which it is used or proposed to be used;
- confusing with a registered trademark;
- a mark of which the adoption is prohibited by section 9 (prohibited and official marks) or section 10 (marks that have by commercial use become recognised as designating the kind, quality, quantity, destination, value, place of origin, or date of production of any goods or services);
- a denomination the adoption of which is prohibited by section 10.1 (Plant Breeders Rights Act);

- in whole or in part a protected geographical indication and where the trademark is to be registered in association with a wine not originating in a territory indicated by the geographical indication;
- in whole or in part a protected geographical indication and where the trademark is to be registered in association with a spirit not originating in a territory indicated by the geographical indication; and
- subject to subsection 3(3) and paragraph 3(4)(a) of the Olympic and Paralympic Marks Act, a mark the adoption of which is prohibited by subsection 3(1) of that Act.

The amendments that will come into force add a further condition, namely, a trademark will not be registrable in Canada if its features are dictated primarily by a utilitarian function. Examiners will also be able to object to trademarks on the basis that they are non-distinctive.

A trademark that is merely a name or surname, or clearly descriptive or deceptively misdescriptive of the applied-for goods or services, may be registrable if it has been used in Canada by the applicant or the applicant's predecessors in title so as to have become distinctive at the date of filing the application. Similarly, foreign registered marks that are considered unregistrable on the basis of one or more of the criteria identified above may be registrable in Canada if they are not without distinctive character in Canada. The latter provision will be eliminated once the amendments to the Trademarks Act are enacted.

### Official marks

Public authorities are entitled to protect marks that they have adopted and used as 'official marks'. To qualify, the requesting party must demonstrate that its activities are subject to a significant degree of Canadian government control and that they benefit the public. The requesting party must also submit evidence of its adoption and use of the official mark. Official marks are not examined for descriptiveness or confusing similarity to third-party marks and no opposition process is available. There is no requirement to identify goods or services, and no renewal process. Official marks remain active indefinitely unless cancelled by the owner or successfully challenged by a third party in the federal court.

### Prohibited marks

A trademark is not registrable if it is prohibited by section 9 of the Trademarks Act; specifically, section 9 provides that 'no person shall adopt any mark consisting of, or so nearly resembling as to be likely to be mistaken for' a list of prohibited marks. Examples of prohibited marks include:

- any scandalous, obscene or immoral word or device;
- any matter that may falsely suggest a connection with any living individual; or
- the portrait or signature of any individual who is living or has died within the preceding 30 years.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark rights can be acquired by use independently of registration. The owner of an unregistered mark may have protection through the common law action for passing off, or its statutory equivalent.

An action for passing off is founded on the principle that a trader who has generated goodwill in a mark has a right to restrain anyone else from injuring his or her business by representing that the businesses are connected, or by using that mark, or one that so nearly resembles it as to be calculated to deceive.

In order to hold a competitor liable for passing off, a plaintiff must show that:

- the plaintiff has built up goodwill in the mark;
- the defendant has made a misrepresentation, intentional or not, likely to lead public to believe that the goods or services are really those of the plaintiff; and
- the plaintiff has been, or could be, harmed as a result.

Common law trademark rights are narrower than those that may be obtained through registration. First, common law protection only applies to marks that have been used, and then only in the region where they have accumulated goodwill. Second, a registered trademark owner can bring an action to prevent unauthorised use of his or her mark, even when there is no potential for damage, and even when the defendant has made no misrepresentation; the mark owner need only show that the risk of confusion exists. Finally, under certain circumstances, a registered trademark owner can sue others for depreciating the goodwill of his or her brand, even in the absence of confusion.

#### 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

If an application is approved with few or no objections from the Trademarks Office, and is not opposed by a third party, a trademark can be registered within 12 to 18 months. In the event that a substantive objection is raised, or opposition proceeding commenced, registration of the mark can be delayed by a number of years. Delays may also occur in respect of applications based on proposed use since the application may not proceed to registration until the applicant files a declaration stating that use of the mark has commenced in Canada. The elimination of the requirement to file a declaration of use will have the effect of expediting registration.

The most common types of substantive objections are: confusion objections (ie, the mark is alleged to be confusing with a registered mark or a mark for which an application is pending); descriptiveness objections (ie, the mark is alleged to clearly describe, or deceptively misdescribe, the applied-for goods or services); and name objections (ie, the mark is alleged to be primarily merely a name or surname).

Currently, the cost of registration varies depending on the length and complexity of prosecution. The Trademarks Office fees are currently C\$250 to file an application online and C\$200 for the issuance of a registration certificate. Once Canada adopts the Nice Classification system, official fees will be charged on a per class basis. The Canadian Intellectual Property Office (CIPO) has issued a proposal for a single fee that will replace filing and registration fees. For electronic filings the fee is expected to be C\$330 for the first class, and C\$100 for each additional class; and for renewals, C\$400 for the first class, and C\$125 for each additional class.

In most cases, no documentation, apart from the application itself, is needed to apply for a trademark in Canada. A power of attorney is not required. Where the applicant files for registration in Canada on the basis of use or registration in the applicant's home jurisdiction, it is necessary to file a certified copy of the mark's home registration at some point prior to advertisement. This requirement will be eliminated once the amendments to the Trademarks Act are enacted. Certification mark applications require specifics of the defined standard that use of the mark is intended to indicate. Further, affidavit evidence is required in order to establish that a mark has acquired distinctiveness or that a mark is not without distinctive character, although such evidence may be submitted post-filing.

#### 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Currently, there is no requirement in Canada to classify goods and services. In September 2015, the Trademarks Office began accepting trademark applications with Nice Classifications. Until the amendments are implemented in 2018, classification in accordance with Nice is voluntary.

Applicants are required to include a statement in ordinary commercial terms of the specific goods or services in association with which the mark has been (or will be) used. 'Ordinary commercial terms' means the description that is customarily used for the goods and services in the trade. If no ordinary commercial term is available, it is necessary to provide an accurate description of the composition and function of the goods. The adoption of the Nice Classification system will not eliminate the need to describe goods and services in ordinary commercial terms; there will simply be an additional requirement to group them according to the Nice classes.

Multi-class applications are available in Canada and currently an unlimited range of goods and services may be included in the application for a single filing fee of C\$250. However, once the changes are implemented in 2018, CIPO will establish per class filing and renewal fees.

#### 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The Trademarks Office examines applications to determine whether the mark is registrable. Specifically, the Office will examine whether the trademark is:

- a word that is primarily the name or the surname of an individual who is living or has died within the preceding 30 years;
- either clearly descriptive or deceptively misdescriptive in the English or French language (whether depicted, written or sounded) of the character or quality of the goods or services associated with the mark, or of the conditions of or the persons employed in their production, or of their place of origin;
- the name in any language of the goods or services associated with the mark;
- confusing with a registered trademark;
- a mark of which the adoption is prohibited by section 9 (prohibited and official marks) or section 10 (marks that have by commercial use become recognised as designating the kind, quality, quantity, destination, value, place of origin, or date of production of any goods or services);
- a denomination the adoption of which is prohibited by section 10.1 (Plant Breeders Rights Act);
- in whole or in part a protected geographical indication for wines or spirits; and
- a mark the adoption of which is prohibited by subsection 3(1) of the Olympic and Paralympic Marks Act.

Under the proposed amendments, the Office will also be able to refuse applications for lack of distinctiveness, although it is not yet clear how the Office will assess distinctiveness.

If the Trademarks Office finds conflicting third-party applications with earlier filing or priority dates, or conflicting third-party registrations, the Office will inform the applicant by issuing an objection to which the applicant must respond within six months. If the applicant is unable to overcome the examiner's objection, the application will be refused. Consent from the owner of a cited mark may be a factor that the Office will consider in assessing the likelihood of confusion, however, the Office takes the position that it is not bound by such consents and may, nonetheless, maintain the objection.

Factors that the Trademarks Office will consider when assessing the likelihood of confusion include:

- the degree of resemblance between the marks in appearance, sounds or ideas suggested by them;
- the inherent distinctiveness of the marks and the extent to which they have become known;
- the length of time the marks have been in use;
- the nature of the goods, services or business;
- the nature of the trade; and
- any other relevant surrounding circumstance.

The Trademarks Office also considers whether a trademark is so similar as to be likely mistaken for section 9 prohibited and official marks. Applicants may file submissions on the basis that there are sufficient differences between the marks that they are not likely to be mistaken. If an applicant is unable to overcome an objection based on a conflicting section 9 official mark, the consent of the owner of the section 9 mark can serve to overcome the objection, even if the marks are identical.

Under the new provisions, applicants will be permitted to 'divide' applications and proceed to registration for some of the goods and services claimed.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Currently, use of a trademark must be claimed before registration is granted or issued. However, specimens of use are not required. A declaration of use must currently be filed in respect of applications claiming 'proposed use' as a basis for registration. The declaration is due after allowance of the mark. The Office will grant the applicant three years from the date of filing, or six months from the date of the notice of allowance, whichever is later, to file the declaration. Six-month extensions of time may be requested upon payment of a fee.

The requirement to file a declaration of use will be eliminated once the amendments to the Trademarks Act come into force in 2018. Specifically, an applicant will be able to file for and obtain a trademark registration in Canada without ever having used that mark anywhere in the world. 'Use' will still be an important consideration under Canadian trademark law since prior use will still give a trademark owner priority over a subsequent user. However, since it will no longer be necessary to indicate prior use details on an application, this information will not become known unless the application is opposed or is the subject of litigation, and/or investigations are conducted.

Any trademark, including those obtained without establishing use in Canada, that is not used within three years of registration becomes vulnerable to summary cancellation for non-use upon request by a third party.

Foreign applicants are granted a six-month priority period under the Paris Convention. Under the new provisions, Convention priority will no longer be restricted to applications filed in the applicant's home country.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

An appeal is available to the Federal Court of Canada from any final refusal to approve an application for advertisement in the Trademarks Journal. Specifically, the Trial Division of the Federal Court of Canada is the court of first instance for appeals from any decisions of the Trademarks Registrar. Appeals from decisions of the Federal Court are made to the Federal Court of Appeal, and appeals from decisions of the Federal Court of Appeal are made to the Supreme Court of Canada, provided leave to appeal is granted.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Once the Trademarks Office approves an application, it is advertised in the Trademarks Journal. The opposition period is two months from the date of advertisement in the Journal.

### Opposition proceedings

Within two months of the date of advertisement, any person may file a statement of opposition setting out the grounds of opposition upon which it wishes to rely. An opposition may be based on any of the following grounds:

- the mark is not registrable (section 12 of the Act specifies what kinds of marks are registrable);
- the mark is not distinctive or not adapted to distinguish the goods or services of the applicant from those of others;
- the applicant is not the person entitled to register the mark (ie, a third party is using a confusing trademark or trade name or had previously applied to register a confusing trademark); and
- the application does not comply with the application particulars required pursuant to section 30 of the Trademarks Act.

The anticipated amendments to the Trademarks Act will provide for two new grounds of opposition: as of the filing date the applicant was not using or did not intend to use the trademark; and as of the filing date the applicant was not entitled to use the trademark.

There is no stand-alone ground of opposition based on bad faith. However, bad faith can be a factor in some of the stipulated grounds of opposition. For example, if a licensee of a mark attempted to co-opt that mark by applying for registration in its own name based on prior use, the licensor could argue that said use properly inured to the licensor's own benefit, and that the licensee's application was filed without entitlement in bad faith. If successful, this would defeat the use-based application, and help the licensor establish superior entitlement to register the mark.

The applicant can reply to the statement of opposition by filing a counter-statement. Under the new provisions, applicants will be able to file a simplified counterstatement stating that the applicant intends to respond to the opposition (rather than denying the specific grounds of opposition).

Both parties are given the opportunity to exchange documentary evidence and conduct cross-examination of the deponents. The parties are then given an opportunity to file written arguments or request an oral hearing or both before the Trademarks Opposition Board.

The official fee for filing a Statement of Opposition is currently C\$750.

### Invalidity/expungement proceedings

The Federal Court of Canada has exclusive original jurisdiction to order that any entry in the Register be struck out or amended. Any 'person interested' may commence an expungement proceeding. A 'person interested' is defined as any person who is affected or reasonably apprehends that he or she may be affected by any entry in the Register.

The four grounds for invalidating a registered trademark are:

- the trademark was not registrable at the date of registration;
- the trademark is not distinctive at the time the proceedings are commenced;
- the trademark has been abandoned; or
- the applicant was not the person entitled to secure registration.

The proposed amendments to the Trademarks Act add a further ground for expungement, namely, if the 'registration is likely to unreasonably limit the development of any art or industry'.

In proceedings commenced more than five years from the date of registration, the registration cannot be expunged or amended or held invalid by reason of another's prior use or making known of a



confusingly similar mark or trade name, unless it is established that the person who adopted the registered mark in Canada did so with knowledge of the other's prior use or making known.

### **Cancellation proceedings**

Section 45 of the Act provides a summary procedure for clearing 'dead wood' from the register. Any person can request the issuance of such a notice. Upon receipt of such request, the registrar issues a notice to the registered owner requiring evidence of use of the mark in Canada in the preceding three years with respect to each of the goods or services (or both) specified in the registration. If the mark is not in use, the registered owner can provide the date when it was last used and the reason for the absence of use since that date. The parties are given an opportunity to file written submissions and request an oral hearing. If the registered owner does not file evidence, or files evidence that is deemed unsatisfactory to show use or special circumstances excusing the absence of use, the registration will be expunged. The official fee for issuing a section 45 notice is currently C\$350. It is anticipated that once the amendments come into force, the Registrar will take a more active role in requesting evidence of use of registrations that are more than three years old.

### **10 Duration and maintenance of registration**

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The registration period in Canada is currently 15 years; however, this will be reduced to 10 years once the amendments to the Trademarks Act come into force in 2018. It is currently not necessary to file a declaration of continued use or specimens of use upon renewal; however, registered marks must remain in use or they will be vulnerable to cancellation.

### **11 The benefits of registration**

**What are the benefits of registration?**

The main advantage to registration is that the registered owner is granted the exclusive right to use the trademark throughout Canada in association with the claimed goods and services. Further, registration grants the owner statutory causes of action that are not available at common law, such as the right to sue for infringement and depreciation of goodwill, as well as providing access to the Federal Court whose judgments are enforceable across Canada. Registration may serve to deter third parties from adopting confusingly similar marks and prevent subsequently filed applications for confusingly similar marks from successfully passing through examination. Registration is also prima facie evidence of the registrant's exclusive ownership of the mark, as well as a defence to an infringement action or passing off actions by others.

### **12 Licences**

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The Trademarks Office will record licence agreements, as well as documents terminating licence agreements, but there is no requirement to file such documents with the Trademarks Office. It is worth noting that even unwritten licences have been found valid in some cases, although it is advisable that parties record their licences in writing and document the trademark owner's continued direct or indirect control over the character or quality of the goods and services associated with the mark. As with the registration of security interests (see question 16), the Trademarks Office has not taken a position as to the legal effect of such records. It has not been established to date whether there are any benefits to filing such documents with the Trademarks Office or whether there are any detriments to not doing so.

### **13 Assignment**

**What can be assigned?**

The Act provides that a trademark, whether registered or unregistered, is transferable with or without the goodwill of the business and

in respect of either all or some of the associated goods or services. If, as a result of an assignment, the assignor and assignee have rights in confusing trademarks, there is potential that the marks may become non-distinctive and unenforceable.

### **14 Assignment documentation**

**What documents are required for assignment and what form must they take?**

There is no specific form of assignment. The Registrar will record an assignment if furnished with satisfactory evidence of the assignment along with sufficient particulars of the assignee. The Trademarks Office regularly accepts a simple document identifying the assignor, the assignee, the trademark and the date of the assignment. Upon implementation of the new provisions, it will no longer be necessary to file evidence of the assignment in the form of the assignment document.

### **15 Validity of assignment**

**Must the assignment be recorded for purposes of its validity?**

Registration of an assignment is not mandatory but is strongly recommended to reflect the proper chain of title.

### **16 Security interests**

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The Trademarks Act does not deal with the impact of security interests or the rights of other parties including subsequent purchasers and assignees; rather the Personal Property Security Act of each province governs security interests. Security agreements may be recorded with the Trademarks Office by filing a copy of the security agreement that clearly identifies the property against which the security is granted. In Canadian law, it is unclear what legal effect registration with the Trademarks Office has.

### **17 Markings**

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Trademark markings are not mandatory in Canada; however, it is advisable to include markings to put third parties on notice that the mark is being used as a trademark. The ® symbol or the French acronym MD (marque déposée) may only be used to identify registered trademarks, whereas the ™ symbol or the French MC (marque de commerce) may be used to designate both unregistered and registered trademarks.

In order to benefit from the presumption of proper licensing, it is useful to mark goods or advertise services with the following notation: 'registered trademark of X, used under licence'.

### **18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Trademark infringement proceedings (for registered trademarks) and claims for passing off (for unregistered trademarks and trade dress) may be brought in the Federal Court or the provincial courts. The Canadian Federal Court and the various provincial courts have concurrent jurisdiction over trademark infringement actions. However, the Federal Court is regarded as having acquired expertise over trademark infringement proceedings, and its judgments are enforceable throughout Canada.

The concept of dilution is not as explicitly recognised in Canada as it is in other jurisdictions. However, the Act prohibits use of another's trademark 'in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto'. This provision has

not been interpreted often; however, the Supreme Court of Canada has suggested that it is at least broad enough to include the concepts of 'blurring' (ie, loss of brand image) and 'tarnishment' (ie, creating a negative association with the mark). Trademark depreciation proceedings can be brought in either federal or provincial courts, but the relevant provisions of the Act only apply to registered marks.

The Canadian Criminal Code provides for indictable and summary conviction offences for passing off and for forgery of a trademark, possession of instruments for forging a trademark, and defacement of a trademark. These offences are punishable by fine or imprisonment. Criminal proceedings are typically brought by government prosecutors in the name of Her Majesty the Queen. The Criminal Code also allows a party to act as a private prosecutor, provided they proceed by way of summary conviction. However, this is rarely invoked; most trademark infringement proceedings involving private parties are litigated in the civil courts (Federal Court or provincial courts) in Canada in which remedies for damages, profits or injunctive relief are sought.

New criminal and civil provisions have been introduced to assist rights holders in preventing counterfeiting activities and piracy.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

An action for trademark infringement in the Federal Court or provincial courts is governed by corresponding Rules of Civil Procedure. Typically, an action for trademark infringement will include the following procedural steps:

- exchange of pleadings: statement of claim; statement of defence or counterclaim; reply or defence to counterclaims;
- examination for discovery: this includes both documentary and oral examinations for discovery. Examinations for discovery require that each party produce (or make available for inspection) all relevant documents that are to be listed in an affidavit of documents followed by oral examinations of a representative for each corporate party to the action. A corporate representative is obliged to provide the best information, knowledge and belief in respect to all relevant questions asked;
- exchange of experts' reports and pretrial conference; and
- trial: the conduct of a trial before a judge sitting alone involves the testimony of live witnesses (including expert witnesses), and viva voce testimony, and read-ins from the transcripts of examinations for discovery. Counsel may also provide the court with an agreed statement of facts to reduce the length and complexity of trial.

Trademark infringement trials are typically conducted over the course of three to five years. Local case-management rules may be employed to reduce delay.

A criminal trial for a trademark-related offence will follow the standard criminal trial procedures in Canada, which generally include the following procedural steps:

- swearing of the information before a justice of the peace: 'information' is an allegation sworn by a person who states that reasonable and probable grounds exist to believe a person has committed a crime;
- preliminary hearing: a hearing before a justice of the peace, at which time the issue is not to determine innocence or guilt but to determine whether there is sufficient evidence to justify a trial. The crown prosecutor introduces the witnesses she will rely on, and the accused is allowed to cross-examine them. If it is decided that sufficient evidence exists so that the accused could be found guilty, the accused will be ordered to stand trial; and
- trial: the accused is called upon to state in open court whether he or she pleads guilty or not. If the accused pleads guilty, he or she will be sentenced. If the accused pleads not guilty, the trial will continue. The accused may also choose between trial by judge alone or trial by judge and jury. Jury members are selected from the public at large.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement or dilution rests on the party bringing the action to establish a likelihood of confusion or depreciation of goodwill on a balance of probabilities. Where a party has a valid trademark registration, the Trademarks Act provides a presumption of validity of the trademark, a statutory presumption that places the burden of proof on the defendant to prove that the registered trademark is invalid. However, the burden of proof in respect of all other elements of infringement remains on the plaintiff (likelihood of confusion, depreciation of the value of the goodwill associated with the registered trademark, damages, etc).

In the criminal context, the burden of proof is always on the prosecution to prove each element of the offence beyond a reasonable doubt.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The owner of a registered trademark must be named as a party in an action for trademark infringement. The Trademarks Act provides that a licensee may bring an action in its name where the trademark owner refuses or fails to initiate action (assuming there is no contractual limitation between the trademark owner and licensee). In those circumstances, the trademark owner must be named as a nominal defendant.

A criminal complaint is typically brought by the Provincial Attorney General in the name of Her Majesty the Queen.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

As a general principle, trademark rights in Canada are territorial and restricted to Canada. For example, the registration of a trademark in a foreign country does not establish registered rights in Canada. Consequently, a plaintiff cannot sue for trademark infringement in Canada based solely on a foreign trademark registration. However, activities taking place outside Canada can support an action for passing off in Canada where a plaintiff can establish that its goodwill has spilled over into Canada resulting in measurable goodwill in Canada.

The Trademarks Act sets out certain border enforcement mechanisms to prevent the importation of counterfeit products or unauthorised goods based on trademark law. To invoke these enforcement mechanisms, an action must be commenced against the importer for trademark infringement, and the Federal Court must issue a preliminary order to compel the Canadian Border Authorities to seize specified unauthorised goods according to the terms of the court order. The Combating Counterfeit Products Act, which came into force on 1 January 2015, creates more robust border enforcement mechanisms in Canada, as well as creating new civil and criminal causes of action under the Copyright Act and Trademarks Act. Customs and border officials now have extended powers to seize suspected counterfeit goods and to share information with rights holders.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

A party to an action for trademark infringement typically has the right to conduct an examination for discovery of all adverse parties named in an action. The ability to obtain an examination or evidence from a person that is not a party to an action will depend on the jurisdiction of the action. In the Federal Court, a court order is required to examine a non-party. In other jurisdictions, different rules apply.

When an adverse party is not located in Canada, the Canadian Rules of Civil Procedure provide a mechanism for obtaining 'letters rogatory', which, if recognised by the courts in the relevant foreign jurisdiction, will allow the obtaining of evidence from a non-party or adverse party outside Canada.

## Update and trends

Bill C-31, Economic Action Plan 2014 Act, No. 1, which introduced significant changes to Canada's trademark laws, and which received Royal Assent on 19 June 2014, has yet to come into force. It is expected that the amendments will be enacted in 2018. Once in force, the new provisions will apply to any application that has not yet been allowed by the Trademarks Office. The amendments include:

### The removal of use as a requirement for registration

Applicants will not be required to indicate whether a mark has been, or is intended to be, used. Moreover, it will no longer be necessary to file a declaration stating that the mark has been used in Canada in order for the mark to proceed to registration. Registrations will have a three-year immunity from summary non-use cancellation proceedings. Concerns have been raised that the removal of the requirement to identify a date of first use will complicate both the clearance and opposition process.

### Introduction of the Nice classification

Applicants will be required to classify goods and services in accordance with the Nice classification, in addition to describing same in 'ordinary commercial terms'. Furthermore, existing registrants will be required to group goods and services under the Nice Classification. Failure to respond to the Registrar's request could result in expungement. The Registrar's decision on the appropriate Nice classification will be final, without the possibility of appeal. As of September 2015, CIPO began accepting voluntary classification of goods and services. Moreover, in 2016 CIPO released a fee structure proposal that confirms that Canada will move to a per class fee structure for filing and renewal.

### Term of registration

The term of registration of a trademark will be reduced from 15 years to 10 years. CIPO has indicated that registrations with a renewal deadline that falls before the amendments come into force will be given a 15-year renewal period; however, registrations with a renewal deadline that falls after the date on which the amendments come into force will be given a 10 year renewal period, even if the renewal was effected before the amendments came into force.

### Madrid Protocol

Canada will implement the Madrid Protocol so that foreign applicants will be permitted to designate Canada under a Madrid filing. Similarly, Canadian applicants will have access to Madrid for foreign filings. However, the new provisions provide that a trademark registration will not prevent a third party from using any utilitarian features embodied in a trademark. Moreover, the new provisions will empower CIPO examiners to object to applications on the basis that the applied-for mark is non-distinctive.

### Non-traditional marks

The definition of marks will be expanded to allow for the registration of non-traditional marks such as tastes, smells, textures, positioning, holograms and motion marks.

### Divisional applications

Applicants will be permitted to divide applications, allowing uncontested portions of the application to proceed through to registration.

### Other updates

CIPO has issued a 'consultation paper' setting forth a number of proposals for the new regulations to implement Bill C-31. Although a full draft set of regulations has not yet been circulated, it is anticipated that these will be completed in 2017.

Several of the provisions of the Combating Counterfeit Products Act came into force on 1 January 2015, including those creating new civil and criminal causes of action under the Copyright Act and Trademarks Act with respect to activities that sustain counterfeiting and those enabling rights holders to prevent counterfeit goods from entering Canada. Customs and border officials now have extended powers to seize suspected counterfeit goods and to share information with rights holders. The owner of a Canadian copyright or trademark registration may now file a request for assistance (RFA) with the Canada Border Services Agency. There is currently no fee for filing an RFA application. In response to an RFA, a CBSA officer may detain goods and provide a rights holder with a sample of or information relating to detained copies/goods, including the name and address of their owner, importer, exporter, consignee or manufacturer. Rights holders also have an opportunity to inspect the goods. An RFA application will remain valid for two years.

Bill C-59, which introduced a statutory patent and trademark agent privilege, came into force in June 2016. As a result, communications with non-lawyer agents are now protected from forced disclosure in legal proceedings provided the communication is intended to be confidential and made in order to give or receive advice relating to the protection of inventions or trademarks. The statutory privilege extends to communications with patent/trademark agents working in other countries that provide privilege, provided that the communications meet the requisite criteria. Bill C-59 also introduced provisions that allow CIPO to provide parties with extensions of deadlines in the event of force majeure events, including ice storms.

On 4 May 2016, Quebec proposed amendments to the regulations under the Charter of the French Language to ensure the presence of French on the fronts of businesses that display non-French trademarks on public signs. This was done in response to a Quebec Court of Appeal decision that affirmed the right of trademark owners to display non-French trademarks on public signs. The amendments would require the display of a generic term or a description of the products or services or a slogan or any other indication in French informing consumers and passers-by of the products or services offered.

Finally, the Competition Bureau released updated Intellectual Property Enforcement Guidelines (IPEG) in March 2016, which outline how the Competition Bureau intends to approach the interface between competition and IP law. The Competition Bureau has committed to review the IPEG annually.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an action for infringement at the trial level is between two to five years. The typical time limit for an appeal is one year. In extraordinary circumstances, a party may seek immediate injunctive relief by way of a motion for an interim or interlocutory injunction, or both. An interim injunction will stand for 10 days, subject to renewal if granted by the court; an interlocutory injunction will stand until the merits are decided at trial. Both orders for interim and interlocutory relief are subject to reversal or confirmation on appeal.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The costs of litigation vary dramatically depending on several different factors:

- the complexity of the issues;
- the number of witnesses, including expert witnesses;
- the length of examinations for discoveries; and
- the number of trial days.

The costs of a trademark infringement action can range from C\$100,000 to over C\$1.5 million. As a cost-saving measure, simplified procedure rules in the Federal Court for claims below a certain threshold amount (generally C\$50,000) are available that significantly reduce the complexity of the litigation process. Pursuant to Canadian civil litigation rules, the successful party is entitled to obtain partial indemnity for its costs from the unsuccessful litigant. The scale of the indemnity is subject to the effect of prior offers of settlement and a cost tariff prescribed in the Rules.

## 26 Appeals

### What avenues of appeal are available?

Appeals from the Canadian Federal Court are heard as a matter of right by the Federal Court of Appeal; appeals from the Federal Court of Appeal to the Supreme Court of Canada are allowed only if

an application for leave to appeal is granted. The Supreme Court of Canada will only hear matters of national importance.

Appeals from the provincial courts are available to their respective provincial court of appeals. Appeals from all provincial courts of appeal go to the Supreme Court of Canada, if leave to appeal is granted.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Defences available to a charge of infringement or dilution include, the invalidity of the registered trademark and no likelihood of confusion. General civil law defences are also available, including delay, acquiescence, statutory limitation periods, etc. In the criminal context, the accused is entitled to all of the civil defences to trademark infringement listed above, as well as the general criminal law defences such as agency, entrapment and mistake.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

A successful party in an infringement or dilution action can claim remedies ranging from damages to an accounting of profits. In addition to monetary relief, the courts will grant injunctive relief enjoining the use of the trademark at issue.

Interlocutory injunctive relief (temporary restraining order) is available provided that a party can establish the following three elements:

- a prima facie case for infringement;
- irreparable harm (non-speculative harm that is neither quantifiable nor compensable); and
- the balance of convenience favours the issuing the injunction.

An accused convicted of a criminal trademark-related offence is liable to imprisonment for a term not exceeding two years if the prosecutor elects to proceed via indictment. The accused may also receive a fine in lieu of imprisonment.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

The Federal Court rules provide that the parties must consider mediation prior to the setting of a trial date. ADR in this format is without prejudice to the parties' position going into trial.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

In Canada, there are no statutory provisions specifically protecting famous marks, regardless of whether the mark is used in Canada. However, brand owners that have not used their marks in Canada can nevertheless sue for passing off if they can establish that goodwill associated with their marks has spilled over into Canada such that their marks enjoy a reputation in Canada. The fame of such marks would be central to the brand owner's case. There are no prescribed forms of proof necessary to show that a mark used abroad has gained sufficient goodwill in Canada. Typical forms of proof include evidence of sales or advertising in association with the mark abroad (as well as the mark's fame abroad generally); evidence of Canadians visiting countries where the mark is used or advertised; evidence of Canadians consuming goods or services associated with the mark abroad (eg, sales made to customers with Canadian billing addresses); survey evidence showing Canadian familiarity with the mark; and affidavits from Canadian consumers.

If the mark's goodwill in Canada can be established, the other elements of a successful passing-off claim must also be proved, namely, deception of the public due to a misrepresentation and actual or potential damages to the plaintiff.

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# Cape Verde

Márcia Gonçalves

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## 1 Ownership of marks

### Who may apply?

Any person (individual, firm, or body corporate) with legitimate interest may apply for the registration of a mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The law defines a trademark as any visible sign used to distinguish the products or services of one person from the products or services of another person.

The following may not be a mark: surname, geographical name, 'fancy' word or words, monograms, emblems, figures, digits, labels, combinations of colours, drawings, photographs, stamps and in general, all material visible signs.

Colours are registrable as a mark only when they are combined together or with graphics, wording or other elements in a particular and distinctive manner.

Collective marks may be registered in the form of association marks. An association mark is considered as a specific sign belonging to an association of natural or legal persons, the members of which use or intend to use the sign for products or services.

A certification mark is considered as a specific sign belonging to a corporate body that controls the products or services for which the sign is to be used or establishes the regulations the products or services for which the sign is used must comply with.

The registration of a collective mark may be applied for and obtained by:

- corporate bodies to which a guarantee or certification mark has been legally granted or attributed and that may apply it to specific and determined qualities of the products or services; and
- corporate bodies that supervise control or certify economic activities, to distinguish the products or services of their activities or as originating from certain regions, in accordance with their purposes and the respective statutes or by-laws.

## 3 Common law trademarks

### Can trademark rights be established without registration?

A provisional protection is given to the trademark application. The total protection is given as from the grant of the trademark registration. Thus, the trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It may take from two to six months from the application of a trademark until its publication in the Official Bulletin. The Intellectual Property (IP) Code of Cape Verde revoked the previous schedule of official fees and the Patent and Trademark Office (PTMO) of Cape Verde did not publish the new schedule.

The requirements for filing a trademark application in Cape Verde are as follows:

- applicant's full name, nationality, occupation, address or place of business;
- list of products or services; and
- power of attorney signed by the applicant and legalised by a Consulate of Cape Verde or with the Hague Convention Apostille.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The applicable classification is the 10th edition of the International Classification of Goods and Services under the Nice Agreement.

Multi-class applications are available.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Examination is conducted only with compliance with the formal requirements. There is no examination as to prior third-party rights.

It is possible to file an appeal against the decision of the PTMO of Cape Verde.

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

The registered trademarks must be used.

The registration of a mark may be cancelled if the mark is not used and there are no legitimate reasons for the non-use. If a registered

mark has not been used without legitimate reason for five consecutive years, the registration of the same may be declared forfeited.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

There is a judicial appeal for the decisions of Cape Verde's PTMO determining the refusal of a trademark. The deadline for filing such an appeal is two months as from the publication of the decision in the Industrial Property Official Bulletin.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Within two months after the publication (term extendible for one month), any third party considering itself prejudiced by the possible grant of the registration may file an opposition. The applicant may file a counterstatement within two months (term also extendible for one month).

The opposition or the cancellation of a trademark can be requested in the following circumstances:

- marks containing false indications or being apt to deceive the public with regard to the nature, characteristics, or utility of the products or services for which the mark is to be used;
- marks containing false indications as to the geographical, manufacturing plant, workshop, or business origin of the goods or services concerned;
- insignia, flags, coats of arms, or official seals adopted by the state, an international organisation, or any other public body whether national or foreign, without the consent of the competent authorities;
- firm names, business names, or insignia not owned by the applicant for registration or the use of which by the applicant is not authorised;
- marks being an entire or partial reproduction or imitation of a mark previously registered in the name of another party for the same or similar goods or services, if this may lead to confusion or error in the market;
- expressions and designs that are contrary to good morals, law, or public policy; and
- the name or portrait of a person without such person's consent.

A brand owner that does not yet have its trademark protected in Cape Verde cannot oppose a bad-faith application.

Costs associated with a third-party opposition or cancellation proceeding are given upon request.

## 10 Duration and maintenance of registration

### How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The duration of registration of a trademark is 10 years from the grant date and is indefinitely renewable for further 10-year periods.

The registration of a mark may be cancelled if the mark is not used and there are no legitimate excuses for the non-use. If a registered mark has not been used without legitimate reason for five consecutive years, the registration of the same may be declared forfeited.

The evidence of use can be, for example, original or certified copies of invoices proving the use of the products featuring said trademarks in Cape Verde, booklets and pamphlets distributed in this country, local publicity, etc.

## 11 The benefits of registration

### What are the benefits of registration?

Only registration confers exclusive rights to a mark.

Only registration confers proprietary rights. The effect of registration, therefore, is attributive of ownership.

The following acts performed without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Cape Verde of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Cape Verde of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The following acts performed by a person with the intention to cause damages or to obtain illegal benefits shall be deemed a criminal offence punishable with imprisonment of up to three years or a fine:

- entirely or partially counterfeiting or in any way reproducing a registered mark without the consent of its owner;
- imitating a registered mark, either entirely or in any of its characteristic elements;
- using counterfeit or imitated marks;
- using, infringing or imitating a well-known mark or a highly renowned mark whose registration has been applied for in Cape Verde;
- displaying on his or her products a registered mark belonging to another party; and
- using one's own registered mark on products belonging to other parties in such a way as to deceive the customer with regard to the origin of the products.

Further, any person who sells, offers for sale or brings into the trade goods with a mark that is counterfeit, imitated or used under the circumstances as mentioned here while being aware thereof, commits a criminal offence punishable by imprisonment of up to one year or a fine.

A person who, with the intention to prepare to commit any acts as mentioned above, manufactures, imports, obtains or keeps for him or herself or another party signs constituting registered marks commits a criminal offence punishable by imprisonment of up to one year or a fine.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

The holder of a registration may invoke the rights conferred by registration against the licensee who infringes any provision of the licence agreement, in particular with regard to its validity, the identity of a trademark, the nature of the products or services for which the licence is granted, the area or territory covered by the same, and the quality of the manufactured products or services provided by the licensee.

The recordal of the licence is required in order to be valid.

## 13 Assignment

### What can be assigned?

A registered mark may be assigned with or without the goodwill of the business. An assignment is to be registered in order to be effective as against third parties.

The requirements for registration of an assignment are as follows:

- deed of assignment in Portuguese, signed by the assignor and the assignee, legalised with the Hague Convention Apostille; and
- power of attorney in Portuguese, signed by the assignee, legalised with the Hague Convention Apostille.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The requirements for registration of an assignment are the following:

- deed of assignment in Portuguese, signed by the assignor and the assignee, legalised with the Hague Convention Apostille; and
- power of attorney in Portuguese, signed by the assignee, legalised with the Hague Convention Apostille.

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The recordal of the assignment is required in order to be valid.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The IP Code of Cape Verde does not establish the procedures of the recordal of the security interests. However, the PTMO recognises them and they must be legalised by the Consulate of Cape Verde. They must be recorded for purposes of its validity in Cape Verde.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not compulsory. As long as the registration of a mark is in force, the owner thereof may use on the goods distinguished by the mark the words Marca Registrada, the letters MR, or the symbol ®. False marking may be punished by a fine.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions?**

**Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. There are no specialised courts for this matter, and the criminal law of Cape Verde does not establish the trademark enforcement proceedings. However, in this case is applicable the same rules of the enforcement as other kind of rights.

#### 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Only registration confers exclusive rights to a mark.

The following acts done without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Cape Verde of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Cape Verde of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an

accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

Not considered as infringement is use of a protected mark for goods that have been brought into the trade under the mark by the owner or with his or her consent in Cape Verde, unless there are legitimate grounds that justify that the owner of the mark opposes the further commercialisation of the goods, in particular if the condition of the goods has been altered or deteriorated after they were brought into the trade.

Only registration confers proprietary rights. The effect of registration, therefore, is attributive of ownership.

The law provides for the seizure by the customs authorities during importation or exportation of products and goods directly or indirectly bearing trademarks or names illegally used or applied, or bearing false indications or appellations of origin.

The following acts done by a person with the intention to cause damages or to obtain illegal benefits, shall be deemed a criminal offence punishable with imprisonment of up to three years or a fine:

- entirely or partially counterfeiting or in any way reproducing a registered mark without the consent of its owner;
- imitating a registered mark, either entirely or in any of its characteristic elements;
- using counterfeit or imitated marks;
- using, infringing or imitating a well-known mark or a highly renowned mark whose registration has been applied for in Cape Verde;
- displaying on his or her products a registered mark belonging to another party; and
- using his or her own registered mark on products belonging to other parties in such way as to deceive the customer with regard to the origin of the products.

Further, any person who sells, offers for sale or brings into the trade, goods with a mark that is counterfeit, imitated or used under the circumstances as mentioned here while being aware thereof, commits a criminal offence punishable with imprisonment of up to one year or a fine.

A person who, with the intention to prepare to commit any acts as mentioned above, manufactures, imports, obtains or keeps for him or herself or another party signs constituting registered marks commits a criminal offence punishable with imprisonment of up to one year or a fine.

The law provides for the seizure by the customs authorities during importation or exportation of products and goods directly or indirectly bearing trademarks or names illegally used or applied, or bearing false indications or appellations of origin.

#### 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

The burden of proof lies with the plaintiff, who has the burden of proving that its mark has been infringed.

#### 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Trademarks Office in Cape Verde and the licensee can only intervene if the registered user agreement (licence to use) is recorded before said Office.

#### 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only activities that take place in the Cape Verde territory may be taken into account. However, this is not applicable to goods made outside the country from the moment that they are imported into Cape Verde.

**23 Discovery**

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist, a court order may be sought.

**24 Timing**

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Unfortunately there is no 'typical time frame' for infringement or dilution actions. They are lengthy and can last for years.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no published schedule of official fees of infringement or dilution action in Cape Verde.

**26 Appeals**

**What avenues of appeal are available?**

An appeal against a decision of grant or refusal may be lodged with the competent court or arbitral court within two months from the date of publication of the decision in the Industrial Property Bulletin. An appeal may be lodged by the applicant in the case of refusal by the opposing party in the case of rejection of opposition, or by any interested party in the case of a grant.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceeding by responding to the complaint and submitting evidence.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Law contains provisions regarding the penalties imposed on an infringer but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

The IP Code establishes that the parties can choose arbitration to resolve all IP conflicts. However, the Code does not give details of the procedure to be followed in the arbitration proceedings.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The owner of a mark that is well known in Cape Verde, even if it is not registered, may oppose the registration of an identical or similar mark for the same or similar goods or services, provided that he or she applies for registration of the mark. Marks having a reputation in Cape Verde are further protected in that the owners of such mark may oppose the registration of an identical or similar mark even if registration is applied for in respect of different goods or services, if use of the mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the renowned mark.

The evidences that are required include market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies, sales volume, and other factors relevant to the reputation of the mark.



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# Colombia

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## 1 Ownership of marks

### Who may apply?

Any natural or legal person, either public or private, national or foreign, may apply for and be the titleholder of a trademark registration in Colombia. Registrations may be co-owned by two or more persons.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

According to Colombian trademark law (Andean Decision 486), a trademark is a distinctive sign capable of graphic representation. According to article 134 of Decision 486 the following signs, among others, may constitute a trademark:

- words or combination of words;
- pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels and emblems;
- sounds and smells;
- letters and numbers;
- a colour with borders to generate a specific shape, or a combination of colours;
- the shape of a product, its packaging or wrappings; and
- any combination of the signs or means indicated in the items above.

Decision 486 allows the registration of service marks and 'non-traditional' marks, such as colours, sounds, smells and textures, among others.

Decision 486 establishes absolute and relative prohibitions. Absolute prohibitions are included in article 135, and mainly concern lack of inherent distinctiveness and signs that may mislead consumers. Relative prohibitions are included in article 136 and article 137 and include the likelihood of confusion with prior registered or applied-for marks, trade names, copyrighted material, geographical indications and well-known signs.

Trade names and commercial emblems are subject to protection if they are used for the first time and constantly by their owner, personally and publicly. These types of signs are commonly also registered as trademarks, but even if they are not they could still have protection.

## 3 Common law trademarks

### Can trademark rights be established without registration?

No trademark rights can be acquired without registration (with the exception of very well-known marks). Notwithstanding this, it is possible to protect non-registered signs by other means such as unfair competition.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

In Colombia the trademark registration process before the Superintendency of Industry and Commerce (SIC) typically (statistically, in about 80 per cent of cases) takes between six and nine months. Deviations may include a failure to meet formal requirements or if third parties file oppositions that can extend the process up to 18 months. If the decision is appealed, the process can be delayed another six months.

Nevertheless, the Superintendency of Industry and Commerce has the option of requesting an expeditious examination that could last, approximately, four months. However, the applicant must accept that the SIC might revoke unilaterally the decision to grant the trademark registration if a third party claims convention priority for a similar or identical trademark within six months from the date on which the expedited trademark application was filed.

The approximate cost of a typical trademark registration process, including government fees, is US\$1,000. Deviations such as oppositions or rejections could increase the amount markedly, particularly, when the grounds of such oppositions or rejections involve analysing evidence and it is necessary to design and deploy a specific strategy to overcome obstacles.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Colombia has adopted the International Nice Classification. The SIC had traditionally allowed coverage that consists of class headings, understanding that the trademark could identify any of the products or services included in the entire class. However, this was recently modified and now the applicants must specify the products or services to be identified and if they use the class heading, the SIC understands that specific products or services explicitly included in the heading are the ones that the trademark could identify.

Colombia has also adopted the Vienna Classification for figurative trademarks. Multi-class applications are available and represent a 50 per cent cost saving in official fees (for each class after the first) and between 10 and 20 per cent in professional fees.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The Trademark Office initially verifies compliance with formal requirements. Formal office actions requesting the completion or clarification of the application are quite common. Once formality requirements are met, the application proceeds to publication in the Official IP Gazette for opposition purposes. If no oppositions are filed, a decision on the merits will be issued. Nevertheless, this decision is never adopted before six months from the filing date, as the Trademark Office wishes to avoid possible conflicts with third parties that might claim priority rights on the grounds of the Paris Convention.

Regardless of whether an opposition has been filed or not, the Trademark Office must, ex officio, perform an examination by comparing the application with previously applied or registered trademarks. Finally, if the Trademark Office's decision is to deny registration for the trademark application, the applicant may appeal. The appeal exhausts all administrative remedies. Judicial review is available.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Proof of use is not required to obtain a registration. Nonetheless, after three years have elapsed from registration, any third party may file a non-use cancellation action. In this case, the titleholder has the burden of proof to show use of the trademark and must accredit that the trademark has been effectively used to identify the goods or services specified in its coverage.

Regarding priority rights granted to foreign registrations, the Inter-American Convention for Trademark and Trade Name provides the opportunity to oppose and block a trademark application on the grounds of a foreign registration obtained in another member country and by demonstrating that the applicant knew of the existence of such trademark right.

Additionally, Decision 486 states that an applicant or a titleholder of another Andean country (ie, Ecuador, Peru and Bolivia) may file an Andean opposition against a later trademark application in Colombia.

As for priority rights granted to foreign applications, as a member of the Paris Convention, Colombia allows for claiming article 4 foreign-filing priority when there is a previous application in another member country. Additionally, priority may be also claimed based on Decision 486 of the Andean Community on the basis of a previous application in Bolivia, Peru or Ecuador.

There is no need to include claims like 'intent to use' to obtain a registration.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The applicant can administratively appeal an initial resolution before the Deputy Superintendent for Industrial Property Matters. Appeals are typically resolved in approximately three to six months. In the appeal, the applicant may submit evidence. If the decision is confirmed, the only remaining option is to file an annulment action before the Council of State (the Supreme Court for contentious administrative matters), which normally takes between three to six years (although this may be shortened under the newly issued procedure).

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for oppositions before registration, whether filed locally or as a result of an international application through the Madrid System. A third party may file an opposition within the 30 working days following the publication of the application in the IP Gazette. Grounds may be absolute or relative prohibitions; the opposing party may argue that the requested trademark lacks inherent (eg, the mark is generic, descriptive, deceiving, commonly used) or extrinsic distinctiveness (eg, the trademark is confusingly similar to a prior applied-for or registered mark, a trade name, a copyrighted material or a well-known sign). The basis of the opposition may also be the fact that the applicant was a former distributor of the opposing party or that the application is being made to facilitate an unfair competition act.

As noted above, grounds for opposition may also be found in the Inter-American Convention for Trademark and Trade Name protection and the Andean opposition.

Any trademark application filed in bad faith can be denied preceded by an opposition of the affected party. Registering a trademark that has a different owner in another country is not necessarily deemed an act of bad faith, as the Trademark Office or the court (if the context is an annulment action) will evaluate the matter on a case-by-case basis considering the principle of territoriality and any knowledge the applicant had of the foreign trademark. Proving bad faith carries a heavy evidentiary burden, which will increase costs markedly.

Once the opposition is filed, a formal study is made and if it is accepted for prosecution it will be notified to the applicant, which will have 30 working days to file a reply. The reply can include evidence and may also request a 30-working-day extension to submit additional evidence. If evidence is filed, the parties will have a period to submit arguments concerning the validity and relevance of the evidence. Finally, the Trademark Office may call the parties to a conciliation hearing if it deems that there is a possibility of facilitating the registration of the applied mark by reaching an amicable agreement. In any case, it will issue a decision on the merits of the case or, if the parties reach an acceptable agreement, it will decide whether such agreement provides appropriate guarantees to avoid the likelihood of confusion and protect the interests of consumers.

Any decision proffered may be appealed.

Once a trademark is registered, registration may be cancelled or annulled. Cancelled because it has become commonly used or generic, if it infringed a well-known trademark or has not been effectively used during the three years counted as of the date of the cancellation's filing date. Annulled because it was registered in bad faith or in violation of absolute or relative prohibitions. A cancellation or opposition proceeding may entail investments that vary between a range of US\$1,000 to US\$5,000 including professional and official fees. Nullity actions entail a longer process and, therefore, a more important investment.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The registration remains in force during 10 years from the grant date. The owner is not required to present evidence of use to maintain the registration, but a third party may file a non-use cancellation action, in which case the titleholder will be required to demonstrate use.

The applicant may file a renewal (for an additional 10-year period) six months before the expiration date. The applicant has a grace period of six months to file a late renewal but must pay approximately US\$200 in late fees.

## 11 The benefits of registration

### What are the benefits of registration?

Registration of a trademark provides the owner with the exclusive right to use the trademark and to prevent others from using confusingly similar signs. The only way to obtain trademark rights is via registration (with the exception of very well-known marks).

Specific benefits from having a registration include:

- use of the mark without the risk of being sued for infringement;
- excluding others from using identical or confusingly similar trademarks;
- including the trademark as an intangible asset;
- licensing the trademark;
- filing oppositions on the grounds of likelihood of confusion; and
- access to border measures.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

Licence agreements are consensual; hence, they do not need to comply with formal requirements. Recordal is completely optional according to Decree 729 of 2012. Previously, applicable law provided that registration was mandatory in order to enforce the licence against third parties.

## 13 Assignment

### What can be assigned?

The trademark can be assigned with or without goodwill. The assignment must be for all the goods or services if it is a single-class registration. If it is a multi-class registration, the trademark may be assigned for some goods or services, by dividing the registration. The Trademark Office may refuse to record the assignment if it deems that the division of ownership over the trademark is likely to cause confusion. Business assets may or may not be part of the transaction.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

The assignment document has to be recorded in the trademark register in order to be valid. Therefore, it needs to be in writing. No notarisation or legalisation is required. The Trademark Office currently requires the recordal to be made using an official form provided by the Office through its web page.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

Yes. Although the assignment agreement is binding between the signatories, in order to be perfected it has to be recorded.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Yes, trademarks may be the subject of a secured interest. Trademarks are considered assets and therefore subject to liens. To place a lien on a trademark, the involved parties have to agree on the secured interest by means of a contract that needs to be recorded before the Trademark Office. In addition, recently issued law on warranties chattels establish a registration of securities, including those over trademarks, to be perfected by means of a registration in a register handled by the Chamber of Commerce. One may now directly request to be assigned a trademark that has been subject to a security once the warranted agreement has been breached; before, there was a need to obtain a prior court order on the grounds of a decision during a collection procedure.

The contract or agreement defining the secured interest does not need legalisation or notarisation.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is not mandatory. There are no prohibitions preferring or encouraging marking. Failure to mark will not generate any consequences for claiming damages or requesting injunctions. Notification is considered perfected for all third parties with the notification of the resolution granting the trademark.

As regards false marking, consumer protection case law has held that using the ® or any other symbol indicating that a mark is registered, when it is not, as misleading and may be sanctioned.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

A trademark owner can pursue a civil action or may file a criminal complaint (if the infringement is wilful). Prior to mid-2012 there were no specialised courts. However, Congress recently issued a new procedural code assigning judicial powers to the Trademark Office to decide infringement cases. However, such powers are going to be gradually assumed and once they are, civil actions would be pursued before civil circuit courts or before the Trademark Office, while criminal complaints would continue before the Attorney General's Office, which has a specialised unit for IP matters. If the infringer is a public servant or a government entity the trademark owner must file a lawsuit before the contentious administrative jurisdiction.

Border measures are also available; they may be requested before the Customs and Tax Authority, which maintains a registry of trademarks to prevent the importation of infringing products by stopping the merchandise and informing the interested party so it may request border measures.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Discovery is allowed. Colombian procedural law provides pre-litigation evidence preservation and granting mechanisms such as preliminary injunctions seeking to preserve a given document or the seizure of a given goods that may serve as further evidence of any sort of illegal conduct. It is also possible to request pre-litigation discovery motions for on-site inspections, document production or depositions. There are also broader evidence-gathering requests that can be made once a complaint is filed. Both pre-litigation and post-complaint evidence gathering may be requested outside Colombia. Failure to comply will allow the court to draw adverse inferences from such failure.

Civil trademark infringement trials start by filing the complaint, normally seeking preliminary injunctive relief.

To obtain injunctive relief the plaintiff has to submit prima facie evidence of the infringement, evidence of its right (eg, certificate of trademark registration) and offer to post a bond. The plaintiff may also request a court to recover evidence prior to filing a lawsuit. Within the respective hearing the trademark owner may ask for injunctive relief. According to Andean Decision 486, the plaintiff has 10 working days following the application of the injunctive relief to file the lawsuit if it has not been filed.

Colombia is currently transitioning between a written procedure to an expedited oral procedure. Depending on the court that is assigned to the case, the procedure may be oral or written. Depending on whether the court is applying the new oral procedure or the old written procedure, the trial may have the following stages in the following order.

### Oral procedure

Oral procedure follows the following order:

- preliminary injunctive relief;
- lawsuit;

- service of notice;
- reply to the lawsuit by the defendant; and
- judgment hearing (which includes conciliation, gathering of evidence, request of prejudicial interpretation of applicable Andean law before the Andean Court of Justice (ACJ)), closing arguments and final ruling).

### Written procedure

Written procedure follows the following order:

- preliminary injunctive relief;
- lawsuit;
- service of notice;
- reply to the lawsuit by the defendant;
- conciliation and delimitation of factual controversy hearing;
- evidence-gathering period;
- closing arguments;
- prejudicial interpretation of applicable Andean law before the ACJ; and
- final ruling.

All in all, an average infringement suit can take anywhere between four and six years if it follows the written procedure and up to one or two years following the oral procedure. Plaintiffs cannot currently choose the type of procedure.

The following types of evidence are admissible:

- examination;
- witness testimony;
- expert opinions;
- surveys;
- site inspections; and
- requests for production of documents.

Affidavits are admissible, but the witness will most probably be ordered to provide oral testimony in order to provide the defendant with the opportunity to cross-examine the witness and controvert its conclusions.

Criminal trials are restricted to natural persons, are essentially accusatorial and almost completely oral in nature, which makes them substantially quicker (a criminal case could be over in less than 18 months).

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

The plaintiff carries the burden of proof. Such burden is met by demonstrating the infringing use and the likelihood of confusion.

Dilution cases are quite rare. However, the Trademark Office has been consistently stricter requesting the party alleging dilution in an opposition proceeding to surpass a threshold on the quantity and quality of the evidence submitted to demonstrate dilution.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Only the trademark owner or co-owner may file the civil action. Anyone may file a criminal complaint as the violation of trademark rights is a crime that may be prosecuted ex officio. However, in practice the attorney general will almost always require the owner's participation.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

No, as a general rule, foreign activities are not considered infringement. However, border measures may be requested against merchandise that is about to enter the Colombian territory.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Colombian procedural law provides pre-litigation evidence gathering and preservation mechanisms such as preliminary injunctions seeking to preserve a given document or the seizure of given goods that may serve as further evidence of any sort of illegal conduct. It is also possible to request pre-litigation discovery and disclosure motions for on-site inspections, document production or depositions. There are also broader evidence-gathering requests that can be made once a complaint is filed. Both pre-litigation and post-complaint evidence gathering may be requested outside Colombia. Failure to comply will allow the court to draw adverse inferences from a failure to comply with the request.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The typical time frame to obtain a preliminary injunction during a civil action is two to three months. An infringement or dilution action may take anywhere from four to six years using the old written procedure. The oral procedure may reduce this to one to two years. Appeals normally take six to seven months.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs of prosecuting an infringement lawsuit vary depending on the complexity of the case and are normally invoiced on an hourly basis. It is reasonable to budget for an average case anywhere between US\$30,000 and US\$60,000 over a four-year period, including an appeal. If the case is settled after a preliminary injunction, the amount could be reduced to approximately US\$15,000 spread out over a year. The plaintiff is usually awarded with attorney's fees if it succeeds, which may amount to a maximum of 20 per cent of its compensation claim.

## 26 Appeals

**What avenues of appeal are available?**

Parties may appeal several court orders issued within the course of the civil process; they may also appeal the final ruling. The appeal will be resolved by a superior district tribunal (a court of appeals).

The Supreme Court of Justice may review the case in exceptional circumstances. The Supreme Court has discretion to decide whether the appeal needs to be studied.

If the Supreme Court or the superior district tribunal violates a fundamental constitutional right of a party, the affected party may file a tutela before a court of higher hierarchy seeking protection of its fundamental rights. These decisions are reviewed by the Constitutional Court, which may choose a case due to its importance or at random.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

Defences will usually include:

- prior rights to use the respective sign (eg, trade names that are acquired by first use);
- fair use of the respective sign (eg, the sign is being used for informative purposes);
- the action was not filed within the limitation period for bringing the action (five years counted as of the date on which the infringement ceased);
- absence of legal standing (eg, the lawsuit is filed by a licensee);
- existence of a registration (eg, the infringer holds a trademark registration that allows him or her to use the sign; this may happen because of a Trademark Office error);



- the similarity between the registered mark and the supposedly infringing sign is over a generic or descriptive term (eg, the owner of the mark 'NUTRISALT' to distinguish 'salt' files a lawsuit against someone for using the sign 'ECOSALT' to distinguish 'salt');
- prior conciliation between the parties; and
- existence of a licence.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The successful party may be awarded damages, which are meant to act as compensation. The court may take into consideration the profits obtained by the infringer, unjust enrichment by the defendant or reasonable royalties that an infringer would have to pay for a licence. Punitive damages are forbidden in Colombia. Injunctive relief is available, either preliminary or permanently. While preliminary injunctive relief is granted based on prima facie evidence of a trademark right and the substantial possibility of infringement or dilution, permanent injunctive relief is awarded only after the final ruling declaring the existence of the infringement or dilution. The remedies must be awarded in accordance with the claims of the lawsuit; the court is forbidden from granting more than requested.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Disputes regarding trademark infringement or dilution may be resolved by conciliation, amicable composition or arbitration. ADR is not commonly used because infringement cases do not usually arise from contracts containing arbitration clauses. Other types of arbitration are not common as the infringing party prefers the delay of a civil action.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

In order for a famous trademark to be protected it must be well known in Colombia or in any country of the Andean Community (Peru, Ecuador, Bolivia and Colombia). Famous marks are protected against their use and registration irrespective of whether they are registered (articles 225 and 231 of Decision 486). Demonstrating that a trademark is well known is complex and may include direct or circumstantial evidence of the knowledge that consumers may have. The only type of evidence admissible during the administrative process is documentary. If a judicial matter is being dealt with, other types of evidence will be admitted such as testimonies. Documents are not required in original, nor notarised nor legalised if they are filed within the administrative process before the Trademark Office, but will require legalisation if they are submitted before the courts. Ideal evidence should include top of mind and other marketing research studies, but client's certificates, accounting evidence, and proof of the amount and scope of advertisement campaigns may also be useful. Evidence must refer specifically to the respective trademark and the period during which the well-known nature of the mark is sought to be proven. Affidavits to demonstrate that a trademark is famous are normally considered biased, and as such evidence prepared or coming from a third party is normally preferred and considered more persuasive.

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# Costa Rica

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## 1 Ownership of marks

### Who may apply?

Any natural person or legal entity may apply.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The Costa Rican Trademark Law sets forth a number of categories of marks or distinctive signs that may be registered: trademarks, service marks, trade names, slogans, collective marks, certification marks, appellations of origin and geographical indications.

In addition to standard character or word marks, trademarks may also be registered when they are formed by designs, sounds and three-dimensional shapes.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark rights cannot be established without registration.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It typically takes between four and six months to obtain a trademark registration and typically costs around US\$595 for a single class, including professional and official fees.

The most common circumstances that would increase the time to obtain registration are office actions regarding formal and substantial objections, third-party oppositions and delays in the trademark's publication in the Official Gazette.

Similarly, the cost may increase owing to additional professional fees for responding office actions or oppositions. It should also be noted that the publication fee is not fixed; it can vary depending on the ad's word count. Therefore, if a trademark's list of goods or services is lengthy then the publication fee may increase substantially.

Regarding the additional documentation needed, a trademark application must be filed together with a power of attorney, which should be notarised (legalisation is not necessary). An application may also be filed without a power of attorney by a lawyer acting as a de facto officer provided it is filed together with a legalised certificate of corporate good standing, in which case the power of attorney must be filed within three months.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Costa Rica follows the International Classification System.

Multi-class applications are available and can signify cost savings of around 50 per cent mainly owing to a reduction in professional fees and publication fees in contrast with filing separate applications.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The trademark office examines an application in order to determine if it complies with the formal and substantial requirements set forth in the law. Applications are examined for potential conflicts with other trademarks and applicants can respond to any rejections raised by the Trademark Office (TMO).

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Use of a trademark or service mark does not have to be claimed before registration is granted or issued. Further, no proof of use has to be submitted. A trademark owner is NOT required to use it for the first five years after its registration. After the five-year period, if the trademark is still not used, then any interested third party can request the registration's cancellation.

In addition, foreign registrations are granted rights of priority pursuant to the Paris Convention.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

There is an administrative appeal process. Once the final rejection resolution is notified to the applicant, it has five business days to file an appeal. The appeal consists merely in a brief expressing the desire to appeal which is filed before the TMO (grievances and arguments are filed at a later stage). The TMO checks its compliance with formal requirements and timely filing and it then approves the appeal and sends the file over to the Administrative Tribunal. Once the Administrative Tribunal receives the appeal along with the file, it grants the appellant 15 business days to file grievances, which are the

arguments that support the appeal. The Tribunal then issues a ruling which finalises the administrative process.

An applicant can also file a judicial suit before the civil courts getting all the way to the Supreme Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition once they have been initially approved by the TMO.

Third parties may oppose an application. The period of oppositions is two months as of the publication date in the Official Gazette. An opposition may be filed by any third party that deems its rights will be harmed by a trademark application's registration. The base of an opposition must be an allegation that the trademark application falls into one or more of the 27 causes for refusing an application outlined in articles 7 and 8 of the Trademark Law, the most common being: the likelihood of confusion in consumers given the trademark application's similarity to a third-party trademark that is registered, pending or in use from an earlier date.

A brand owner may oppose a bad-faith application for its mark even if it does not have protection in Costa Rica *only* when the brand owner has been using it in Costa Rica or if it is well known in at least one member state of the Paris Union.

Third parties may seek cancellation or invalidation of a trademark or service mark after registration. A cancellation may be sought in those cases where a trademark registration has become generic or for lack of use. Cancellations for lack of use may only be requested five years after the trademark's registration date and the burden of proof will be on the claimant.

Invalidation can be requested when a trademark registration was wrongfully registered as it fell into one of the causes for refusal found in articles 7 and 8 of the Trademark Law (same bases for oppositions). Invalidations may only be filed within the first four years after a trademark's registration.

The minimum cost for an opposition, cancellation or invalidation proceeding can be around US\$450 (including professional and official fees) but can rise significantly depending on the complexity and if it is billed in an hourly manner.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A registration will remain in effect for 10 years. There are no express requirements in the law as to what must be done in order to maintain a registration. However, if after five years from its registration a trademark has not been used then any third party may seek its cancellation. The burden of proof will be on the party seeking cancellation, but the trademark owner can file any evidence it deems fit in order to prove its use. Usually documents such as invoices, advertisements, shipping logs and others can aid in proving use. Trade names are valid during the time they exist. Further, the slogan duration depends on the duration of the mark or trade name it is associated with.

## 11 The benefits of registration

**What are the benefits of registration?**

Registration provides legal certainty, ease and cost efficiency in the defence against infringement, and a legal presumption of lawful ownership over the trademark.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence may be recorded for a trademark in Costa Rica. It is not mandatory to record a licence. The benefits of doing so are certainty and registration publicity.

## 13 Assignment

**What can be assigned?**

A trademark as such can be assigned for all or some goods and services. If there is a partial assignment, there cannot be any possible confusion among consumers between the two owners. If there is confusion, the TMO can deny the partial assignment. Goodwill is absent as a legal concept in Costa Rican trademark law.

Trade names must be assigned together with the business establishment.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

In order to record an assignment, the assignee or assignor must file a document issued by a government authority or a private document duly notarised that demonstrates that the assignment has taken place. If the document comes from abroad it must be apostilled or legalised via the consulate, and if it is in a different language it has to be translated into Spanish.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The assignment must be recorded for purposes of its validity.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests over IP rights are recognised and must be recorded at the Personal Property Securities System. The document containing the security must be duly notarised and legalised if applicable.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

There are no laws or guidelines regulating the markings that can be used to indicate trademark use or registration. Therefore, a trademark owner may use the ® symbol with its trademarks as part of its branding strategy but its use or absence will bear no legal repercussions.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The proceedings available to enforce the rights of a trademark owner against an alleged infringer are:

- Border enforcement measures: trademark owners can request the TMO or the courts to order the customs authorities to suspend the dispatch of infringing goods.

- Summary procedure for intellectual property: trademark owners can file a lawsuit before the civil courts alleging infringement to their trademark rights in order to obtain damages and suspend the infringing activities.
- Injunctions: prior to filing a suit or at any time during an administrative or judicial procedure, trademark owners can request the Trademark Office or the court to order injunctions, such as confiscation, in order to avoid irreparable damage or to guarantee the ruling's effectiveness.
- Criminal actions: there are several trademark-related criminal offences in Costa Rica criminal law, mainly regarding the counterfeiting of trademarks and the fraudulent sale and distribution of counterfeited goods.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Discovery is allowed in civil proceedings as well as live testimony and expert opinions. The case is decided by a civil judge. The proceeding typically lasts around 24 months.

There are criminal proceedings available for trademark infringements. It is decided by a criminal judge and lasts about one to four years.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof is on the plaintiff.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Any interested party of legal age can seek remedy for an alleged trademark violation. It may be any person or legal entity that claims to have a legal interest in the proceeding, typically the trademark owner or licensee. The law does not specify as to the specific capacity that must be held. Any natural person that deems him or herself to have been harmed by a trademark infringement criminal offence can bring a criminal complaint.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

In general terms, regarding civil proceedings, a lawsuit can be filed before the Costa Rican courts when the defendant resides in the country, when the obligation must be executed in the country or when the act has been committed in Costa Rica. Also, trademark rights are territorial, therefore they can only be infringed by activities that take place in the country. Foreign activities could only indirectly support a charge of infringement, as a way to demonstrate bad faith or repeated behaviours as a way to strengthen a claim of local infringement.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Costa Rican law merely states that when a party has determined a certain piece of evidence to be pertinent to substantiate its claims and that evidence is under the control of the adverse party then the judge can compel the latter to produce it.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an infringement or dilution or related action at the preliminary injunction is one to two months and one to three

## Update and trends

Since the trade negotiations are mainly with the EU, geographical indications and origin denominations are more common. Therefore, filing, recognition and some trials are expected.

years at the trial levels. If an appeal is filed, the final decision can take up to one more year.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

According to Costa Rican laws, the costs associated with an infringement or dilution action depend on the damages claimed by the plaintiff.

## 26 Appeals

### What avenues of appeal are available?

The ruling can be appealed before the superior court and the superior court's ruling can in turn be subject of a cassation appeal before the Supreme Court, which is limited to matters of interpretation of the law without re-examining the facts.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

There are no specific defences set forth in the law or in jurisprudence, so it will be up to the courts, on a case-by-case basis, to determine if there are justifying circumstances that counteract a charge of infringement. However, in general terms, the main defences are to assert a paramount title over the trademark right, usually by proving prior use or well-known status, and to argue fair use.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

The remedies that are available to a successful party in an action for infringement are mainly damages and confiscation and destruction of infringing goods. Regarding damages, the law states that the indemnification for civil and criminal damages will be set by the court and can be based on an expert's opinion. The court can order the infringing party to pay a sum for damages which will appropriately compensate the damages suffered by the rightholder as a result of the infringement, including but not limited to, the earnings the rightholder would have received had the infringement not occurred; and the profits earned by the infringing party as a result of the infringement that were not considered when estimating the amount of compensatory damages. In determining damages, the court shall consider the value of the goods or services that are the subject of the infringement based on the retail price or any other legitimate measure of value provided by the rightholder.

As an alternative to the above, the law also sets forth pre-established parameters that judges can apply in order to determine statutory damages. For this purpose, the law uses base salaries as units of reference, the sums of which are periodically published by the government. In the case of trademark counterfeiting the court can impose damages ranging from three base salaries up to 300 base salaries.

In addition to the above, in criminal proceedings the courts can impose fines that range from five to 500 base salaries and prison sentences of six months up to five years, depending on the monetary value of the infringement.



**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques such as arbitration, settlement and mediation are available and are enforceable but are seldom used. Some benefits are their shorter duration, the possibility of choosing arbiters and mediators and the possibility of applying the law of a different jurisdiction. An important risk in arbitration proceedings is the absence of an appeal as such. After the ruling the parties may only file requests of revision or invalidation.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Famous foreign trademarks are afforded protection even if they are not used or are famous domestically. The trademark owner merely has to prove that the trademark is famous in at least one member state of the Paris Union. In determining the famous or well-known status of a trademark the authorities are required to follow the provisions set forth in WIPO's Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, mainly considering the degree of knowledge or recognition of the mark in the relevant sector of the public. Famous trademarks are provided a protection analogous to that afforded to previously registered trademarks, giving their owner the right to oppose and request the invalidation of infringing trademarks.



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# Cyprus

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## 1 Ownership of marks

### Who may apply?

Any person claiming to be the proprietor of a trademark or service mark, used or proposed to be used by them can file an application for registration under the Trademarks Act, Chapter 268. When the relationships between two or more person interested in registering a mark are such that none of them is allowed to use the trademark except for the account of all or in relation to a product or services for which are all related these persons can be registered as joint owners of the mark.

The term 'person' shall include any individual, company, partnership, society, association of persons or body of individuals, with legal entity or not.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A trademark is broadly defined in article 2 of the Trademarks Act, Chapter 268 as: 'Any sign capable of being represented graphically (particularly in words, including personal names, designs, letters, numerals, the shape of goods or their package, or any combination of these)' that is capable by itself of distinguishing the products or services of one undertaking from those of other undertakings.

### Trademarks that can be registered

The following trademarks can be registered:

- any mark that is capable by itself of distinguishing the goods of one undertaking from those of other undertakings (article 2);
- any mark may be registered as a certification trademark if it implies that the goods or services in relation to which it is being used are certified by the proprietor of the mark as to their quality, accuracy or any other feature including their origin or ingredients or, if the mark relates to goods, the method of their production and if it relates to services, the method of their performance (article 37 A – added following the amendment of the Trademarks Act in 2000); and
- any mark may be registered as a collective trademark. A collective mark must be capable of distinguishing the goods or services of the members of an association that is the proprietor of the collective mark from the goods or services of other undertakings. An association is defined by the Law to include legal persons of public law, clubs, foundations, cooperative companies and in general organisations of persons with legal capacity). No association can be registered as the proprietor of the trademark, unless its members are persons involved in manufacturing, production, amendment or trade of products or provision of services (article 37 B – added following the amendment of the Law in 2000).

### What cannot be registered

The following cannot be registered or, if registered, may be declared void.

### Identical mark

Identical marks as follows cannot be registered:

- a trademark that is identical with an existing trademark, given that, the goods or services for which it is declared or registered are identical with those for which the existing trademark is protected (article 14(1)(a)); and
- a trademark that is identical with an existing trademark and the goods or services for which it is declared or registered are dissimilar to those for which the existing trademark is protected, in the event that the existing trademark is well known in the Republic of Cyprus and the use of the trademark without cause would gain – without any cost – a benefit from the distinctive character or the reputation of the existing trademark or it would be harmful to its distinctiveness or reputation (article 14(1)(c)).

### Similar mark

A similar mark cannot be registered as follows:

- a trademark that might confuse the public about its relation to an existing trademark, because of its identicalness or similarity to a mark that already exists or the identity or similarity of the goods or services designated by the two marks (article 14(1)(b)); and
- a trademark that is similar to an existing trademark and the goods or services for which it is declared or registered are dissimilar to those for which the existing trademark is protected, if the existing trademark is well known in the Republic of Cyprus and use of the trademark without good cause would gain, without any cost, a benefit from the distinctive character or reputation of the existing trademark or would be harmful to its distinctiveness or reputation (article 14(1)(c)).

### Nominative or descriptive marks

Marks that are nominative or descriptive of the goods or services cannot be registered, including:

- marks falling outside the legal definition of a trademark (article 11(1)(a));
- marks that are devoid of any distinctive character (articles 11(1)(b));
- marks that consist exclusively of signs or indications that may serve to designate the kind, quality, quantity intended purpose, value, geographical origin or time of the goods or provision of the services or other characteristics of the goods or services (article 11(1)(c));
- marks that consist exclusive of signs or indications that have become customary in the current language or established practices of the trade for designating the goods or services (article 11(1)(d));
- marks that consist exclusively of a shape that results from the nature of the good themselves (article 11(1)(e)(i)); and
- marks that consist exclusively of a shape necessary to obtain a technical result (article 11(1)(e)(ii)).

It should be noted that a trademark that is not otherwise distinctive may be registered – or if registered may not be declared void – in the event that it has acquired a distinctive character before the date of application for registration and due to the use made of this trademark (article 11(2)).

### Marks with prohibited content

Marks that contain prohibited content cannot be registered, as follows:

- marks of such a kind as to deceive the public in any way but especially as to the nature, quality, or geographical origin of the goods or services (article 11(1)(f));
- marks that are unacceptable or may be void pursuant to article 6 of the Paris Convention for the Protection of Industrial Property (article 11(1)(g));
- marks that include a sign of great symbolic importance, especially a religious sign (article 11(1)(h)); and
- a mark or part will not be registered – or if registered may be declared void – if it is scandalous, or any part of it is immoral or contrary to public policy (article 13).

### 3 Common law trademarks

#### Can trademark rights be established without registration?

According to Trademarks Act no person may start an action to prevent infringement of an unregistered trademark or to claim damages arising from such infringement. However, this provision is without prejudice to any rights of action for fraudulent presentation of goods as the goods of another or the remedies available in such circumstances.

Unregistered trademarks are nonetheless protected by the tort of passing off (article 35 of Chapter 148).

Article 35 reads:

*Any person who by imitating the name, description, sign, label or otherwise causes or attempts to cause any goods to be mistaken for the goods of another person, so as to be likely to lead an ordinary purchaser to believe that he is purchasing the goods of such other person, shall commit a civil wrong against such other person.*

According to established case law, claimants bringing a claim for passing off must produce evidence establishing the following requirements:

- a right to the use of the mark to the exclusion of the defendant established by reference to the association of the mark with the products of the plaintiff. The accrual of such right depends on the nexus between the mark and the product it brands. The association must be strong enough as for the mark to be of itself suggestive of the origin of the goods. The means of forging the association are not limited in a specific way. Whether the necessary link between the mark and the product exists is a question of fact. Evidence of user, the length of it and the reactions of the purchasing public are highly relevant to the determination of the issue;
- imitation or copying of the mark of the plaintiff by the defendants in the process of manufacture or sales of the products;
- likelihood of confusion on the part of the ordinary purchaser arising from the imitation of the mark. The law is not concerned with the scrupulous purchaser, but with the ordinary purchaser, who is apt to be swayed by images; and
- damage resulting from such likelihood of confusion. Whenever, because of the imitation, the ordinary purchaser is likely to be confused about the origin of the goods, damage is presumed to occur in the absence of evidence to the contrary.

### 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

A Cyprus trademark application usually takes about six months to a year to reach registration, provided that no objections are encountered. Applications can now be made electronically (Trademarks Rules – amended April 2015).

A Cyprus trademark typically costs between €1,100 and €1,300 plus VAT for registration in one class of goods or services. This includes the official fees, as well as lawyer costs. However, if the Registrar of Companies and Official Receiver, Department of Intellectual and Industrial Design, Trademarks (the Registrar of Trademarks) or a third party raise any objections, additional costs will be incurred. Such

objections include the mark being deemed descriptive, the existence of earlier conflicting marks and third-party opposition. These issues are discussed further in questions 6, 8 and 9.

The mark proprietor who wishes to register a trademark in Cyprus must appoint a practising advocate as his or her agent to file an application to register the mark. The agent is appointed by signing and sending to the Registrar of Trademarks a power of authority empowering the agent to act for the proprietor and take part in all proceedings or matters before or affecting the Registrar of Trademarks.

### 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Cyprus has adopted the Nice International Classification for trademarks. Following the ECJ decision on the IP Translator the Registrar of Companies decided that from the 1 January 2014 for national applications for the registration of the trademark the phrase ‘all products and/or services of the class’ will not be acceptable. There must be clarity and precision when describing goods and services.

Multi-class applications are not available. For every class there must be a separate application.

### 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

#### Article 20 of the Rules – preliminary search

Any person who proposes to apply for the registration of a trademark may apply to the Registrar for a preliminary search and ask for advice as to whether the trademark appears to the Registrar *prima facie* to be inherently adapted to distinguish or inherently capable of distinguishing as the case may be in relation to the goods it wants to register the trademark.

#### Article 30 of the Trademark Rules

Upon receipt of an application for the registration of a trademark in respect of any goods or services the Registrar shall cause a search to be made, among the registered marks and pending applications, for the purpose of ascertaining whether there are on record in respect of the same goods or description of goods any marks identical with the mark applied for, or so nearly resembling it as to render the mark applied for likely to deceive or cause confusion, and the Registrar may cause the search to be renewed at any time before the acceptance of the application, but shall not be bound to do so.

#### Article 31 of the Trademark Rules

After such search, and consideration of the application, and of any evidence of use or of distinctiveness or of any other matter that the applicant may or may be required to furnish, the Registrar may accept the application absolutely, or he or she may object to it, or he or she may express his or her willingness to accept it subject to such conditions, amendments, disclaimer, modification or limitations as he or she may think right to impose.

#### Article 32 of the Trademark Rules

If the registrar object the application or is willing to accept the application subject to any conditions, amendments etc, he or she shall inform the application of his or her objections in writing, and, unless within two months the applicant applies for a hearing or makes a considered reply in writing to those objections, he or she shall be deemed to have withdrawn his or her application.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Applications can be made either for trademarks that are already in use or for trademarks that the applicant intends to use. There is no need to submit any evidence of use of a trademark even upon renewal.

According to article 28(1)(a) and (2), if a trademark is not used for five years from the date of registration, or if its use is suspended for five consecutive years, it may be subject to a revocation action before the competent court. However, a registered trademark may not be revoked if, during the period lapsing between the expiration of the five-year period and the submission of the application for revocation, there has been genuine use or reuse of the mark.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

Article 19 reads that in the case of a refusal or conditional acceptance, the Registrar shall if required by the applicant, state the grounds of his or her decision and the materials used by him or her in arriving thereat. The decision shall be subject to appeal in the court, 75 days after the decision was published to the applicant. On the appeal, the court shall – if required – hear the applicant and the Registrar, and shall make an order determining whether, and subject to what amendments, modifications, conditions or limitations – if any – the application is to be accepted.

However, subject to article 146 of the Constitution, a person may also appeal for the decision of the Registrar of Trademarks by means of internal appealing procedure, which would take place in the Registrar's Office, 75 days after the decision was published to the applicant. This administrative procedure is also subject to appeal in the Supreme Court and the same deadline as above applies, starting with the day when the applicant became aware of the decision of the internal appealing.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

In the event that the Registrar of Trademarks accepts the application for registering a trademark – whether absolutely or subject to conditions – the application is going to be advertised in the Official Gazette of Cyprus (article 20(1)).

Registration of a trademark may be opposed on the ground that the mark resembles marks already on the register or for any other ground for which registration of a mark shall not be granted.

Any person may, within two months from the date of the advertisement of an application, give notice to the Registrar of opposition to the registration. The notice must be given in writing in the prescribed manner, and must include a statement of the grounds of opposition. After the filing of the opposition, the Registrar will send a copy of the notice to the applicant who on receipt must file, in the prescribed manner, a counterstatement of the grounds on which he or she relies for his or her application. If he or she does not do so, he or she will be deemed to have abandoned his or her application. If the applicant files a counterstatement, the Registrar must furnish a copy to the persons giving notice of opposition and, after hearing the parties and considering the evidence, must decide whether and subject to what conditions, if any, registration is to be granted.

Once a trademark has been registered, it is still possible to take legal action to challenge it. Various options are available, including procedures known as invalidation and revocation.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Article 22 states that the registration of a trademark is valid for a period of seven years, but may be renewed for further periods of 14 years each, from the date of expiry of the initial registration or from the last renewal of the registration. No proof of use is required in order to maintain a trademark. However, if a mark is not being used for the goods or services for which it is registered, it becomes vulnerable to revocation as discussed in question 7.

## 11 The benefits of registration

**What are the benefits of registration?**

According to article 6 registration of a trademark gives the proprietor exclusive right over it. The proprietor of a trademark can prohibit its use by any third parties in the course of their dealings. The protection afforded by the Trademarks Act to registered trademarks is wider than provided under the tort of passing off. Where a plaintiff is seeking an injunction to restrain infringement of a registered mark, there is no onus on the plaintiff to prove anything (ie, reputation and goodwill) except that the mark is registered. The registration of a mark is proved by the production of the Registrar's certificate of registration.

Rights in relation to trademarks may be enforced in the same manner as any other private property.

When the exclusive rights to a registered trademark are being infringed, the proprietor may file an action in the District Court to enforce those rights under Cypriot civil law. There are a number of remedies available for infringement of a registered trademark; they include damages and court orders prohibiting further unauthorised use of a trademark (injunctions). If the infringement is on a large scale, the court may order delivery of the marks for destruction or order the defendant to account for profits made through the sale of goods or provision of services in respect of which the trademark was infringed.

A trademark proprietor also has border enforcement mechanisms available against unauthorised goods. Cyprus has adopted Council Regulation No. 1383/2003, referred to as the Counterfeit and Pirated Goods Regulation, by means of the Control of the Movement of Goods that Violate the Intellectual Property Rights Law (Law No. 133(I)/2006).

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Article 29 reads that a person other than the proprietor of a trademark may be registered as a registered user thereof in respect of all or any of the goods or services in respect of which the trademark is registered and either with or without conditions or restrictions. The permitted use of a trademark shall be deemed to be use by the proprietor thereof, and shall be deemed not to be use by a person other than the proprietor.

Subject to any agreement subsisting between the parties, a registered user of a trademark shall be entitled to call upon the proprietor thereof to take proceedings to prevent infringement thereof, and, if the proprietor refuses or neglect to do so within two months after being so called upon, the registered user may institute proceedings for infringement in his or her own name as if he or she were the proprietor, making the proprietor a defendant. A proprietor so added as defendant shall not be liable for any costs unless he or she enters an appearance and takes part in the proceedings.

## 13 Assignment

**What can be assigned?**

According to article 24 a registered trademark shall be, and shall be deemed always to have been, assignable and transmissible either in connection with the entire or the remainder goodwill of a business or otherwise, notwithstanding any rule of law or equity to the contrary. Further, a registered trademark shall be and shall be deemed always to have been, assignable and transmissible in respect either of all the



goods in respect of which it is registered or was registered, as the case may be, or of some (but not all) of the goods. However, there is no need for other business assets to be assigned to make a valid transaction.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

In order for the assignment to be valid, an assignment agreement is required without any need to be notarised. When the agreement is in English it has to be translated into Greek and accompanied by an affidavit verifying the authenticity of the translation. The submission of the forms TM 15 and TM 16 and TM 36 to the Registrar of Companies is also required in cases where a trademark does not have goodwill.

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

Article 27 reads that where a person becomes entitled by assignment or transmission to a registered trademark, he or she shall make application to the Registrar of Companies to register his or her title, and the Registrar shall – on receipt of the application and on proof of title to his or her satisfaction – register him or her as the proprietor of the trademark regarding the goods in respect of which the assignment or transmission has effect and shall cause particulars of the assignment or transmission to be entered on the register. However, an application is not mandatory.

A document or instrument in respect of which no entry has been made in the register in accordance with the provisions of section 1 of article 27 shall not be admitted in any court as evidence of the title to a trademark unless the court otherwise directs.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are not recognised under the Trademarks Act. Nevertheless, a property right might be assigned as security in the same way as assignments are assigned and it has to be in writing.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The Trademarks Act does not provide any specifications for the marking of trademarks. Nonetheless, this does not prohibit anyone from marking them once they are registered. The usual marking used to indicate a registered trademark is <sup>TM</sup> and ®. This is the marking that is used internationally to designate registered trademarks. Marking a trademark is advisable since it notifies the public that the given sign is a registered trademark.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

If a person infringes the registered mark of another person and refuses or fails to stop after the infringement has been drawn to his or her attention, a civil action can be brought to restrain infringement. The relief usually sought in an action for infringement is an injunction restraining the further use of the mark by the unauthorised party or an inquiry as to damages. If the infringement is on a large scale, the court may order the delivery up of the spurious marks for destruction or order the defendant to tender an account of the profits made through the sale of goods or the provision of services in respect of which the proprietor's trademark was infringed.

There are no specialised courts or other tribunals. If the owner of a registered mark believes that someone has infringed his or her mark he or she is entitled to the protection of the District Court and may file a writ of summons to prevent further infringement and to obtain damages representing any infringement already incurred. There are no provisions in the criminal law regarding trademark infringement or an equivalent offence.

As far as criminal law provisions are concerned, there are provisions in the Trademarks Act that criminalise the false representation of an unregistered trademark as a registered trademark. The wrongdoer is liable for a small fine. Further, there are criminal sanctions in Law No. 133(I)/2006.

#### 19 Procedural format and timing

**What is the format of the infringement proceeding?**

In a case of an infringement the proprietor of the trademark files a civil action against the infringer. Cyprus follows a common law legal system, the basic characteristic of which is that the proceedings are adversarial. A plaintiff then has to prove his or her case on the balance of probabilities.

A claim relating to a registered trademark must be brought to the district court and then on appeal to the Supreme Court. Prior to the commencement of the hearing, the owner of the trademark may apply for an interim injunction, the effect of which will be to prevent further use of the infringing mark until the matter has been decided by the district court.

Evidence must be submitted by both parties in order to prove all relevant facts in issue including registration, infringement and damages. Discovery is allowed and is usually obtained through interlocutory applications. Testimony as a rule must be live and there is a right to cross-examine any witness. Expert witnesses are also allowed to be presented in the court, but their evidence must be limited to the matters in which they have expertise. Proceedings may last one year or more, depending on the nature of the claim and the complexity of the matters at issue, etc. Once a judgment is issued, it is immediately enforceable. Failure to abide by the terms of a judgment may constitute contempt of court, which gives the right to make an application against the wrongdoer demanding his or her arrest and imprisonment. Contempt of court procedure is quasi-criminal and the standard of proof is that of beyond reasonable doubt.

#### 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

The burden of proof to establish infringement or dilution is on the balance of probabilities.

#### 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

According to article 6 the proprietor is usually the person to sue for infringement. Subject to any agreement subsisting between the parties, a registered user of a trademark shall be entitled to call upon the proprietor thereof to take proceedings to prevent infringement thereof, and, if the proprietor refuses or neglect to do so within two months after being so called upon, the registered user may institute proceedings for infringement in his or her own name as if he or she were the proprietor, making the proprietor a defendant. A proprietor added as defendant shall not be liable for any costs unless he or she enters an appearance and takes part in the proceedings (article 29).

#### 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Trademarks that are registered in Cyprus are protected in Cyprus. An infringing act committed outside Cyprus cannot be sued as an infringement of a registered trademark in Cyprus.

### Update and trends

For some time the 'halloumi' mark has been a central concern for the Cypriot authorities and the people concerned as regards the authenticity of a type of cheese produced in Cyprus.

The mark is registered as a certification trademark on the local Trademarks Register and its use presupposes the approval of the Ministry for an application for grant of certification of use. This gives the competent authorities the necessary means for investigating the quality of the product.

'Halloumi' is also set to receive protected designation of origin status by the European Commission, which will give it protection on the European level and keeps the guaranteed authenticity of the cheese.

The two statuses of the mark will coexist and will protect it on each level.

Moreover, in the very recent case of *McDonald's Corporation v The Republic of Cyprus*, through the Registrar of Companies and Official Receiver under its capacity as Trademarks Registrar (Appeal No: 169/2010, published: 6/7/2016), the Supreme Court had to decide whether the mark 'Mac Coffee', which includes the image of an eagle and concerns instant coffee, could be registered as a trademark in

Cyprus. The applicants (McDonald's Corporation) argued, among other things, that the said mark could not be registered as a trademark due to its similarity with the mark 'McCafe', which was already a registered trademark belonging to the applicants. The Supreme Court ruled, inter alia, that the Trademarks Registrar and the First Instance Court, both erred in their decisions that the above marks were not similar, because in essence they limited their evaluation by examining only the visual similarity between the marks. The Supreme Court explained that there was a need for the evaluation of the marks to be extended and that an assessment of the aural and conceptual similarity between the marks was crucial in order to determine the actual degree of similarity between them. The Supreme Court also explained that the concept of appreciation of the likelihood of confusion of the two marks needed to be determined before examining the danger of confusion. In the absence of the assessment of the aural and conceptual similarity of the marks, the Trademarks Registrar and the First Instance Court could not determine correctly the concept of the global appreciation of the likelihood of confusion neither the danger of confusion. The Supreme Court therefore allowed the appeal and the decisions of both the Trademarks Registrar and the First Instance Court were overruled.

### 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

No discovery devices are permitted for obtaining evidence from either an adverse party or third parties or parties outside the country.

### 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The plaintiff must take action within a reasonable time. There is no typical time frame for an infringement or dilution action; it depends on the complexity of the cases and it may vary from case to case. However, one may expect two to three years at trial level and one year on appeal.

### 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

Legal fees in Cyprus are regulated by rules of the Supreme Court and they depend on the amount of the damages claimed. On appeal, the fees are usually set by the court depending on the outcome of a case.

### 26 Appeals

**What avenues of appeal are available?**

The decision of the district court judge may be appealed to the Supreme Court, which is composed of a bench of three Supreme Court judges.

### 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The most common defences in an action for infringement are:

- the plaintiff has no title;
- the registration is for other reasons invalid;
- there is no infringement;
- the plaintiff is debarred from suing the defendant for all or part of the relief he or she seeks by an agreement or some personal estoppel or because the mark is deceptive or his or her business is fraudulent; and
- the plaintiff's registration is in Part B and the use complained of is not likely to deceive or cause confusion.

### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

Where a claim is successful, then a variety of different remedies will be available to the owner of the mark:



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- damages;
- a declaration as to ownership of the mark;
- an injunction preventing any further use of the mark by the defendant;
- an account of profits gained by infringement;
- an order for destruction of infringing goods;
- an order for delivery up of infringing goods; and
- an order for removal of the trademark.

## 29 ADR

### **Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Currently, no ADR process is used in Cyprus even though the venue is available by a procedure established recently under the auspices of the Cypriot Bar Association.

## 30 Famous foreign trademarks

### **Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Cyprus is signatory to the Paris Convention for the Protection of Intellectual Property 1883. Article 6-bis of the Convention creates an obligation on signatory states to protect well-known marks belonging to any national of any Convention state and allows that person to act within the domestic jurisdiction by obtaining an injunction against the use in the signatory state of a trademark that is identical or similar to his or her mark, in relation to identical or similar goods or services, where the use is likely to cause confusion. It should be noted that this right arises irrespective of whether the claimant has any business or even any goodwill in the signatory state, although the mark must be 'well known'.

# Denmark

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## 1 Ownership of marks

### Who may apply?

Trademark registration in Denmark can be obtained through registration of national Danish trademarks, European trademarks or International (Madrid Protocol) Registrations designating Denmark or the European Union. The information in this chapter relates to national Danish trademarks administered by the Danish Patent and Trademark Office.

According to the Danish Trademarks Act (Consolidate Act No. 192 of 1 March 2016), section 1, persons and enterprises can be owners of Danish trademarks and apply for registration. Owners of Danish trademarks include private individuals, companies, public authorities and associations.

Foreign applicants may apply for registration of trademarks in Denmark with or without a representative. The Patent and Trademark Office may, however, invite the applicant to appoint a representative domiciled in the EU or the EEA. This is considered necessary to ensure that the applicant is able to understand the proceedings and communicate with the Office.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The definition of trademarks in the Trademarks Act, section 1, is 'distinctive signs for goods or services being used or intended to be used by a commercial enterprise'. Even though use in commerce appears to be implied, intention-to-use is not a formal requirement for applying for registration of a Danish trademark.

Trademarks can be registered for goods or services or both. The term 'trademark' is used also for service marks.

In order to qualify for protection and registration as a trademark a sign must be capable of distinguishing the goods or services or both of one enterprise from those of other enterprises. Furthermore, the sign must be capable of being represented graphically. Distinctive character is a condition for a trademark right to come into existence. Distinctive character may be obtained through use, if the mark is not distinctive per se.

Trademarks that are deceptive or contrary to law, public order or morality are excluded from registration.

A non-exhaustive list of types of signs that may be protected as trademarks is included in section 2 of the Trademarks Act. Such signs include words and word combinations (including slogans, personal names, company names and names of real property) as well as letters and numerals. Figurative marks such as pictures and designs may also be protected as trademarks, as well as the shape, equipment or packaging of goods.

Single colours may be registered as Danish trademarks, although it can be quite difficult to satisfy the requirement for distinctive character.

Non-traditional marks such as sound marks and smells are acceptable if they can be represented graphically. Sound marks are accepted on the basis of sonograms or oscillograms along with a description providing an unequivocal description of the sound. According to current practice of the Danish Patent and Trademark Office, it is not possible to represent smell marks precisely enough with today's technology.

According to section 16 of the Trademarks Act, a registered trademark right does not comprise elements of the trademark that cannot be registered separately, such as descriptive word elements. This rule is referred to as the 'natural disclaimer'.

The requirements for a sign to constitute a registered trademark correspond to those for an unregistered trademark.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark rights can be established through registration or through use without registration. Use-based trademark rights are acquired by commencement of use of a trademark in Denmark, provided that the trademark is distinctive and meets all other requirements for constituting a trademark. The use-based trademark right will be created at the time when the trademark is put to use.

It is possible to obtain trademark rights through use with regard to trademarks that are non-distinctive per se. In that case, the trademark right will come into existence at the time when the mark has acquired distinctive character through use.

A trademark right established through use covers the goods or services for which the trademark is used. If use of the mark is discontinued, the use-based trademark will cease to exist after a reasonable period of time.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

To obtain a Danish trademark registration, an application must be filed with the Danish Patent and Trademark Office, and the official fee must be paid. There is no need to file any power of attorney or other documentation with the application.

If the application process is straightforward, the certificate of registration can be expected approximately two to four months from the application date. When the certificate of registration is issued, the trademark will be published for opposition. The period for filing opposition is two months from publication. If no opposition is filed, the registration will become final at the end of the opposition period.

The current official fee for a Danish trademark application or registration in 1-3 classes of goods or services or both is 2,350 kroner.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The Nice Classification is used, and Denmark participates in the harmonised database TMclass. Goods and services terms that are



accepted by the Danish Patent and Trademark Office can be searched in TMclass.

Multi-class applications are available. There is a considerable cost saving as the current official fee for classes 1–3 is 2,350 kroner and the official fee for each additional class is 600 kroner.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

When the formal requirements have been met, the Patent and Trademark Office will examine the application for absolute grounds, including distinctive character, whether the trademark is misleading, etc. The specification of goods or services will be examined as well. If any absolute grounds for refusal are found, the Patent and Trademark Office will issue an official action which is sent to the applicant or the representative, if any. The applicant will be given a term of two or four months to respond, and there may be further exchange of correspondence until the Office decides on the application.

A search for relative grounds will be carried out as well, and the result will be sent to the applicant or the representative, if any, for information only. It will be up to the applicant to decide whether to proceed with the application if any relevant prior rights have been found in the official search.

The registration certificate is issued before the opposition period, and the registration is preliminary during the opposition period and until any opposition proceedings have been finalised. If an opposition is successful, the preliminary registration will be cancelled in full or in part. Partial cancellation means that some of the goods or services will be deleted from the registration.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use of a trademark is not necessary before registration of a trademark is granted. There is no need to file proof of use before registration, unless documentation for acquired distinctive character of the trademark is to be submitted.

Denmark is a party to the Paris Convention, and Convention priority is accepted.

A trademark registration can be maintained without use for up to five years. If the trademark has not been put to genuine use for the goods or services or both covered by the registration within a period of five years from the completion of the registration procedure, the registration may be cancelled for non-use at the request of a third party according to section 25 of the Trademarks Act.

The five-year period is calculated from the completion of the registration procedure. In the absence of oppositions, the registration procedure is deemed to be completed at the expiry of the opposition period. If the registration is opposed, the registration will remain preliminary until the opposition has been concluded. Owing to the suspensive effect of appeal, the registration will remain preliminary during appeal and court proceedings, if any. In the meantime, the beginning of the non-use period will be suspended.

Non-use cancellation may also take place if, at a later stage, use of the trademark has been suspended during an uninterrupted period of five years.

Acceptable use includes use of the trademark in a version which is not significantly different from the registered mark. Export use is acceptable, as well as use of the trademark with the consent of the proprietor.

If a request for non-use cancellation is filed, the proprietor will be invited to file proof of use and comment on the request before the decision is rendered.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If an application is denied, appeal may be filed with the Board of Appeal for Patents and Trademarks. The term for filing appeal is two months from notification of the unfavourable decision, and the official appeal fee of 4,000 kroner must be paid within the same term. An appeal has suspensive effect.

Appeals are dealt with through a written procedure, and the Patent and Trademark Office is invited to comment in the process. In exceptional cases, an oral hearing may be ordered.

An unfavourable decision by the Board of Appeal may be brought before the Maritime and Commercial High Court within a term of two months. The court proceeding will have suspensive effect, and further appeal is possible in the court system.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Trademarks are published for opposition after registration. When the certificate of registration is issued the registration is still preliminary.

The period for filing opposition is two months from publication, and the registration will be preliminary until expiry of the opposition period if no opposition is filed, or until any opposition proceedings have been concluded. If an opposition is appealed or brought before the court, the registration will stay preliminary until the matter has been finally concluded.

After the registration has become final, it can still be cancelled administratively at the request of a third party.

Oppositions and cancellation actions can be based on prior rights to identical or confusingly similar registered or unregistered trademarks as well as personal names, company names, copyright etc. Furthermore, trademarks that are well known according to article 6-bis of the Paris Convention may constitute basis for opposition or cancellation.

The Trademarks Act also provides for protection of trademarks used abroad in case of a later Danish trademark application filed in bad faith (section 15, subsection 4(2)). An opposition may be based on such foreign marks. The extent of the 'bad faith' concept has been the subject of a court case (*Malaysia Dairy Industries Pte Ltd v the Board of Appeal for Patents and Trademarks*) that went to the Danish Supreme Court and was referred to the ECJ (Judgment of 27 June 2013, C-320/12). The Supreme Court held that Malaysia Dairy Industries had been in bad faith at the time of applying for registration of the shape of a yoghurt bottle as a trademark in Denmark.

Oppositions and cancellation requests are filed with the Patent and Trademark Office and must include information about the trademark involved, the opponent or requesting party and the basis for the opposition or cancellation action. There is an official fee of 2,500 kroner for filing an opposition or cancellation action. Oppositions and cancellation actions are decided on the basis of written submissions from the parties and documentation filed.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A Danish trademark registration will remain in effect for a period of 10 years from the registration date. Renewal is possible for periods of 10 years at a time by payment of the official renewal fee to the Patent and Trademark Office. Renewal can be made up to six months before the renewal due date. Late renewal is possible within six months from the due date against payment of an additional official fee.

There is no requirement to file proof of use in connection with renewal. However, use requirements apply for registered Danish trademarks, and non-use cancellation is possible after five years of non-use, see question 7.

## 11 The benefits of registration

### What are the benefits of registration?

The benefits of registration include clear and easy proof of the time when the trademark right was established and of the goods and services covered.

Entering the trademark in the official register means that it may be found through third-party clearance searches, thereby reducing the risk of infringement.

As use requirements do not apply until after five years from the completion of the registration procedure, it is possible to register trademarks in advance of contemplated use, and also for goods and services that may become relevant in future. Thus, a registered trademark may cover a broader specification of goods and services than unregistered marks.

Furthermore, trademarks must be registered in order to constitute basis for customs actions according to Council Regulation (EC) No. 1383/2003 of 22 July 2003 concerning customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

A licence may be recorded in the register of trademarks at the request of the proprietor of the trademark or of the licensee. When the licence has been terminated this may also be entered in the register. Recording the licence is voluntary and may be done for practical reasons, however, it does not have any material effect. Also sub-licences may be recorded.

A trademark licence may cover all goods and services covered by the registration and cover the Danish territory as a whole, or the licence may be limited to some goods or services or only part of Denmark or both. Exclusive and non-exclusive licences are recognised.

Unless otherwise agreed between the parties, the licensor as well as the licensee will be entitled to take action against infringement of the trademark. If the licensee wishes to take action, he or she must inform the licensor. It is not a condition that the licence must be recorded.

## 13 Assignment

### What can be assigned?

Danish trademarks may be assigned freely like other kinds of assets. Assignment can be made for some of the goods or services or all of them, and with or without goodwill. There is no requirement for trademarks to be assigned together with other assets.

Both registered and unregistered trademarks can be assigned.

In case of a business transfer, it will be assumed that the trademarks are included in the transfer, unless otherwise agreed or deemed to be agreed (section 38, subsection 2 of the Trademarks Act).

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

In order to record the assignment of a registered trademark, a declaration of assignment simply signed by the registered holder (the assignor) must be filed with the Patent and Trademark Office as documentation. Scanned copies will normally be accepted. No notarisation or legalisation is needed.

The declaration must be in Danish or another Scandinavian language or in English. It must identify the parties and the trademarks involved and must be unconditional. When filing documentation for assignment it is useful to be aware of the fact that the documentation will be publicly accessible through the official website of the Patent and Trademark Office. For this reason, assignment declarations are

often made out in short format for the purpose of recording the assignment only.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

It is not a prerequisite for the validity of an assignment that it has been recorded. For practical reasons, including future reassignment, however, it is advisable to record an assignment in the trademarks register. Furthermore, according to section 39, subsection 2 of the Trademarks Act, the registered proprietor will be deemed to be owner of a registered trademark until a transfer request has been filed with the Patent and Trademark Office.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised and may be recorded against Danish trademark registrations at the request of the proprietor or the pledgee.

It is not a prerequisite for the validity that the security interest has been recorded, and it does not constitute an act of perfection. In order to be enforceable the security must be recorded in the Land Registration Court. If the proprietor is a foreign entity, this may not be possible, and in that case recordal with the Patent and Trademark Office may be the only available option.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Registered trademarks may be accompanied by the term *registreret vareremærke* or by the sign ®, and trademarks that are applied for or unregistered or both may be accompanied by TM. For trademark owners domiciled in the European Union, use of ® is acceptable if the trademark is registered within the European Union, but not necessarily in Denmark.

Such marking is not mandatory and does not have any effect on the assessment of infringement or the level of compensation to be obtained in case of infringement. On the other hand, use of the symbols is advisable to inform third parties of the fact that the trademark in question is registered or applied for, or that the proprietor is of the opinion that the trademark is protected. This may reduce the risk of infringement as well as the risk of the mark losing its distinctive character through (incorrect) use as a descriptive word.

Indicating that the trademark is registered when this is not so could be misleading and contrary to the Marketing Practices Act (unfair competition regulation).

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Legal proceedings available to enforce trademark rights include ordinary court cases, preliminary injunctions, securing of evidence (see question 23) and customs actions against unauthorised goods.

An ordinary court case regarding infringement of registered or unregistered trademark rights is brought before the Maritime and Commercial High Court, which has jurisdiction in this field. Preliminary injunctions in trademark cases are also handled by the Maritime and Commercial High Court and can be initiated if the matter is urgent. A preliminary injunction must be succeeded by an ordinary court case if not already initiated.

Customs actions or border control can be requested if infringing products are expected to arrive from abroad. Trademark owners are encouraged to provide any available information regarding port

of entry, expected time of arrival or other relevant details to improve the success rate. In addition, the customs authorities carry out random checks on goods entering Denmark and may on their own motion contact owners of registered trademarks in case they find goods that look like counterfeit products.

The Trademarks Act identifies the Maritime and Commercial High Court as the relevant forum for trademark enforcement, and this court has also been appointed European Union trademark court of first instance.

Provisions for punishment of trademark infringement can be found in the Trademarks Act and the Criminal Code. Infringement by gross negligence or intention may be punished by a fine, and intentional infringement under aggravating circumstances may be sentenced by imprisonment of up to 18 months under section 42 of the Trademarks Act. Section 299b of the Criminal Code provides for imprisonment for up to six years in case a significant and obviously unlawful profit is intended or particularly aggravating circumstances exist.

## 20 Procedural format and timing

### What is the format of the infringement proceeding?

The infringement proceeding is initiated by filing a writ with the Maritime and Commercial High Court with relevant exhibits. An exchange of written submissions from each party will follow, and if an action for securing of evidence has been carried out (see question 18) the result can be filed as evidence. After the written preparation the court will schedule a date for the oral hearing. The time frame depends on the complexity of the case, but typically at least one year should be expected in the first instance.

The oral hearing will take place before a legal judge and two expert judges. The plaintiff's counsel provides an oral presentation of the facts, after that follows live testimony from the parties and any witnesses. Expert witnesses may appear, if relevant. Finally, the counsel of each party will give oral arguments, and sometimes the court will provide an indication of the judgment immediately, or a written judgment will be issued within a couple of months.

For cases regarding preliminary injunctions, the procedure is similar. The case handling is quicker, and usually the case will be decided within some weeks from filing.

As an alternative, police prosecution is available. This may put additional pressure on the defendant. Usually the trademark owner will not be able to participate in the case handling by the police.

## 21 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement lies with the plaintiff. The plaintiff must prove that the trademark right exists and that the defendant's actions constitute infringement. The court will decide whether the burden of proof has been met.

In preliminary injunction matters, the burden of proof is less strict. The plaintiff must prove or make probable that the trademark right exists, that the defendant's actions amount to infringement and that an ordinary court case cannot be awaited.

## 22 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner is entitled to seek a remedy for trademark violation. The same applies for a licensee, unless otherwise provided in the agreement between the parties. The licensee must inform the licensor if he or she wants to take action against alleged infringement.

The aggrieved party, typically the trademark owner or the licensee, has standing to bring a criminal complaint.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Danish courts have jurisdiction over the Danish territory only. As an exception, the Maritime and Commercial High Court is the European Union trademark court and may decide on matters regarding European trademarks with effect for the whole European Union.

Furthermore, customs actions or border control are available for infringing products arriving from abroad. See question 18.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

During court proceedings, a defendant may be invited or ordered to provide evidence of the extent of the infringing activities. Such evidence may be provided as a declaration from a chartered accountant, documentation from the internet provider about the extent of internet exposure, etc. In case the defendant does not provide the evidence requested, the defendant's non-compliance can be used as an argument to the detriment of the defendant.

Sometimes an action for securing of evidence is more efficient. Actions for securing of evidence are handled by the local bailiff's court in cases where there is an assumption of infringement and evidence cannot be collected in any other way. Securing of evidence can be carried out without prior warning if ordered by the bailiff's court at the request of the plaintiff. Securing of evidence can be carried out on the defendant's premises or on another location where the evidence is supposed to be accessible.

In trademark infringement matters, samples of infringing products as well as data concerning sale of the products will often be the target of the action in order to calculate a compensation claim for the trademark owner.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for an ordinary infringement action is at least one year in the first instance. Preliminary injunction matters are usually handled within a matter of weeks, but if an injunction is granted an ordinary court case must follow, unless a settlement is reached. Settlements are rather common in such situations.

In general, an appeal in an ordinary court case will add at least another year or more to the time frame.

Decisions in preliminary injunction matters may be appealed as well. Usually this will take some months, depending on the case.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation costs depend on the complexity of the case, the extent of the written preparation, time spent in court, etc. In general, legal fees for an ordinary court case in one instance or a case regarding preliminary injunction will be at least around 100,000 kroner or more. Court fees must be paid as well, depending on the value of the case and the amount of damages and compensation claimed.

## 26 Appeals

### What avenues of appeal are available?

Decisions by the Patent and Trademark Office may be appealed to the Board of Appeal for Patents and Trademarks, and decisions by the Board of Appeal may be brought before the Maritime and Commercial High Court.

Decisions by the Maritime and Commercial High Court in ordinary court cases may be appealed to the Supreme Court or the High Court.

Decisions by the Maritime and Commercial High Court in preliminary injunction matters may be appealed to the High Court.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Defences in case of alleged trademark infringement include claiming that the trademark is invalid due to lack of distinctive character or dilution, or that it should be cancelled for non-use.

Further options for the defendant include claiming that the trademark is a weak mark with a narrow scope of protection, that the defendant's mark is sufficiently different from that of the plaintiff, that the goods or services involved are not similar, or that the parties are not competitors and that no customer would confuse the trademarks in question.

Claiming that action is excluded owing to the plaintiff's failure to act could also be an option in some cases.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

Remedies for a successful trademark owner include preliminary and permanent injunctions, damages and compensation, seizure of infringing products, delivery up, and orders to take appropriate action, such as deleting infringing registrations of trademarks, company names or domain names.

Damages are calculated according to the loss suffered by the trademark owner, and it is necessary to prove a loss. Compensation can be claimed under section 43 of the Trademarks Act without documentation for a specific financial loss. Compensation is often described as an 'artificial licence fee' for use of the trademark. In general, Danish courts are reluctant to award large amounts of damages or compensation. In many cases the court will award a lump sum to cover compensation and damages without specification.

Criminal remedies include fines (payable to the public funds – not the plaintiff) and imprisonment. Infringement by gross negligence or intention may be punished by a fine according to section 42 of the Trademarks Act. Intentional infringement under aggravating circumstances may be sentenced by imprisonment of up to 18 months under the Trademarks Act. In addition, section 299b of the Criminal Code provides for imprisonment for up to six years in case a significant and obviously unlawful profit is intended or particularly aggravating circumstances exist.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Alternative Dispute Resolution is available. Mediation is sometimes suggested and facilitated by the court, but can also be carried

## Update and trends

Denmark is active in harmonisation work and takes part in the Convergence Programme of the European Trademark and Design Network. As a consequence of harmonisation, Danish registration practice has been adjusted recently. One of the adjustments concerns the threshold for distinctive character of figurative trademarks. Traditionally, the requirements for figurative elements to add distinctive character to a descriptive word have not been very strict. Now, Danish practice is moving towards the more restrictive practice of the EUIPO. Another adjustment concerns the assessment of likelihood of confusion of marks containing elements with little or no distinctive character. Traditionally, non-distinctive elements have been (more or less) disregarded in the assessment of confusing similarity, probably due to the 'natural disclaimer' provided for in section 16 of the Trademarks Act (see question 2). Practice in this regard is moving towards European practice as well.

out without any involvement by the court. If court proceedings have already been initiated, the proceedings may be put on hold while ADR is being tried out. It is not commonly used in trademark infringement matters. If the result of ADR is drafted to cover enforcement, it will be directly enforceable.

Benefits of ADR include the time frame. It is possible to conclude conflicts much quicker than through a court case, and terms of a more commercial nature may be included. Furthermore, through ADR it may be possible to conclude a conflict without a losing party.

The risks depend on the legal situation for each party. If the matter is relatively clear from a legal point of view, the more favourable party would not normally benefit from ADR.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

Foreign trademarks that are 'well known' according to article 6-bis of the Paris Convention are protected in Denmark. Such well-known marks constitute bars to subsequent registration of the trademark in Denmark under section 15, subsection 2(4) of the Trademarks Act. Identity or close similarity is required for the protection to be applicable.

The protection of well-known trademarks may extend to dissimilar goods or services if use of the later trademark would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the well-known mark (section 15, subsection 3(2) of the Trademarks Act). This provision has been applied with respect to the Mercedes 'star' logo and the name of the *Teletubbies* TV series.

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# Ecuador

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## 1 Ownership of marks

### Who may apply?

An individual or a legal entity, whether national or foreign, can own a trademark in Ecuador.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any sign that is capable of distinguishing goods and services on the market shall constitute a trademark. Signs that are capable of graphic representation shall be eligible for registration as trademarks. The nature of the goods or services in which a trademark is to be applied shall in no case form an obstacle for the registration of the trademark.

The following signs, among others, shall be capable of constituting a trademark:

- words or a combination of words;
- pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, and emblems;
- sounds and smells;
- letters and numbers;
- a colour demarcated to give it a specific shape, or a combination of colours;
- the shape of a product, its packaging or wrappings; and
- any combination of the signs or means indicated in the items above.

Marks may not be protected as a trademark if they:

- fail to constitute a trademark according to the requirements stated in the first paragraph of the previous statement;
- lack in distinguishable characteristics;
- consist solely of the everyday shape of goods or their packaging, or of shapes or characteristics dictated by the nature or particular function of the product or service in question;
- consist exclusively of shapes or other elements that attribute a functional or technical advantage to the product or service in which they are applied;
- consist solely of a sign or statement that may serve in commerce to designate or describe the use of the goods or services, as well as their quality, quantity, purpose, value, geographical origin, or time of production. Also, information that describe other details such as characteristics, or information, including expressions of praise for those goods or services;
- consist exclusively of a sign or statement that is the common or technical name of the product or service concerned;
- consist solely of or have become a sign or statement that, in everyday language or normal use, is the common or usual designation for the goods or services in question in Ecuador;
- consist of a colour in isolation, without any demarcation to give it a specific shape;
- are liable to create confusion in business circles or the public, in particular as to the geographical origin, nature, manufacturing methods, characteristics or qualities of the goods or services concerned, or their suitability for use;

- reproduce, imitate, or contain a protected appellation of origin that is liable to create confusion or a mistaken association with the appellation in relation to the goods themselves or different goods, or that involve taking unfair advantage of the well-known character of that appellation among the public;
- contain a protected appellation of origin for wines and spirits;
- consist of a national or foreign geographical reference that is liable to create confusion in respect of its application for products or services;
- reproduce or imitate, as trademarks or elements of those trademarks, without the permission of the competent authority of the state or international organisation concerned, heraldic elements, such as coats of arms, flags, and emblems, and the official signs and stamps used for the purposes of government control and guarantee, and the coat of arms, flags and other emblems, initials or designations of any international organisation;
- reproduce or imitate signs denoting conformity with technical standards, except where the registration thereof is applied for by the national body responsible for standards and quality requirements in member states of the Andean Community (CAN);
- reproduce, imitate, or include the indication of a plant species protected in a member state of the CAN or any other country, where application of the sign of goods or services relating to that species is likely to cause confusion or a mistaken association with that variety; or
- are contrary to law, morality, public order or good manners.

## 3 Common law trademarks

### Can trademark rights be established without registration?

According to our National Law and Andean Community Law, it is mandatory to register the sign before the Ecuadorian Trademark Office (Ecuadorian Intellectual Property Institute (IEPI)) in order to obtain protection.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

A trademark registration procedure takes one year, if no oppositions are filed against its register. If oppositions are filed against the application, the procedure will take approximately two-and-a-half years.

The costs are around US\$600 if no oppositions are filed and US\$1,200 if oppositions are filed.

To request a trademark, the following documents must be filed:

- power of attorney or ratification in favour of a lawyer;
- appointment of a general manager or legal representative where the request is made on behalf of a legal entity;
- identity document or passport if the request is made by an individual;
- payment receipt of the corresponding fee; and
- if priority is invoked, documents that certify such situation.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The Nice Classification is applicable in Ecuador. No multi-class applications are available.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

First, in order to determine whether a trademark can be registered or not, the period provided to third parties to file an opposition must elapse. Then, the Trademark Office will examine the mark in question to determine the possibility of registration taking into account the following:

- if it is a trademark that cannot be protected; and
- if the trademark infringes on any rights previously acquired by a third party.

Consequently, if any of these considerations is affirmative, the trademark may be rejected.

Also, applicants may give responses to rejections determined by the Trademark Office through administrative or judicial remedies established in Ecuadorian Law.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

No, our legislation does not establish such a requisite and proof of use does not have to be submitted.

Ecuador is member of the Paris Agreement, therefore, it is possible to request priority for a foreign application within a period of six months. Additionally, any holder of a trademark in any country member of the CAN may file an opposition to register requests in Ecuador, attaching the request of the registration of the opposing sign in any other country member of the CAN.

There is no time frame during which the use of a trademark must begin in order to maintain the register; however, a three-year grace period is granted for the trademark owner to start the use of a trademark registered in Ecuador, to avoid the possibility of cancellation due to the fact that a third party may file an application for non-use.

Finally, if a third party files an application for the cancellation of a trademark for non-use, the use of the trademark during the previous three consecutive years from the date the application is filed must be demonstrated, as detailed below.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

Yes, it is possible to appeal a resolution of a denied application in the administrative proceeding through an appeal resource, a reposition resource or an extraordinary revision resource.

In addition, it is possible to appeal a denied application through any of the established remedies stated the General Organic Code of Processes.

It is important to consider that it is not necessary to exhaust the administrative remedies to bring an action before the courts, however, if a judicial resource is brought, any pending administrative proceedings will be groundless.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Yes, in the following month all of the applications that are received are published in the Intellectual Property Gazette, in order for any third party with legitimate interest to exercise its right to object to the trademark application.

Any third party with a legitimate interest may oppose an application prior to registration based on a previous registered trademark or a previous application that could correspond to the Ecuadorian jurisdiction or any other country member of CAN.

In the same way, any interested third party can request a cancellation action after registration for non-use, after the first three years of the trademark being granted.

The nullity of the registration of a trademark is another possibility that a third party has to challenge a trademark when it has been already registered. This can be relative nullity with respect to rights of third parties (including bad faith) or absolute nullity regarding, in general, a lack of due process or where the trademark does not comply with the legal requirements, and may be presented by any person.

A 'legitimate interest' is demonstrated by:

- the previous registration of a trademark in Ecuador or in any member country of the CAN; or
- the previous application for the trademark in Ecuador or in any member country of the CAN.

The opposition application should be filed within 30 business days from the publication of the extract of the original application in the Intellectual Property Gazette. Once the opposition has been filed, 30 days are granted to the respondent of the opposition. Additionally, the parts are granted with a term in order for them to present the corresponding proof. Finally, the authority in intellectual property matters must make a resolution, denying or accepting the registration of the trademark requested. If the opponent has no prior rights, it may file an opposition, but this will be rejected by the authority.

Cancellation owing to lack of use is an opportunistic or convenient action that can be proposed after the first three years of the trademark being granted. This period starts from the awarding decision's notification date. In this action, proof of use must be filed by the owner of the trademark. Once the action has been brought, the authority will grant the owner of the trademark a term of 60 business days to demonstrate its real and effective use in any country member of CAN, taking into account the type of products or services in question and through trustworthy proof that demonstrates this use (bills, internal and external audits, documents that demonstrate orders, etc). The owner of the trademark can demonstrate the use by a licensee or by an authorised third party. The documents to demonstrate the use of the trademark must be attached to the application, properly legalised (with apostille or by an Ecuadorian consulate). Once this term has expired, the authority must resolve if it accepts (where the use has not been demonstrated) or denies the cancellation request of cancellation (if the use was demonstrated).

In the annulment proceedings there are two possibilities:

- the competent national authority shall, either ex officio or at the request of a party, and at any time, declare the registration of a trademark null, when the procedure contains absolute nullity; and
- in the case of relative nullity, this can be requested up to three years before the IEPI or within three to five years before the Contentious Administrative Court.

Ecuadorian law establishes the possibility to claim the nullity of the registration when it was obtained in bad faith, in the following cases:

- when a representative of the holder of a trademark in a foreign country registers this trademark without authorisation of the holder;

- when the registration was obtained by someone who regularly registers trademarks to commercialise them; and
- when the registration was obtained contrary to the procedure or in violation of any legal regulation.

Costs associated with third-party opposition are US\$750, while those associated with cancellation are US\$2,500. The cost of an annulment proceeding is US\$5,300.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The registration of a trademark will have a duration of 10 years starting from the date of the concession and is renewable every 10 years. The renewal of the trademark is required by the DNPI within six months before and after the expiry of the registration. The use of the trademark is not necessary for its maintenance and renewal.

## 11 The benefits of registration

**What are the benefits of registration?**

With the registration of the trademark, the owner has the following rights according to Ecuadorian law:

- the exclusive use of the trademark (positive right); and
- stop any third party from performing any acts, without the owner's consent, that may harm the owner's acquired rights (ius prohibendi).

Additionally, registration of the trademark offers benefits such as oppositions against trademark applications, including oppositions against trademark applications in other Andean Community countries; action against infringements; access to administrative, civil and criminal courts; legal presumptions; precautionary measures; and the availability of border enforcement mechanisms against unauthorised goods.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Licences should be registered before the DNPI so that they can have effects in respect of third parties from inception. Therefore, the detriment of not registering the licence is that, even though it does not invalidate the act or assignment agreement, it does not have an effect against third parties.

## 13 Assignment

**What can be assigned?**

A registered trademark, with or without goodwill, may be assigned through a written contract in respect of all or part of the goods or services protected by the registration. The assignment must be registered at the DNPI so that it may have effects concerning third parties.

The rights of a trademark are transferable with or without the business that it identifies.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The requirements for registration are:

- a deed of assignment and power of attorney in Spanish or accompanied by a Spanish translation, signed by the assignor and the assignee and notarised or legalised with apostille or by an Ecuadorian consulate; and
- payment of the required IEPI official fee.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The lack of registration does not nullify the contract, even though it causes the contract for the assignment of rights not to be enforceable in respect of third parties.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The rights of industrial property in Ecuador are considered as moveable property, therefore, they may be levied. Additionally, authorities may prohibit the transferor from seizure of industrial property rights, as well as placing them at auction, according to the provisions of the Procedure Code in force.

Liens and, in general, any act that affects the rights of industrial property must be registered before the IEPI in order to have effects over third parties. However, the lack of registration does not invalidate the act or contract in question.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not compulsory. Marca Registrada, 'MR' within a circle or ® may be used. However, it is important to use these symbols for the public to know that this is a registered trademark. The use of these symbols is especially important to avoid the vulgarisation of the trademark in case the consumer associates it as a generic or common-use term for the product.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The proceedings to enforce the rights of the trademark owner or holder are as follows:

- administrative supervision: National Directorate of Industrial Property (DNPI) (the Ecuadorian IP authority);
- instrumental claim for preventive and precautionary measures: judicial action. Instrumental claim of the principal claim form damages. The competent court is that of the defendant's place of residence;
- damages claim: judicial action before the competent court or judge of the defendant's place of residence;
- trademark infringement claim: before the competent court or judge of the defendant's place of residence;
- unfair competition suit: before the competent court or judge of the defendant's place of residence;
- request for border measures: administrative proceedings. Competent authority: National Customs Service of Ecuador (Ecuadorian Customs Authority); and
- application for denomination suspension: administrative proceedings. Competent authority: DNPI.

The Organic Comprehensive Criminal Code/Penal Code foresees financial penalties for counterfeit marks. Imprisonment sanctions are not set.

There is no specialised tribunal in intellectual property.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

The corresponding proceedings for the above-mentioned actions are as follows.

#### Administrative supervision

Administrative proceedings for imminent or actual intellectual property infringement in which one may request are as follows:

- preventive and precautionary measures;
- inspection at the location of the product or service performance;
- request for information; and
- economic sanctions.

The preventive measures may be ordered before, during or after the inspection; they are confirmed or revoked in the resolution. The application for administrative supervision is confidential, and the applicant needs to specify which right has allegedly been infringed and must prove its ownership. Once the procedure is accepted, the authority shall indicate a time and date for the inspection, which can be performed nationwide and with the assistance of the public authorities. During the inspection, the other party is served with the administrative act by which the supervision and proceeding is ordered. If there are any indicators of a possible infringement, the authority may order precautionary measures such as the apprehension and deposit of property, or other measures such as removal of signs or publicity. At the end of the inspection, the authority must put together a record of all findings, precautionary measures, testimony of either party, etc. The authority can act upon a petition of either party or open an evidentiary term and schedule a hearing if necessary. Finally, after granting both parties their right to a proper defence, the Authority shall draft a motivated resolution determining whether there was an infraction or not. In the case of an infraction, the condemned party may be ordered to pay a fine of between US\$500 and US\$100,000, depending on the severity of the case. This procedure may take up to two years and another two years in the case of an appeal.

#### Instrumental claim for preventive and precautionary measures

This action is brought before the Civil Court of the defendants jurisdiction, with the objective of requesting precautionary measures in order to prevent or cease trademark infringement. This measure is effective when preventing the entrance of products or services that infringe a trademark and in order to claim evidence of an infringement. The judge will grant precautionary measures only if there is a clear indicator that they would lead to a presumed trademark infringement. The judge would require the delivery of a bond or guarantee in order to protect the defendant of possible abuse. Precautionary measures may be granted in the form of an immediate cease or suspension of the activity, as well as seizure of assets. This procedure may take up to a year and another year where an appeal is filed. Precautionary measures expire if no claim is filed within 15 days of the measures being executed.

#### Damages claim

The claim for damages must be filed within 15 business days from the date that the precautionary measures outlined in the preceding paragraph were implemented. If the main claim is not filed within this term, the precautionary measures shall lapse as of right. The claim is usually filed before the civil judge of the defendant's domicile. Once the claim is filed, it shall be admitted and will be served to the defendant. The defendant has 30 days to respond. The defendant may file a counterclaim; in which case, the plaintiff has 30 more days to respond to the counterclaim. With or without a reply, after the aforementioned deadline expires, the judge shall convene the parties to a preliminary hearing, which will proceed as follows: the parties will present preliminary objections and the judge will decide on the validity of the process. The parties will have to argue in favour of the claim and the response and, where a counterclaim was filed, the same process shall apply. The judge must seek conciliation between the parties. The parties shall announce the evidence. The judge shall decide on whether to admit the evidence presented by the parties and shall order the taking of evidence ex officio if appropriate. Finally, the judge shall convene the parties to a trial hearing. The trial hearing shall proceed as follows: the trial hearing will take place within a maximum period of 30 days after the preliminary hearing. The parties will give their opening statement, during

which they will indicate the order in which the evidence shall be taken. Subsequently, the evidence will be taken in the order it was requested. The experts and witnesses shall be present until the end of their statement, but they shall remain in the judiciary so that they can answer any query. After the evidence is taken the parties shall present their arguments with the right to one reply. After the arguments of the parties have concluded, the judge will issue its judgment orally. Since this is a new procedure, we cannot pinpoint exactly how long the trial may take.

#### Claim for infringement of trademark rights and unfair competition suit

Through these claims the plaintiff may obtain precautionary measures and compensation for damages. The procedure is the same as that specified for the principal claim for damages as previously specified.

#### Border measures

##### *Proceeding before the Customs Authority*

The Ecuadorian Customs Authority, ex officio or upon request, may prevent infringing goods from entering or leaving the country. A request may be presented to the Customs Authority in order for all goods entering the country that may affect trademark rights be inspected. Once the entry or export of any product violating intellectual property rights is prevented, the IEPI should be made aware of the measure through a detailed report, as well as the holder of the rights allegedly violated. In addition, the importer must be notified in order for it to exercise its right to defence. Once the IEPI is notified, the executive director shall decide whether to confirm or revoke the measure within five days. The resolution is subject to administrative or legal remedies. If the resolution revokes the measures, the customs authority shall order the nationalisation of the product, after payment of taxes and tariffs. If the resolution confirms the measures, the allegedly infringing products may not be nationalised.

##### *Application to the National Directorate of Industrial Property*

The Law provides for the possibility that the holder of intellectual property rights may request the National Director of Industrial Property that in three days it order the customs authority a border measure. The National Office may request a bail. Subsequently, the director, at the request of the importer, may order a hearing. Once this proceeding is completed, it shall revoke or confirm the measure by a resolution, which may be challenged by administrative or judicial remedies.

#### Application for suspension of name or social denomination

This involves the same procedure for an opposition to a trademark registration. A hearing may be held at the request of the parties.

#### Criminal prosecution

The categorisation for trademark counterfeiting established in the COPI correlates to a contravention, since it is only penalised with a fine. These type of infractions are judged through a fast-track procedure. In this regard, upon the request of a party, the judge will convene a single hearing in which the accused may exercise his or her right to defence. In this process, the respective verdict will be issued on the innocence or guilt of the accused.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof lies with the owner of the trademark to establish and demonstrate a presumptive infringement or dilution of rights. The evidence that is accepted in our jurisdiction and that can duly be solicited, petitioned and acted upon includes:

- commercial invoices of the presumptive infringing establishment;
- products and samples of the presumptive infringing products;
- publicity regarding the presumptive infringing product or service;
- labels, wrappings, bottling, packaging or other materials that contain or reproduce the registered trademark;
- expert witness reports;
- judicial confessions; and
- public or private instruments.



**21 Standing**

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Any person affected by the infringement or possible infringement of the rights of the trademark has standing. The complaint for violation held in the Organic Comprehensive Criminal Code/Penal Code in regard to trademark counterfeiting may be presented by the owner of the allegedly counterfeited trademark rights.

**22 Foreign activities**

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

No. The applicable law in Ecuador only allows a person to be judged for trademark offences committed in Ecuadorian territory, for industrial property rights protected in Ecuador. However, activities that violate trademark rights committed outside Ecuadorian territory can be tried in Ecuador, if infringing goods enter Ecuadorian territory, for which border measures may be sought, as it has been previously stated. Moreover, evidence obtained abroad that demonstrates the violation of rights in Ecuador may be admitted in trial, provided they are duly legalised.

**23 Discovery**

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

A procedural party may rely on the following forms to obtain evidence from the opposing party:

- witness testimony;
- statement;
- exhibition of public or private documents; and
- judicial inspection.

A procedural party may rely on the following forms to obtain evidence from third parties:

- witness testimony;
- statement;
- display of public or private documents;
- judicial inspection; and
- expert reports.

Finally, a procedural party may rely on the evidence presented above, as applicable, or such obtained from third parties abroad. For the taking of statements or witness testimonies from abroad, Ecuadorian consular officials of such places will be notified so that they can be received through electronic means. In the case of other evidence or in the absence of an Ecuadorian consular officer, letters rogatory may be sent to the judicial authorities of the country where the proceedings are to be conducted.

**24 Timing**

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

**Administrative proceedings**

Obtaining precautionary measures will take about two to four months after the request is filed. For its part, the procedure of administrative supervision will take about two years and if the resolution is challenged, the proceedings may be extended for two more years.

**Courts**

The measures may take between two and four months from the filing of the claim. The first instance may take about a year. If there is an appeal it may be extended for another year.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs will depend on each case. Notwithstanding, it is necessary to point out that official rates are only detailed as obligatory in administrative proceedings.

**26 Appeals**

**What avenues of appeal are available?**

There are three possible appeals in the administrative proceedings:

- repossession resource before the same authority that published the judgment, which should be presented within 15 working days following the date of notification;
- appeal resource before the Intellectual Property Committee of the IEPI, which should be initiated within 15 working days of the date of its notification; and
- extraordinary revision resource before the Intellectual Property Committee, provided they have not presented any of the administrative appeals mentioned above. The limitation date for its presentation is three years from the date of the resolution.

Any of the above appeals suspends the effects of the resolution.

Additionally, the resolution can be quashed through a jurisdictional appeal within 90 working days of the resolution being notified; for this, it is not necessary for the administrative proceedings to have been exhausted.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

The following defences are available to a charge of infringement or dilution, or any related action:

- previous rights over the registered trademark in the Ecuadorian jurisdiction and in the CAN;
- notoriety or high renown of a trademark;
- global knowledge of the registered trademark;
- the comparison of two trademarks should be rigorous when it entails pharmaceutical and notorious or renowned trademarks;
- competitive convergence of products and services;
- loss of distinctive character and of commercial value of the trademark;
- unfair exploitation of the prestige of a trademark or of its owner; and
- confusion (direct or indirect) between the signs in conflict or, at least, risks of confusion or association.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The available remedies for the party as result of a successful action against trademark infringement or dilution in civil proceedings are damages.

Damages will take into account the losses suffered and the lost profits caused by the infringement and will be fixed, taking into account the following criteria, and their reparation must be ordered through a final judgment:

- the benefits that the owner would have obtained if there had not been an infringement;
- any remuneration or royalties made by the infringer would have to be paid to the owner, for the illicit exploitation of the infringed rights;
- the benefits obtained by the infringer as a consequence of the infringement; and
- the reasonable expenses, including professional fees, incurred by the owner in relation to the infringement.

Further, what should be indemnified, for example, are the expenses of publicity and advertising that the affected person incurred in confronting the infringement.

'Lost profits' are understood to be the profits that the affected person stopped receiving owing to the infringement. The profits are determined based on the period of time between the effective occurrence of the damage and the indemnification payment.

On the other hand, as a remedy, precautionary measures can be granted in administrative or judicial proceedings, and these measures can be confirmed or revoked in the resolutions that the judge grants in each case.

Additionally, another remedy (administrative) may be that the offender is ordered to pay a fine of between US\$500 and US\$1,000.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

In Ecuador it is possible to use ADR techniques to resolve conflicts.

The first alternative is an agreement through mediation and, if this is not achieved, it is possible to submit the dispute to arbitration, under the Law of Arbitration and Mediation and at a centre of arbitration that is duly accredited by the National Council of the Judiciary.

Mediation has the following benefits:

- the parties are those that resolve the conflict, with the help of a facilitator, called mediator;
- the parties may reach partial agreements;
- the mediation process is confidential; and
- it may help bring the parties together in order to leave their differences behind.

Arbitration has the following benefits:

- the arbitrators are experts in the subject at hand and have renowned moral and technical training that guarantees impartiality and objectivity;
- speed of resolution: the time it takes to issue an arbitration award is eight to 12 months;
- the parties renounce the ordinary jurisdiction and are bound to accept the arbitration award that the arbitral tribunal issues, agreeing not to lodge any appeal against it;
- the arbitral procedure will be confidential; and

- the resolved matters through the arbitration award will have the same value as the sentences of a final judgment issued by the ordinary justice system.

The last possible ADR is a settlement between the parties in which a pending litigation is avoided through an interparty transaction. The transaction has a similar effect of a final judgment.

Finally, it must be recognised that while ADR has its faults, the greatest advantage that is offered is the speed of resolution.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

A famous foreign trademark is protected in Ecuador and will not be denied rights if:

- it is not registered or is in the process of being registered in Ecuador or in any other member state of the CAN or in another country subject to reciprocity;
- it has not been used or is not being used to distinguish products or services, or to identify activities or establishments in Ecuador; and
- if the country of origin of a well-known trademark is subject to reciprocity with Ecuador.

A famous foreign trademark may be protected in the Ecuadorian territory without it being famous in Ecuador, provided that the country of origin of the trademark is subject to reciprocity.

The notoriety is demonstrated with significant customer consumption bills, audit reports, invoices paid for advertising, representative affidavits that indicate since when the signs have been recognised, the breadth of knowledge, sales amounts, advertising investment (in accordance with the other documentary evidence), examples of advertising in newspapers, flyers, audio and video (radio and television), etc. A well-known mark is protected against its unauthorised use and registration. There is an express prohibition of registration of signs as trademarks that may cause confusion with well-known marks.

Finally, we would like to mention, that the National Assembly of Ecuador is currently discussing the Knowledge and Innovation Social Economy Integral Code, referred to as the Inventions Code, intended to reform the current legislation on intellectual property.



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# El Salvador

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## 1 Ownership of marks

### Who may apply?

Any person or entity can apply for a mark in El Salvador, regardless of nationality, domicile or establishment.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A trademark may consist of any sign or combination of signs that allows the goods or services of one individual to be distinguished from those of another, being sufficiently distinctive or susceptible of identifying the goods or services to which it is applied from ones of the same class or type. Consequently, the following can be registered as a mark: words or sets of words, including names of people, letters, numbers, monograms, figures, pictures, labels, shields, printing, fringes, lines and stripes, sounds, scents or combinations and dispositions of colours. Trademarks may also consist of the form, presentation or preparation of products, or their packages or envelopes, or the corresponding means or premises of expended products or services (trade dress). Geographic indications may also be protectable as trademarks.

The following may not be protected and registered as trademarks for intrinsic reasons if:

- it consists of the usual or current form of the goods for which registration is sought, or their packaging, or a form that is necessary due to the nature of the goods or services;
- it consists of a form that gives a functional or technical advantage to the goods or services for which registration is sought;
- it consists of a common or usual name, term or designation of the goods or services in usual, technical, scientific or commercial language;
- it serves in trade to describe a characteristic of the goods or services;
- it is a simple, isolated colour;
- it is a letter or digit separately considered, unless represented in special and distinguishing form;
- it is contrary to morality or public policy;
- it includes elements that offend or ridicule people, ideas, religions or national symbols of any country or international organisation;
- it could mislead or cause confusion as to the geographic origin, nature, method of manufacture, qualities, aptitude for use or consumption, amount or some other characteristic of the goods or services;
- it totally or partially reproduces or imitates the coat of arms, flag, emblem, denomination or abbreviation of denomination of any state or international organisation, without express consent;
- it totally or partially reproduces or imitates an official sign of control or guarantee adopted by a state or public organisation, without express consent;
- it reproduces currencies or bills of legal tender, titles or other documents, seals, stamps or fiscal stamps;
- it includes or reproduces medals, prizes, diplomas or other elements that suggest the goods or services have won an award, unless such an award has in fact been granted to the applicant or to its cause and this is duly credited;

- it consists of the name of a protected plant variety in El Salvador or abroad; or
- it is a certification mark whose registry is to expire, was annulled or cancelled, or has been left unused by dissolution or disappearance of its owner. In such cases, no use or registration would be allowed within 10 years of the respective cancellation, annulment, dissolution or disappearance.

Additionally, a trademark may not be protected and registered if, upon examination, the Registrar of Trademarks determines that it violates third-party rights, for example, if:

- it is identical or similar to a third party's registered mark or the subject of an application for goods or services related to those protected by a registered or pending mark, when that use may cause confusion;
- it has visual, phonetic, olfactory or conceptual similarity to a third party's mark or distinctive sign registered or filed previously, for goods or services related to those protected by a registered mark or one that is the subject of an application, where this may cause confusion;
- it is likely to cause confusion because it is identical or similar to a third party's trade name or emblem already used in El Salvador for similar commercial activities;
- it constitutes a full or partial reproduction, imitation, translation or transcription of a third party's well-known mark and that use may cause confusion or a risk of association with the third party's mark, or take unjust advantage of the fame of the well-known sign. The goods and services covered by the proposed registration need not be identical or similar to those identified by the well-known mark, but there must exist some connection between the respective parties' goods or services;
- it affects a third party's personality rights or consists, fully or partially, of a third party's name, signature, title, pseudonym or image, unless the third party or his or her heirs expressly grant consent;
- it affects the right to the name, image or reputation of a local, regional or national collective, unless consent is properly granted;
- it is likely to cause confusion with a protected geographic indication or an appellation of origin of which protection has been applied before the examined application;
- it is likely to infringe a third party's copyright or industrial property rights, unless consent is granted; or
- it has been applied for in order to perpetrate or consolidate an act of unfair competition.

## 3 Common law trademarks

### Can trademark rights be established without registration?

No, in El Salvador, trademark rights are obtained through registration, since El Salvador is a first-to-file country. The use of a mark does not grant the user any rights over the mark.

#### 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

The registration procedure takes approximately eight to 10 months. There are circumstances that could increase the estimated time and cost of filing a trademark application, namely, if a power of attorney is not on hand upon filing, if the application's information is not complete as filed or if the mark incurs in prohibition provisions, either for intrinsic reasons or for violating third-party rights, as discussed above. In all those cases an office action would be issued by the Intellectual Property Registry. If the office action answer is not accepted by the Registry, the applicant can file a revision recourse. If its resolution is still contrary to the applicant's interests, a revocatory petition and an appeal can be filed, as explained below. Going through such procedures, the process could take at least 12 to 16 additional months in the registration procedure. Moreover, if during the publication phase the application receives an opposition from a third party, the registration procedure could be delayed by at least eight to 10 additional months until a resolution is obtained, which can further be appealed by the applicant or the opposing party.

Under normal circumstances, the typical cost per mark in each class is approximately US\$500 to US\$600. Cost can vary depending on the length of the notice for publication, which mandatorily lists the goods or services covered. No additional documents would be needed for filing purposes.

#### 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The most up-to-date edition of the Nice Classification of Goods and Services is used. The 10th edition is in use, at present. One can claim a limited list of goods or services (or both) or the class heading or an extensive list of goods or services (or both) that fall within the class of interest. Since El Salvador ratified the Trademark Law Treaty, multi-class applications may now be filed. However, the official fee charged by the Trademark Office per mark in each class if a multi-class application has been filed is still the same as if a single application was filed. At this time multi-class applications are treated as individual class applications, so no real cost benefit is obtained from them at present.

#### 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Once the applications have been filed, the examining attorney proceeds to conduct the formal examination in order to determine if the applicant has complied with all legal requirements. Once this examination has been conducted, the Registrar conducts the novelty exam as well as the form examination to determine whether this application falls within one of the prohibitions discussed in question 2. Once the application meets all formalities, an examining attorney conducts an examination based on personal criteria and on a printed report of the Registry's database that reflects similar or identical marks, or both, and a percentage of similar marks that may be considered an obstacle. Additionally, the Registrar has become strict to avoid duplicity of goods or services requested. If the mark passes the examination, it is admitted and a notice for publication is served to the applicant or its local counsel.

If rejections are issued in regard to a trademark application, the applicant has the possibilities to respond to them within a four-month period after the resolution has been served to the applicant.

#### 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use of a trademark does not need to be claimed for the granting of registration. Proof of use would be submitted, however, as a defence if a cancellation action for non-use has been filed in a civil and mercantile court by a third party. No use is required for granting the renewal of a registered mark.

No rights of priority are given to foreign registrations per se. Priority can be claimed when filing a new trademark application based on the Paris Convention.

#### 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

##### Revision recourse

Revision recourse is filed before the Registrar who issued the resolution three days after the denial resolution has been served. A hearing is held at the Registry of Intellectual Property, attended by the Registrar and the applicant or its local counsel.

##### Revocatory recourse

If the revision recourse's verdict is not favourable, during the revision hearing the applicant can verbally file a revocatory petition. A new hearing will be held with the Chief Registrar, who will issue a verdict within eight days after the hearing is closed.

##### Appeal

If the verdict of the revision petition is not favourable, the applicant can file an appeal in writing before the Directorship of the Registry, within 30 business days. Upon admission of the appeal, the Directorship will give the parties 10 days to file the evidence. Afterwards the Directorship will issue its verdict. The appellant can expect delays in an appeal resolution, due to a significant backlog of appeals.

If the appeal verdict is illegal, a contentious administrative action can be filed before the Contentious Administrative Chamber of the Supreme Court of Justice to discuss such illegality and seek personal liability of the officer that signed such verdict on behalf of the directorship of the Registry. Damages can also be sought at this level.

#### 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

All admitted applications are published for opposition in the Official Gazette and a major newspaper. Any third party that has a legitimate interest over a mark and considers that such a right can be affected by an application can oppose its registration. A brand owner can oppose a bad-faith application for its mark, even if the mark is not yet protected, based on at least one of the many reasons discussed above. Usually these cases imply the bad-faith application of a notorious or famous mark, in which case preparing the evidence is key for it to prevail.

The procedure is as follows:

- once the notice is published in the Official Gazette, which has a delay of three weeks, any interested party can oppose within two months after the first publication;
- a bond of US\$30 must be paid at the Registry and its receipt attached to the opposition;
- the opposing party is granted two months for filing evidence after filing the opposition;



- the Registry examines the opposition and if it complies with the legal formal requirements it is admitted;
- once the opposition is admitted, the applicant is served and granted two months to answer the opposition;
- once the opposition is answered, the Registry will rule either accepting or rejecting it; and
- an appeal can be filed against such a resolution.

A cancellation action for non-use can be filed if the mark has not been used for five years after its registration date. This figure was reintroduced in 2006 and, since the law is not retroactive, the first cancellation actions for non-use have been available since March 2011. Our Trademark Law allows total or partial cancellations of trademark registrations. Partial cancellations may be filed just for those goods or services, or both, that are not in use and the mark will remain in force for all those other goods or services (or both) that are being used.

- A trademark must be cancelled through a judicial action as follows:
- for the judicial district of San Salvador, the action is filed at the Complaint Distribution Office, which will send it to a civil and mercantile court within a week. For other judicial districts, the action shall be filed before a court with civil and mercantile jurisdiction;
  - once the complaint is received by the civil and mercantile court, it is examined and, if it complies with all the legal formal requirements and all the evidence available is either attached or mentioned, it is admitted. If requested by the plaintiff, the court can issue a notice to the Registry of Intellectual Property ordering that the cancellation action filed should be recorded. The recording would freeze any assignment of the mark. It is at the discretion of the mercantile judge to request the plaintiff to render a judicial bond to cover any damages to the defendant, should the claims not be sustained. Up to this point the procedure is *ex parte* and normally takes one to three months. If the plaintiff disagrees with the bonded amount, he or she can file an appeal; and
  - once the judicial bond is filed, the defendant is served and granted 20 business days to answer the complaint or file a counter complaint. If there is no answer, a request can be made to the judge to continue the trial without any further service of resolutions until the final verdict is issued. Upon answering the complaint, the defendant is considered as party to the case.

The above takes about two months, then:

- both parties are served with a resolution setting a date for a preliminary hearing, during which the process is examined and cured from any inconsistencies, obscurities and the facts are stated clearly. During this hearing a date for a discovery hearing is set one or two months thereafter;
- during the discovery hearing all evidence is reviewed, discussed, accepted or rejected;
- a final verdict is verbally issued either the same day the discovery hearing is finished or some days later, depending on the case's complexity, cancelling the mark or denying cancellation; and
- an appeal can be filed against the final verdict within five days of having received the final verdict.

The typical cost for opposition actions range from US\$800 to US\$1,500, depending its complexity and volume of documents to be translated and filed. Those for cancellation actions are discussed below.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Trademarks are protected for 10 years and are renewable every 10 years. The law governs trade names, emblems (house marks) and expressions or signs of commercial advertising, all of which are protected indefinitely once registered, subject only to the existence of the mark, goods or services, or both, or the company to which they refer.

Use is not required for maintenance. Proof of use is only required if a cancellation for non-use has been filed by a third party.

## 11 The benefits of registration

### What are the benefits of registration?

The only way to have benefits or legal rights over a trademark is through registration, since El Salvador is a first-to-file country. The mere use of mark does not generate any rights. Registered marks grant the following benefits:

- the right to execute legal actions against third parties that reproduce, apply, adhere or fix the mark in any way, as long as it is identical to the registered mark, on the goods for which it has been granted (on their packaging, bottles, etc) or on other goods that have been manufactured, modified or treated by services for which the mark was registered;
- the right to execute legal actions against third parties that suppress or modify the mark for commercial uses after its owner or an authorised person has applied, adhered or fixed it on the goods;
- the right to execute legal actions against third parties for the manufacturing of labels, bottles, packaging and other analogue materials that reproduce or contain the mark, and against those who commercialise them;
- the right to execute legal actions against third parties who refill or reuse commercial purpose bottles with packaging bearing the mark;
- the right to execute legal actions against third parties who use in commerce an identical or similar trademark for any products or services when such use can create confusion or a risk of association with the owner of the registered trademark, under the understanding that if the use of identical trademarks for identical goods or services is made, a legal presumption of confusion will be enforced;
- the right to execute legal actions against third parties who publicly use an identical or similar trademark, even if the use is without commercial purposes, when such use can cause dilution of the distinctive force of the trademark, its commercial value of publicity value, or an unfair advantage of its reputation;
- the right to use and license a mark;
- in the case of licensed goods, the right to take legal actions against third parties who use such goods to commercially associate them with the owner's advertising, promotions, trademark or establishment; and
- the right to take legal actions against any analogue act that may affect the ownership over the trademark.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

It is voluntary to record a licence agreement. The licence agreement will have desired effects as opposed to those with no need to register. However, it is beneficial to do so because it pre-constitutes evidence of use, which becomes a defence in a cancellation for non-use action. Hence, the licensee or licensor can at any moment request the inscription of the licence agreement.

The major detriment for not recording a licence agreement is that in the event of infringement or unfair competition against the licensed mark, the licensor will not be able to request damages caused by the infringer to the licensing relationship. In fact, one of the parameters for estimating damages is the price that the infringing party would have paid for a licence agreement if he or she had one; based on the actual royalties and the commercial value of the infringed right and other licences granted.

## 13 Assignment

### What can be assigned?

All the rights derived by the ownership of the trademark may be assigned. Trademarks with goodwill and without goodwill may be assigned.

The owner of the mark is allowed to assign some or all the goods or services protected by a mark and reserve the rights over the goods or services (or both) not assigned. Prior to partial assignment, the registrant may follow a trademark division procedure to separate under different registrations the goods or services to be assigned.

Trade names can only be transferred along with the company or the establishment that uses it or with the division of the company or establishment that uses it.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The required documents are the assignment documents executed by both parties, duly notarised and legalised by the nearest consulate of El Salvador or, alternatively, by apostille.

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

According to the Trademark Law all changes of name, assignments, changes of domicile and others must be recorded against each mark to be valid and enforceable before third parties.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Yes. Legislation on moveable goods granted as guarantees includes IP rights as valid to secure interests and transactions.

The security interest must be recorded for purposes of its validity and enforceability if the security is granted to secure IP rights or to secure goods that are necessary for the operation of a company. A separate Registry of Moveable Guarantees has been created.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Use of marking symbols is not mandatory. However, if the owner wishes to use marking, ® or ™ or other symbols indicating that a trademark is registered are perfectly acceptable.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The following legal actions can be taken.

##### Closure of borders to infringing goods

There are two ways of approaching this action. On the one hand, based on TRIPS, the action can be effected by petitioning the Customs Authority to close the borders to probable imports of counterfeited goods. The Authority will deny entrance to the country to such goods at land, port and airport borders and will notify the petitioner, granting him or her 10 days to file a complaint before a civil and mercantile court or a court with civil and mercantile jurisdiction.

On the other hand, the action can alternatively be filed directly before a civil and mercantile court, which in turn will send a close of borders order to the Customs Authority.

##### Criminal actions based on trademark infringement

By filing a complaint before the General Attorney's Office, an investigation is initiated. Once the investigation is completed, a justice of the peace (JP) can issue a seizure order, in which all counterfeited products bearing the trademark are put at the judge's disposal. After three different hearings before three different judges, a verdict is issued. If the counterfeiting party is found guilty, the products are destroyed or donated, after de-labelling.

#### Unfair competition action

If a party is deceiving clientele, diluting a trademark, etc, an unfair competition action can be filed before a civil and mercantile court. Such an action will result in the prohibition of the unfair competition conduct and can include preliminary injunctions against infringing goods.

The law provides that while specialised intellectual property courts are created, the civil and mercantile courts will be competent for civil actions.

#### 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The format and timing of a criminal procedure against the infringement of a trademark are as follows:

- a complaint is filed before the General Attorney's Office;
- the General Attorney's Office examines the complaint and can issue an office action, dismiss it or order an investigation (one month);
- once the investigation is concluded, the General Attorney's Office requests from a JP the issuance of a seizure order, which is accompanied by the evidence gathered in the investigation (one month);
- once the seizure is made in the infringing party's establishment, the products are put at the judge's disposal and the District Attorney's Office, the plaintiff (victim) and the defendant are served a notice to attend the first hearing (one month);
- at the hearing, the parties involved may file any evidence. In the first hearing the judge will only decide whether the actions taken by the General Attorney's Office are legal and whether the trial should continue to a second hearing. An opportunity to settle the case is granted by the judge to the parties;
- the second hearing is scheduled (one month);
- at the second hearing an instruction judge will review the evidence provided and will decide if the trial should continue to the public hearing;
- the public hearing is scheduled (one month);
- at the public hearing, all evidence is discussed, witness and expert testimony is taken and the judge issues the final verdict; and
- the judge then issues a resolution ordering the destruction or donation of the infringing goods.

The format and timing of a 'closing of borders' procedure against the infringement of a trademark are as follows:

- a complaint is filed before the civil and mercantile court or a court with civil and mercantile jurisdiction, requesting an order to close the borders to suspected infringing goods;
- the civil and mercantile court admits the complaint and issues an order to the Customs Authority to detain any products bearing the infringed mark and destined to other than the authorised distributor(s) (one month); and
- once a third party tries to import the products, the Customs Authority detains these and notifies the trademark owner, granting a 10-day term to file a complaint before the civil and mercantile court for unfair competition or before a criminal court for trademark infringement.

The format and timing of an unfair competition action against the infringement of a trademark are as follows:

- for the judicial district of San Salvador, the action is filed at the Complaint Distribution Office, which will send it to a civil and mercantile court within a week. For other judicial districts, the action shall be filed before a court with civil and mercantile jurisdiction;
- once the complaint is received by the civil and mercantile court, it is examined and if it complies with all the legal formal requirements it is admitted. If requested by the plaintiff, the court can issue preliminary injunctions, including the seizure of infringing goods. It is at the discretion of the civil and mercantile judge to request the plaintiff to render a judicial bond to cover any damages to the defendant, if the claims are not sustained. Up to this point the procedure is ex parte and normally takes one to three months. If the plaintiff disagrees with the bonded amount, he or she can file an appeal; and

### Update and trends

The Digital Signature Law became effective in April 2016. It will facilitate interaction with the government and once implemented will speed up processes.

The National Bureau of Registries, to which the IP Registry belongs, entered an agreement with Pagadito.com to receive online payment of government fees.

- once the judicial bond is filed, the defendant is served and granted 20 working days to answer the complaint or file a counter complaint. If there is no answer, a request can be made to the judge to continue the trial without any further service of resolutions until the final verdict is issued. If he or she answers, the defendant is considered as party to the case.

The above takes about two months, then:

- both parties are served with a resolution setting a date for a preliminary hearing, during which the process is examined and any inconsistencies corrected, and obscurities and the facts are stated clearly. During this hearing a date for a discovery hearing is set one or two months thereafter;
- during the discovery hearing all evidence is reviewed, discussed, accepted or rejected;
- a final verdict is verbally issued either the same day the discovery hearing is finished or some days later, declaring the existence of unfair competition or not; and
- an appeal can be filed against the final verdict within five days of having received the final verdict.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

To determine infringement, the trademark owner must prove the ownership of the mark and its use by the unauthorised party.

To determine dilution, the trademark owner must prove the public use of the identical or similar mark, even if the use is not for commercial purposes, if such use can cause dilution of the distinctive force of the trademark and its commercial or advertising value is affected, or if an unfair advantage is earned from its use.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

The trademark owner can bring a criminal complaint and seek a remedy.

A licensee must report the infringement to the trademark owner and request him or her to initiate enforcement actions. If 30 days lapse without reply, the licensee becomes authorised by law to initiate such actions.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

No.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

There are no discovery devices used for obtaining evidence. All evidence is filed or mentioned in the complaint and examined during discovery hearing. Any of the parties can request the court to order the practice of evidence-gathering procedures that would lead to establishing the facts of the case, namely, inspection of premises, inspection of computers or devices, expert witness reports on particular issues and examination of samples by expert witnesses and the like. Additional

evidence not filed by one of the parties or requested in a timely fashion to the court will not be accepted in the process, nor during appeal unless it is evidence of new facts of the case.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

At the trial level for a criminal infringement action, the typical time to reach a verdict is six months to one year.

At the trial level for an unfair competition action, the typical time to reach a verdict is six months.

At the appeal level of a final verdict for both criminal and civil and mercantile actions, the typical time is two to six months.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The typical range of costs associated with a criminal infringement action is US\$10,000 to US\$20,000, depending on its complexity.

The typical range of costs associated with a cancellation action, unfair competition action, etc, is US\$15,000 to US\$25,000.

## 26 Appeals

**What avenues of appeal are available?**

### On the civil and mercantile circuit

An appeal may be filed against the final verdict. The appeal is filed before the civil and mercantile court in writing, within five days of the first instance court's final verdict. The case is sent to the respective Appeal Chamber. Filing an appeal is much more complex with the civil and mercantile process enacted in 2010. After hearing each party's arguments, the justices issue a resolution. The whole process takes about two months.

### On the criminal circuit

An appeal can be filed against the final verdict of any of the hearing verdicts. Once it is admitted, a hearing is scheduled. If one of the parties offers to file evidence, they will do so at the hearing and the verdict of the appeal will be issued at that time.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

A party charged for trademark infringement or dilution can argue and must prove in its defence:

- prior ownership of the trademark rights;
- expiration of the plaintiff's trademark rights;
- innocent infringement; or
- the statute of limitations.

## 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

Monetary relief can be requested for damages caused to the legitimate owner of the trademark.

Damages are estimated through any of the following criteria:

- based on the damages caused to the owner of the trademark owing to the infraction;
- based on the benefits that the owner would have earned, if the infraction had not taken place; or
- based on the price or fee that the infringing party would have paid to the owner of the trademark if a licence agreement would have been granted, or based on the price or fee of prior licence agreements granted to other parties.

In the cases of unfair competition, the civil and mercantile judge is obliged by law to inform the General Attorney's Office of the final

verdict, and the General Attorney's Office is obliged by law to initiate a criminal action based on trademark infringement.

Preliminary injunctive relief is available to protect evidence and trademark rights. Preliminary injunctive relief can include seizure of the infringing goods, packaging and labelling materials plus manufacturing apparatus, except for printing presses, which cannot be seized under any circumstances, according to the Constitution. Relief becomes permanent in the final verdict.

## 29 ADR

### **Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Available ADR techniques are mediation, conciliation and arbitration. A special law regulates them but they are not commonly used. One of the main benefits is that arbitration must be conducted, and a decision reached, within a maximum of 90 days.

The risks associated are that arbitration is not the venue to allege infringement of trademark rights nor criminal violation of these.

## 30 Famous foreign trademarks

### **Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Yes, the Trademark Law grants protection to famous marks whether they are being used or not in El Salvador. However, a famous mark has to be known as famous for its worldwide use and acceptance. The Trademark Law defines a famous mark as a sign that is known by the public in general, domestically or not. Nevertheless, the Trademark Law does not establish parameters for determining if a mark is considered famous or not. If the mark is not in use in El Salvador, this will depend more on the Registrar's criteria. There are no specific guidelines to prove the fame of a mark, hence, creativity of local counsel is important. Based on experience, admissible proof could be advertising, product samples, affidavits by authorised officers describing how the mark became famous, volume sales and volume advertising, receipts, use in the internet or on websites directed to Latin American consumers, sales in duty free shops located in the international airport, registration certificates on multiple jurisdictions and licence agreements with main international companies that expose the mark in internationally broadcasted events and the like.



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# France

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## 1 Ownership of marks

### Who may apply?

Both natural and legal persons may apply for a trademark in France as well as for an EU trademark, irrespective of whether they reside or have offices or premises in France. An international trademark may designate France, the EU or both. Apart from the initial filing, the international trademark under the Madrid System will be subject to the legislation of each designated territory for the corresponding part.

The application may be filed by the applicant him or herself or by his or her representative providing his or her representative resides in or has offices or premises in France, in a member state of the European Union or in a state party to the Agreement on the European Economic Area. The applicant can choose as his or her representative either a lawyer (Bar member), a trademark attorney, a person specifically listed as being able to represent the applicant in front of the French Trademark and Patent Office (INPI), a professional practising in another EU member state or in a state party to the Agreement on the European Economic Area and qualified to represent an applicant in front of the INPI, or a company established in the European Economic Area that is contractually bound to the company applying.

Under certain circumstances, it can be mandatory to apply through a representative, namely when there are several applicants or when the applicant does not reside in France, or in the European Union, or in the European Economic Area.

If the applicant is not a citizen of or is not incorporated in a state party to the World Intellectual Property Organization, the applicant must provide proof that the state he or she is from does provide protection for French trademarks.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

As a matter of principle, in French, EU and international law, a trademark is a sign capable of distinguishing the goods or services of one undertaking from those of other undertakings and that can be represented so that third parties are aware of trademark rights. Then, the sign must be available. Article L711-3 of the Intellectual Property Code (IPC) states it is not possible to register trademarks that would be deemed descriptive or misleading in regard to the goods and services they are supposed to designate. It is also not allowed to register a trademark that is contrary to public policy, morality or whose use is forbidden by law. Also, it cannot already be used by someone else as a trademark for identical or similar goods and services. When it comes to EU trademarks, overall the requirements are the same: they have to be capable of being represented, be distinctive and available (articles 4, 7 and 8 of the Regulation).

Article L711-1 of the IPC, contains a non-exhaustive list of what kind of sign it is possible to register as a trademark: words, combination of words, surnames and geographical names, pseudonyms, letters, numerals and abbreviations. It is also possible to register sounds and musical phrases as well as figurative signs (drawings, labels, seals, selvedges, reliefs, holograms, logos, synthesized images, shapes, shapes of a product or its packaging, or the identifier of a service, the arrangements, combinations or shades of colour, etc).

Finally, one cannot register a name that is already used as a protected geographical indication.

It must be underlined that a French trademark will only have effects in France, as opposed to the EU trademark, which is enforceable in each and every country of the European Union (unitary effect, article 1 of the Regulation No. 2015/2424 of the European Parliament and the Council of 16 December 2015 on the European Union Trademark).

## 3 Common law trademarks

### Can trademark rights be established without registration?

No. There is no equivalent of Common law trademarks in France. However, a sign that would not be distinctive per se in regard of certain goods and services can become distinctive through use prior to the application. An applicant can claim such use to demonstrate the distinctiveness of his or her trademark in later proceedings.

An EU trademark can only be obtained through registration (article 6 of the Regulation).

However, under French intellectual property law rights on a trade name used to designate a business, are acquired through use without need to be registered in accordance with article 8 of the Paris Convention. The Paris Convention on its article 6-bis also provides that famous trademarks should be protected without need of registration.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

The cost of an application at the INPI up to three classes of goods or services is €250 for a paper-based application, and €210 for an internet-based application. There is an additional cost of €42 per class if the applicant chooses to apply for more than three classes. Payment is due upon filing. Professional fees are added to these fees. The INPI takes between two and six months in average to grant a trademark if no opposition proceedings are filed.

If the applicant is represented by anyone other than a lawyer or a trademark attorney, the application file must provide the Office with the documentation establishing power of attorney.

Depending on the countries that an undertaking wishes to cover, it can be more expensive to apply for an EU trademark: the minimum fee online for one class amounts to €850, the second class 'costs' €50, and starting at three classes and beyond, each additional class 'costs' €150. The paper-based application is a bit more expensive for the starting fee – €1,000 – but then the cost of the additional classes is the same. The European Union Intellectual Property Office (EUIPO) takes about three months to grant a trademark, provided no opposition proceedings are filed.

It is important to mention that an applicant can file for an international trademark with the INPI and the EUIPO: one can either take advantage of an early application (six months) and ask for an extension, or directly apply for an international trademark designating either France or the EU. It costs 897 Swiss francs to designate the EU

in an international application for one class, with an additional 55 Swiss francs for the second class, and 164 Swiss francs for each additional class starting at the third one. If the applicant chooses to designate France, the fees are different: a base fee of 653 Swiss francs for a trademark in black and white, or 903 for a trademark in colour (each time up to three classes) plus an additional 100 Swiss francs per country. There are additional costs if the applicant selects more than three classes.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The classification used for French, EU and International trademarks is the Nice classification, which is the International Classification System. It is possible to apply for multiple classes at once, and as previously explained, it is more cost-effective to apply for several classes at once: the minimum fee ranges from €210 to €250, with an additional fee of €42 per class starting at the fourth class targeted in the application.

The EUIPO and the Madrid System also use the Nice classification, and multi-class applications are available. In regard to the costs, see question 4. The designated goods must be specific enough for third parties to understand the scope of protection as ruled by the European Court of Justice in the *IP Translator* case (Case No. C-307/10).

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Once the INPI has received the application file, it determines a date, place and application number. This information is transmitted to the applicant through a receipt. In case the application file is missing certain elements such as the identification of the applicant, the trademark sign or the designation of the classes, the applicant will be asked to fill in the missing data. Should he or she not do so within the time limit granted by the Office, the trademark application will be automatically rejected. The final date of filing will be the date when all the information is filled in.

Once the application is in full compliance with the Office's requirements, it will be published in the national Bulletin. Publication happens within six weeks of the reception of the application.

The Office will then make sure that the sign complies with the graphic representation and distinctiveness requirements, and that it does not fall with the prohibitions of article L711-3 of the IPC. If the examiner deems the application does not meet the standards for the grant, he or she will notify the applicant of his or her observations and the applicant will be given some time to modify his or her application. Such notice can be sent with a proposal of modification from the Office. The proposal will be considered accepted by the applicant if he or she does not oppose it within the time limit given in the notice.

The INPI does not search for previous potentially conflicting trademarks.

It is possible to modify or withdraw the application until the Office starts to make the technical arrangements for registration. Such requests must be in writing.

The withdrawal can be for all or part of the goods and services targeted in the application. The declaration of withdrawal must specify whether rights have been assigned, if that is the case, the beneficiary of the assignment must also file a declaration of consent to the withdrawal.

In the event several applicants have filed the application, all of them must express consent to the withdrawal.

Before the European Trademark Office, the procedure is quite alike: the first step is a verification of the formal compliance of the application with the Regulation, then the list of goods and services is sent to the Translation Centre in Luxembourg. If it has been asked for, a research report can be drafted about potentially conflicting trademarks; such request can also cover national marks in which case it is transmitted to the required national trademark office. All reports are then sent to the applicant before the office looks for absolute grounds

of refusal. Afterwards, the application is published in the European Bulletin. The third part is the opposition, which can be filed within three months of publication.

It is possible to appeal the aforementioned decisions.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

It is not necessary to claim use of a trademark or service mark before registration is granted or issued. However, it might be necessary in the event the chosen sign cannot be considered distinctive per se in regard to the goods and services targeted: proof of use will then enable the applicant to prove the sign has acquired distinctiveness in regard with the specific goods and services. This also applies to EU trademarks.

As a Contracting State to the Paris Convention for Protection of Industrial Property, France does implement article 4 of said Convention and grant a right of priority to any trademark registered abroad within the past six months. In order to claim priority, the applicant must have a valid application with regard to the legal requirements abroad, irrespective of the final outcome of the procedure. Priority must be claimed at the time the application in France is made, and the application must provide the Office with the necessary documentation establishing the prior application. This also applies to EU trademarks.

Unless otherwise provided in an international agreement, article L712-12 of the IPC provides there must be reciprocity with respect to protection of French trademarks.

For both French and EU trademarks registration lasts 10 years, and can be renewed for 10 years as long as the owner so wishes. However, the mark has to be genuinely used, otherwise, after five years, a third party can sue for the revocation of the mark. It is very important to keep proof of use (marketing materials, brochures, etc) considering the burden of proof rests on the owner.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

It is possible to appeal the decision of the INPI in case the Director of the INPI decides not to grant the rights. However, the appeal will take place directly at the court of appeals level, there is no 'administrative' appeal available.

Appeal is also available for EU trademarks, except it will occur within the European Trademark Office before the Board of Appeal (administrative appeal). The parties have the possibility to appeal this decision as well, and bring the case in front of the General Court (judicial appeal).

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published, and third parties have to file their oppositions within two months of the publication (article L712-3 of the IPC). There is no possible extension of this deadline. Opposition proceedings are available to (article L712-4 of the IPC) owners of a trademark that has been registered or applied for earlier on, the owner of a well-known trademark, the owner of a trademark that has an earlier priority date, an exclusive licensee, the Director of the Agency in charge of the Indications of Origins, and geographical indication and territorial collectivities.

As of May 2016, all oppositions have to be filed online on the INPI's website. The opposition is notified without delay to the applicant. He or she has at least two months to present his or her counter-observations. If the applicant fails to do so, the Office will make a decision on the matter at hand. In the case of proper compliance by the applicant, the Office shall issue the draft of a decision, which will be communicated to both parties, who will both have the opportunity to present their observations. If the draft is not contested, it will be adopted as a decision. During opposition proceedings, the applicant may request evidence of use of the prior trademark if it has been registered for more than five years.

The Office fee for filing an opposition amounts to €325. The opposition may be filed by the rightholder or by appointed counsel.

Once the trademark has been registered, it is no longer possible to file an opposition. It is, however, possible to file a lawsuit seeking the cancellation of a mark. Such action is available to the same persons as the opposition, along with the proprietors of a copyright, design rights, personality rights, a domain name, or a trade name, the beneficiary of a geographical indication and the like.

If the trademark has been granted based on a fraudulent application, the 'rightful owner' may bring an ownership claim within five years of the publication of the grant.

Opposition proceedings are also available against EU trademark applications and they must be filed within three months of the publication of the application. The opposition fee is of €320. After the opposition is declared admissible, there is a 'cooling-off' period during which the parties are given the opportunity to terminate the proceedings. Afterwards, parties are each given two months to communicate their arguments on the case; there can be several exchanges of briefs. Then, the EUIPO will make a decision about the opposition.

As with French trademarks, it is not possible to engage in opposition proceedings once the EU trademark has been registered. However, it is possible to seek revocation of the mark before a national court: it is very important to keep in mind the unitary effect that is associated with the EU trademark. Once revoked by a court, the trademark is 'lost for good', in every EU member state, unless there is a conversion regarding territories not affected by the prior rights.

The EUIPO mentions on its website that if the opposition succeeds, the applicant will have to pay the other party's costs (roughly €650) if it fails, then the opponent will have to bear the costs (roughly €300). In case of only partial loss, the costs will be shared. There are no such provisions regarding French trademarks.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark is registered for an initial term of 10 years, starting on the day of filing. It can be renewed for additional 10-year terms indefinitely. If the owner stops renewing its rights, the owner will lose them.

There is no required proof of use in order to obtain the renewal, only the payment of a fee. However, if the mark has not been genuinely used for an uninterrupted period of five years, a third party may seek the revocation of the trademark.

It works the same way for EU trademarks and international trademarks under the Madrid System.

## 11 The benefits of registration

**What are the benefits of registration?**

There are no Common law trademarks in France. It is necessary to register to obtain trademark rights on a specific sign. Rights holders may directly enforce their rights before the courts, at the Office in opposition proceedings or in proceedings involving the customs.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

It is possible to license trademark rights. The licence can cover all or part of the goods and services covered by the registration. Only an exclusive licensee can bring a suit for infringement, if the contract provides for this and if the licensee has sent in vain a cease-and-desist letter to the licensor to act.

Nonetheless, a licensee – exclusive or non-exclusive – can intervene in infringement proceedings to obtain compensation for the damages due to the infringement.

## 13 Assignment

**What can be assigned?**

A trademark owner can assign all or part his or her rights to an assignee. An assignment can cover all or part of the goods and services covered in the registration, but it cannot be limited in terms of territory (article L714-1 IPC). It is not necessary to assign any other business assets for the transaction to be valid, but from a tax point of view, a trademark assignment may be deemed an assignment of business. In order for the assignment to be enforceable against third parties, it must be registered and published in the national Bulletin.

Overall, the rules are the same for the EU trademarks (article 17 of the Regulation).

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

Assignments must be in writing to be valid (article L714-1 IPC and article 7 of the Regulation). They must also be published on the Bulletin and registered with the national or EU register to be enforceable against third parties according to article L714-7 IPC and article 7 of the Regulation.

If the assignor wishes to limit his or her assignment to certain goods and services, the limitation must be written in the contract, otherwise it will be regarded as if all the goods and services targeted in the registration are covered by the assignment.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The assignment does not have to be recorded to be valid per se, but it has to be recorded and published to be enforceable against third parties. The publication on the bulletin must mention the date of effect of the assignment; otherwise it will only be enforceable against third parties starting from the date of publication. If the assignor wishes to assign his or her rights to sue for infringing acts that occurred prior to the date of assignment, it must be stated so in the contract and this disposition must be published as well to be enforceable.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

It is possible to take a security interest in both a French and an EU trademark. The security interest must be recorded and published in order to be enforceable against third parties (article L714-1 of the IPC and article 23 of the Regulation). Security interests have to be in writing.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

No words or symbols need to be used to indicate trademark use or registration.



## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

French customs are active in the enforcement of trademark rights. They act on both the European (EU regulation on the matter is Regulation No. 608/2013 of the European Parliament of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003) and national law (Customs Code), and are available for both French and EU trademarks.

The regulation does not deal with 'small packages' (fewer than two kilograms), and it is to be applied at the external borders of the EU, not at borders in between member states.

The rightholders and licensees who are exclusive licensees in at least two member states and who have been officially authorised by the rightholder can submit an application to customs asking them to monitor the goods crossing the border for potential infringements, and hold them in custody if they find any allegedly infringing goods. Customs are also free to proceed spontaneously without having received an application from the rightholder.

If such goods are found by the customs, they are to hold them in their custody. The declarant or holder of the goods is to be immediately informed as well as the rightholder. Following the notice, the decision holder has 10 days to inform the customs that he or she engaged in legal proceedings, otherwise Customs would have to release the goods.

The proceedings based on French law are quite similar except they can be applied to goods coming from other member states.

It is possible to sue for trademark infringement before the criminal and the civil court. There are 10 specialised courts of first instance (see article D211-6-1 of Judicial Organization Code) for national trademarks. Concerning EU trademarks, all cases are tried before Parisian courts. Concerning the criminal courts, there are no specialised jurisdictions. Although there are criminal provisions regarding trademarks and intellectual property in general, criminal cases represent a minor part of the total amount of cases tried each year in intellectual property in France.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

There are no discovery proceedings as such, but there are specific procedures used to collect evidence.

Seizure proceedings are available to a party after a judge issued a court order specifying the date, place of the seizure and the type of seizure (either a mere description or the judge can also allow the seizure of samples, devices involved in the infringing process, any documentation pertaining to the infringing activity). A bailiff conducts the seizure; he or she can be assisted by experts (in software, or a trademark and patent attorney, or a locksmith, etc) who cannot, under any circumstances, dictate any part of the report at risk of seeing the entire procedure cancelled (the courts are extremely strict on that point).

The right of information (article L716-7-1 of the IPC) is quite a recent addition to French and European law in intellectual property matters. It enables the rightholder to obtain information about the infringement and the underlying network from the infringer, but also from people involved in the distribution and production for further developments (see question 23).

The IPC allows the rightholder to request a preliminary injunction from the judge in order to make the alleged infringing activity stop while the case goes to trial (article L716-6 of the IPC). However, if the rightholder chooses to execute the injunction, he or she does so at his or her own risk, meaning that he or she might have to compensate the other party for damage caused by the execution of the court order in the event the court decides there is no infringement.

There is usually no live testimony and no experts. The court of first instance is always formed of three judges who will decide the case together. There is only one opinion, however; French decisions

do not have dissenting or concurring opinions. Average civil trademark infringement proceedings may last between nine and 12 months. Urgent proceedings may last a couple of weeks or months. Criminal law proceedings may last a couple of months or years depending on the criminal investigation performed by the Public Prosecutor or the instructing judge.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

There is a general principle in French procedural law that the burden of proof rests on the claimant. Therefore, if a trademark owner, or an exclusive licensee brings a lawsuit for trademark infringement, he or she must prove his or her allegations, and it will be up to the defendant to prove that his or her behaviour and acts do not infringe upon the owner's rights. Infringement of intellectual property rights is considered as a fact, which can be proven by any lawful means. In the event a party brings a claim of revocation for absence of genuine use over the past five years, the owner of the trademark will have to bring proof of use.

In order to obtain proof of the infringement, it is customary to rely on a bailiff report, either to record a purchase, or activities over the internet, or on a seizure (for details about this procedure, see question 19).

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

The trademark owner, the assignee, and the exclusive licensee (if the contract allows it, and if the exclusive licensee sent an unsuccessful notification to the owner demanding to take action) can bring an action against an alleged trademark infringer. They also have standing to bring a criminal complaint, but it is less common: criminal proceedings are rarely used for IP rights infringement in France.

The state can also start a criminal procedure through the Public Prosecutor – in particular after customs-related proceedings.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Exhaustion of rights following first sales within the EU and the European Economic Area applies to both French and EU trademarks (ECJ, 16 July 1998, C-355/96, *Silhouette*).

The territorial scope of a French trademark is France, therefore in order to support a claim in France, activities abroad must have consequences in France.

The Court of Justice of the European Union (CJEU, 6 February 2014, C-98/13, *Martin Blomqvist v Rolex SA, Manufacture des Montres Rolex SA*) decided that:

*the holder of an intellectual property right over goods sold to a person residing in the territory of a member state through an online sales website in a non-member country enjoys the protection afforded to that holder by that regulation at the time when those goods enter the territory of that member state merely by virtue of the acquisition of those goods. It is not necessary, in addition, for the goods at issue to have been the subject, prior to the sale, of an offer for sale or advertising targeting consumers of that State.*

Therefore, the mere fact of selling one item on a foreign website is considered as an offer to the public and use in the course of business, even if no right was covering the goods in the country of origin.

French courts may order injunctions applicable all over the EU to protect EU trademarks.



### Update and trends

A new Regulation was passed in December 2015 at the EU level. Lawyers and trademark attorneys are monitoring its implementation in order to determine the actual extend of the changes. It has set a transitional period which expires on 23 September 2016 for trademarks filed before 22 June 2012 that use class headings, to declare that at the date of filing the applicant's intention was broader than the mere class heading. As from 1 October 2017, signs may have any appropriate technical means of representation (and not only graphic representation) as long as it is clear, precise, easily accessible, intelligible, durable and objective.

Moreover, in a very recent case, the ECJ (21 July 2016, C-226/15 P, Apple and Pear Australia Ltd, established in Victoria (Australia), *Star Fruits Diffusion v EUIPO*) has decided that the EUIPO is not bound by the decision of a national court when the cases tried have different objects and causes. In this case, the EUIPO is not bound by the outcome of infringement proceedings to make a decision on an opposition.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

There is no procedure quite as extensive as discovery in French law. However, the right of information (article L716-6-1 IPC) has been introduced in 2007 through the implementation of article 8 of EU Regulation 2004/48. It can be requested from the judge before the trial or during the course of the proceedings. Its overall goal is to enable the rightholder to take the full measure of the extend of the infringement both in terms of the broadness of the network (producers, distributors, and all parties involved in-between) but in terms of quantity (of goods, but also the benefits made, etc). The main limit to the exercise of this right is a lawful impediment (such as trade secrets) that would legitimate the refusal by the party being 'subpoenaed' to communicate certain information. French procedural law and TRIPS provisions are also grounds to request evidence.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

First instance ordinary trademark proceedings last between nine and 12 months. It applies to infringement, dilution, invalidity or unfair competition disputes related to trademark. Preliminary injunctions with the benefit of immediate execution even if there is an appeal are commonly granted to successful owners. An appeal can be lodged within the shortest of the following deadlines (i) one month from the notification of the ruling for French residents (two months for persons located in France but outside Metropolitan France and three months for foreign residents) and (ii) two years from the date of the ruling. Urgent proceedings may take a couple of days or of weeks depending on the matter. The deadline to appeal against interlocutory proceedings is either two years from the ruling or 15 days from the notification of the ruling for French residents, one month and 15 days for persons located in France but outside Metropolitan France and two months and 15 days for foreign residents. An appeal against the immediate execution of the first instance ruling is also available. Appeal proceedings take between one and two years.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

An infringement or dilution action usually generates attorney fees for requesting seizure orders, bringing an action, presenting court petitions, pleading the case and advising the client. For first instance proceedings, these fees range between €8,000 and €30,000 or more depending on the case. There are bailiff fees for serving the complaint (often a few hundred euros) and translation fees for translating the

complaint if the defendant is not located in a French-speaking country. There may be bailiff fees for recording evidence (around €500), for performing a seizure (several thousand euros) and for executing the ruling (the cost will depend on the circumstances of each case). There may be expert fees if an expert is appointed by the court. More and more often, French courts grant a lump sum for attorney fees close to the fees justified by produced invoices. There is a study group within the Paris Court on legal fees. However, in some instances, taking into account the parties' situation and based on equity' the court may not allocate legal fees to the winning party.

## 26 Appeals

**What avenues of appeal are available?**

After trial at the court of first instance level, there is one appeal possible to the Court of Appeal.

The Supreme Court is not a third degree of jurisdiction in France, it may only deal with matter of application of the law, and it does not deal with the facts. After a decision on the law by the Supreme Court, a case can be overturned and remanded to another court of appeal, which will look at the facts and give a new decision on the matter.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

A defendant against a charge of infringement or unfair competition has the possibility to bring a cancellation counterclaim based on trademark invalidity. There is also the possibility to ask for the revocation of the trademark based on absence of genuine use during at least the past five years or on the fact that it became generic. A defence on lack of similarity between the signs, the goods or the services can be raised. A defence of freedom of speech, owner consent, competition law or exhaustion of rights can be also raised. The defendant can also argue that the plaintiff has not shown sufficient evidence of the allegedly infringing conduct.

A defendant can also claim that the trademark holder cannot ask for the revocation of the posterior trademark because his rights or her to do so are extinct by acquiescence (article 54 of the Regulation and article L. 714-3 of the IPC). The defendant then needs to prove the trademark holder had been aware of the use of the posterior mark for the past five years and did not do anything about it.

## 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

The usual remedies are a financial compensation and a prohibition order. The financial compensation takes into account the negative economic consequence. It is possible for the judge to award a lump sum, instead of calculating the separate harm for each element.

The court can order that the infringing goods be retrieved from the shelves and destroyed or confiscated at the benefit of the injured party. The court can also order that the decision, or part of it, be published in newspapers or on the internet (for example, on the website of the infringer).

## 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available (transaction, mediation and arbitration). However, through such techniques it is not possible to obtain the revocation of a trademark (or the nullity of any intellectual property right for that matter). The decisions rendered through these techniques are enforceable inter partes only, as opposed to judicial decisions which are enforceable *erga omnes*.

In terms of benefits, these procedures are usually issued much faster than judicial ones and can be kept entirely confidential, whereas proceedings in courts are public. In terms of trend, it is not very common to choose this path to resolve a conflict involving a trademark.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The French IPC admits that a mark that is notoriously known but that is not registered can be ground for an infringement action (article L713-5 IPC) by application of article 6-bis of the Paris Convention.

Nevertheless, in order to obtain protection for a famous (registered trademark with reputation) or notoriously known trademark, one must bring proof of the alleged fame, and of the infringing use that is causing harm. A trademark is considered as famous or 'notoriously known' if it is 'known by a significant part of the public concerned by the products or services which it covers' (CJEU, 14 September 1999, C-375/99, *General Motors v Yplon*). With regard to EU trademarks, the Court maintains the same reasoning:

*in order to benefit from the protection afforded [to famous marks], a Community trade mark must be known by a significant part of the public concerned by the products or services covered by that trade mark, in a substantial part of the territory of the European Community, and that, in view of the facts of the main proceedings, the territory of the member state in question may be considered to constitute a substantial part of the territory of the Community.'* (CJEU, 6 October 2009, C-301/07, *Pago International GmbH v Tirolmilch registrierte Genossenschaft mbH*)

The protection awarded to these specific trademarks is a protection 'outside of specialty', which means they are protected against the use for goods and services, which are not covered by the registration (either because they are indeed not covered or because the trademark is not technically registered).



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# Germany

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## 1 Ownership of marks

### Who may apply?

According to section 7 of the Trademark Act:

- natural persons;
- legal entities; and
- partnerships, provided that they have the ability to acquire rights and to incur obligations.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Protectable as a trademark are any signs, particularly words, including personal names, designs, letters, numerals, sound marks, three-dimensional presentations, including the shape of goods or of their packaging, as well as any other trade dress including colours or colour combinations provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings (section 3 of the Trademark Act).

According to section 4 of the Trademark Act, protection can be obtained:

- by registration in the register of the German Patent and Trademark Office (the Office);
- through use of a mark in the course of trade, provided that the mark has acquired a secondary meaning as a trademark within the relevant public; and
- by notoriety pursuant to article 6-bis of the Paris Convention.

'Non-traditional' marks, for example, olfactory or tactile marks, may also be protected. However, a prerequisite for registration is that the mark can be represented graphically. This causes difficulties for non-traditional marks such as olfactory or tactile marks, which can only be reproduced indirectly, for example, by a description. According to the European Court of Justice, the representation must be 'clear, precise, self-contained, easily accessible, intelligible, durable and objective' so as to enable third parties to identify, for example, the smell. While the requirement of a graphical representation has now been removed by Article 3 Trade Marks Directive (to be harmonised in Germany by 14 January 2019), the new legislation still requires that the representation needs to be 'clear, precise, self-contained, easily accessible, intelligible, durable and objective'.

## 3 Common law trademarks

### Can trademark rights be established without registration?

As outlined in question 2 above, trademark rights can be established not only by registration, but also through use of a mark in the course of trade resulting in a secondary meaning as a trademark within the relevant public or by notoriety pursuant to article 6-bis of the Paris Convention.

There is no specific percentage defined in the Trademark Act required to confirm a secondary meaning of a mark. However, while each particular case has to be analysed specifically, as a rule, at least 50 per cent of the relevant public must perceive the mark as a designation of origin in respect of the relevant goods or services. According to

German practice, appropriate means of evidence in respect of a secondary meaning are, in particular, opinion polls.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If the Office does not object to the registrability of a mark on absolute grounds or to the wording of the list of goods and services or raise any other objections, it takes between three and six months from application to registration, depending on the workload of the Office.

It is possible to request accelerated examination of the application. The Office will then examine an application within six months from the application date.

In the event of absolute grounds for refusal, it depends on whether or not the applicant pursues the application through all instances up to the Federal Patent Court and, possibly, to the Federal Supreme Court if the Patent Court grants leave for appeal to the Supreme Court. In such a case, it can take up to several years until registration of a mark.

In Germany, there are post-registration opposition proceedings with an opposition term of three months after publication of the registration of a mark. The opposition procedure may last one or several years, again depending on whether or not the dispute is pursued up to the Federal Supreme Court or the matter is settled amicably.

The official application fees are €300 for up to three classes (e-filing: €290) and €100 for each additional class from the fourth class, irrespective of the kind of mark (word mark, device mark, word and device mark, etc). For accelerated examination, the Office charges €200. There are no official registration fees.

Applicants who do not have a domicile, registered office or place of business in Germany have to appoint a representative (patent attorney or attorney at law) according to section 96 of the Trademark Act. However, no power of attorney has to be submitted to the Office.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The German system follows the International Classification System (Nice Classification, 10th edition). The Office accepts the terms in the Harmonized Database (TMclass).

Multi-class applications are available. As to the costs, see question 4.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Upon receipt of an application, the Office issues a filing receipt showing the application number, the name and address of the applicant and a preliminary classification. Unless the minimum requirements of an application (trademark, goods and services and applicant) are not fulfilled, the application is published (status in the register: 'application received').

Provided that the application fees have been paid, the application will then be examined as to absolute grounds for refusal and whether the list of goods and services complies with the Nice Classification and allows for proper classification. There is no examination regarding relative grounds for refusal, namely, potentially conflicting prior rights of third parties. If there are no absolute grounds for refusal, the trademark will be registered. In the event of absolute grounds for refusal, the applicant will be given the opportunity to file counterarguments (see also question 8).

In the event of an objection to the wording of the list of goods and services, for example, as too broad or vague for proper classification, the examiners usually make amendment proposals and the applicant is requested to file an amended list of goods and services. Using terms contained in the TMclass database may avoid official objections.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Foreign registrations are granted rights of priority in accordance with the Paris Convention.

No use has to be claimed before registration is granted or issued. Proof of use is only required if the applicant claims that the mark has acquired distinctiveness among the relevant public through use in order to overcome an objection on the basis of:

- lack of distinctive character;
- descriptiveness; or
- the fact that the mark has become a generic term.

In such a case, evidence regarding the extent and time of use of the mark has to be submitted. If, on the basis of such evidence, the Office is of the opinion that the mark is likely to have acquired distinctiveness, the applicant is requested to submit proof thereof. Appropriate means of evidence are, in particular, opinion polls.

Within five years after registration of a mark, it becomes vulnerable to cancellation on the grounds of non-use if it has not been used genuinely for the goods and services for which it is registered unless there are proper reasons justifying the non-use (section 26 of the Trademark Act).

If an opposition was pending against registration of the mark, the five-year period starts with the date of termination of the opposition proceedings, which is published in the register.

If a mark has not been used for a consecutive period of five years it may be attacked for non-use and can no longer be enforced in relation to third parties in opposition or infringement proceedings.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

Where a first instance decision rejecting the application is taken by an examiner who is not legally qualified, the applicant may either request reconsideration by the Office at a higher level or directly file an appeal at the Federal Patent Court. The reconsideration proceedings are less expensive and less formal. However, statistically, overcoming a rejection through a request for reconsideration is rather rare. The alternative review, by way of an appeal to the Federal Patent Court, will lead

to a complete review of the case by the court. If the examiner issuing the first instance decision is legally qualified, only appeal at the Federal Patent Court is possible.

Both the request for reconsideration and the appeal have to be filed within a non-extendable deadline of one month after the service of the first instance decision to the applicant.

The official fees are €150 for a request for reconsideration and €200 for an appeal to the Federal Patent Court.

The reconsideration proceedings are written proceedings. If the reconsideration request is rejected, appeal to the Federal Patent Court is possible. In appeal proceedings, the Court issues a decision either without or after a hearing. A decision of the Court may, with few exceptions, only be appealed at the Federal Supreme Court if the Court grants leave for appeal.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Opposition proceedings in Germany are post-registration proceedings. According to section 42 of the Trademark Act, third-party opposition is possible within three months after publication of the registration of a mark. Possible bases of an opposition are:

- prior trademark applications or registrations;
- earlier notorious trademarks;
- registration of the mark by an agent or representative of the owner of the mark; or
- earlier non-registered marks or trade designations (eg, company names).

Possible grounds for an opposition are:

- double identity;
- likelihood of confusion; and
- that use without due cause of the later identical or similar mark covering dissimilar goods or services would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark, provided that the earlier mark is a mark with reputation.

In the event of a successful opposition, the contested trademark registration is cancelled.

Similar bases and grounds are applicable in cancellation (invalidity) proceedings before the civil courts on the basis of any prior rights by the owner of these prior rights (section 51 of the Trademark Act). Such invalidity proceedings are not precluded by opposition proceedings and vice versa. A cancellation action can be additionally based on other prior rights, for example, name rights, copyrights or plant variety designations, provided that such rights entitle their owner to prohibit use of the registered mark in Germany.

Moreover, cancellation (revocation) on the grounds of non-use can be requested by any third party (section 49 of the Trademark Act), either before the Office or before the competent civil court.

Further, registration of a mark is cancelled by the Office pursuant to section 50 of the Trademark Act upon request of any third party if:

- the sign is not capable of being protected as a trademark (section 3 of the Trademark Act);
- the registered owner does not fall under the possible trademark owners according to section 7; or
- there are absolute grounds for refusal or where the applicant was acting in bad faith (section 8).

Cancellation (invalidity and revocation) proceedings before the Office are administrative proceedings. The Office serves the cancellation request to the owner of the contested mark, who is given a certain period of time to object to the cancellation request. It may take one or more years until a decision is issued. Proceedings before the civil courts are adversary proceedings pursuant to the Code of Civil Procedure.



As regards bad faith applications, such marks can only be contested in cancellation, not in opposition proceedings. It is not necessary that the cancellation applicant has a corresponding trademark registration in Germany. However, the cancellation applicant has to provide evidence that the adversary filed an identical trademark for identical or similar goods in full knowledge that the cancellation applicant had acquired a protectable vested interest in the mark at issue in Germany. The assumption of bad faith is not excluded by the fact that the adversary had an intention of its own to use the mark at the time of filing. However, it has to be shown that with filing the trademark, the adversary at least also pursued the objective of blocking the use of the mark in Germany for the cancellation applicant. Hence, the prospects of success of such proceedings very much depend on the evidence that can be produced by the cancellation applicant with regard to the bad faith.

The official opposition fee is €120. For each opposition mark, a separate opposition has to be lodged. The official fees for cancellation proceedings before the office are €300 (invalidity) and €100 (revocation), respectively. In cancellation proceedings before the civil courts, court fees have to be advanced to the court by the plaintiff. The court fees depend on the value in dispute. Assuming a value in dispute of €100,000, the fees to be advanced to the court would amount to €3,078.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The initial period of registration is 10 years, starting on the application date and ending after 10 years on the last day of the month of the application date. Registration may be renewed for 10 years by payment of the renewal fees of €750 for up to three classes and €260 class fees for each additional class from the fourth class (with a six-month grace period for payment of the renewal fees plus surcharge). Renewal is available for an unlimited number of 10-year periods.

No proof of use is required in order to obtain renewal of a registration. However, registration of a mark becomes vulnerable to cancellation on the grounds of non-use within five years after registration (see question 7).

## 11 The benefits of registration

**What are the benefits of registration?**

The benefits of registration are increased remedies for infringement as use of the mark does not need to be proven, unless the registered mark is subject to the requirement of use (see question 7).

In order to access specialised courts, it is not necessary to have a registered mark. Claims on the basis of marks that have acquired a secondary meaning as a trademark or trade designations, such as company names, are handled by the same specialised courts as registered marks.

A further benefit is, that according to section 28 of the Trademark Act, it is assumed that the registered owner is entitled to the right conferred by the registration of the mark.

Further, assistance of the customs authorities against unauthorised goods is easier to obtain on the basis of registered marks, given that the submission of an excerpt from the Office's online database is sufficient and no proof of use is required. In the case of unregistered marks pursuant to section 4, subsection 2 of the Trademark Act, proof of a secondary meaning as a trademark has to be submitted. Moreover, unregistered marks can only be enforced in national customs monitoring proceedings according to sections 146 et seq of the Trademark Act, whereas registered national marks can also be enforced under Council Regulation (EC) No. 608/2013.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The recordal of licences is not available.

## 13 Assignment

**What can be assigned?**

The right conferred by registration, use or notoriety of a mark may be transferred or assigned in respect of all or only part of the goods and services for which the mark is protected (section 27 of the Trademark Act). There is no possibility of separating the assignment of a mark from its goodwill.

It is not necessary to assign business assets to make the assignment of a mark valid. On the other hand, in the event of a transfer or assignment of a business establishment or part thereof, the right conferred by registration, use or notoriety of a mark shall, in case of doubt, be included in the transfer or assignment of the business establishment or part of the business establishment to which the mark belongs (section 27, subsection 2 of the Trademark Act).

If the transfer or assignment of a registered mark concerns only some of the goods or services, registration of the mark can be divided. Moreover, it is possible to (partially) transfer or assign trademark applications (section 31).

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

No documents are required for an assignment. In practice, however, transfers are mostly done in writing, in particular by an agreement between the parties.

As regards the recordal of an assignment, the required documents depend on the grounds of the transfer, namely, whether the transfer is based on an assignment agreement or on law (eg, in the case of a merger). No notarisation or legalisation is required. In the event of a transfer based on an assignment agreement, a simple copy of the agreement is sufficient, provided that the agreement includes the assignor's consent to the recordal of the assignment in the register. Moreover, if the recordal of assignment is requested by the registered representative, and if the representative also represents the new owner, no documents are required.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

It is not necessary to record an assignment for purposes of its validity; the recordal in the official register is only declaratory, not constitutive. However, the successor in title shall, in proceedings before the Office or the Federal Patent Court, only be able to assert the claim for protection and invoke the right established by the registration from the date on which the request for recordal of the assignment was received by the Office (section 28, subsection 2 of the Trademark Act).

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The right conferred by the registration, use or notoriety of a mark may be given as a security or be the subject of rights in rem or of measures in execution (section 29, subsection 1 of the Trademark Act). Security interests are registered upon request of one of the parties if proof is submitted to the Office.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Trademark marking is not mandatory. The symbols ® and ™ may be used. However, according to the relevant case law the ® symbol may only be used in Germany if the mark is registered in Germany or any other EU member state. Otherwise, this symbol could be considered as misleading under unfair competition law.

**18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

As regards judicial proceedings, the owner of a mark can file a complaint to the competent court against an infringer (see question 19).

Concerning administrative proceedings, border enforcement proceedings are available according to the German Trademark Act and under Council Regulation (EC) No. 608/2013. Trademark owners may file an application for action to the German customs authorities. If the application is granted, it is valid for one year and can be renewed as long as the trademark registration or any other right is in force.

In the case of suspected counterfeit goods, release of such goods will be suspended by the customs. The rightholder and the declarant or addressee of the goods will be informed by the customs office. German law provides for a simplified procedure according to article 11 of Council Regulation (EC) No. 608/2013, which enables the customs authorities to have such goods abandoned for destruction under customs control, without there being any need to determine whether an intellectual property right has been infringed under national law. Within a period of 10 working days (three working days for perishable goods), the rightholder has to inform the customs office that the goods infringe an intellectual property right and that he or she agrees to destruction under the simplified procedure. The declarant's or addressee's agreement shall be presumed to be accepted, when the declarant or addressee of the goods has not specifically opposed destruction within the prescribed period.

For parallel or grey imports and intra-Community trade, as well as in the case of unregistered rights, Council Regulation (EC) No. 608/2013 does not apply. Hence, it is recommendable to file a national application for action under the German Trademark Act that covers such cases. In national proceedings, the customs office informs the declarant or addressee of the goods about their seizure. If the addressee does not object to the seizure, the goods will be confiscated and destroyed where no opposition to the confiscation is made. If the addressee objects to the seizure, the rightholder has to inform the customs whether the seizure request is maintained. If so, the rightholder has to submit a corresponding judicial decision, in particular, a preliminary injunction or proof that a court decision has been requested but is still outstanding. A seizure issued within preliminary investigation in criminal proceedings also constitutes such a judicial decision.

German trademark law also provides for criminal sanctions. An unlawful use of a mark that gives rise to a likelihood of confusion or that is made with the intention of taking advantage of or being detrimental to the reputation or the distinctive character of a mark with reputation shall be punished by imprisonment of up to three years (up to five years if the offender acts on a commercial scale) or by a fine (section 143 of the Trademark Act). Similar provisions apply for the infringement of a European Union trademark (section 143(a)) and of indications of geographical origin (section 144).

**19 Procedural format and timing**

**What is the format of the infringement proceeding?**

The owner of a trademark may file an action for injunction and damages against an alleged infringer (section 14 of the Trademark Act). The owner may also request information about the infringing acts (section 19) and, if applicable, destruction or recall of the goods (section 18).

Provided that there is a sufficient likelihood of infringement, the trademark owner may additionally request the alleged infringer to submit documents or to tolerate the inspection of an object that is at his or her disposal if this is required to substantiate the trademark owner's rights (section 19a). In addition thereto, the submission of banking, financial or trade documents can be requested if there is a sufficient likelihood that the infringement was committed on a commercial scale.

In respect of the trademark owner's claim for damages, in the event of an infringement committed on a commercial scale, he or she may request the infringer to submit banking, financial or commercial

documents or to allow access to such documents if otherwise the settlement of the claim for damages would be doubtful (section 19b).

Both the sections 19a and 19b rights are subject to the protection of the infringer's confidential information and the rule of proportionality.

As regards the procedure before the civil courts, after receipt of the court fees, which have to be advanced by the plaintiff, the court serves the action to the defendant, who is requested to file a defence. The court hearing is prepared by the action and the defendant's reply and further briefs, if any.

German civil procedure does not provide for discovery like in the United States. During a court hearing, live testimony, for example, by witnesses or experts, is allowed.

The length of the proceedings varies from court to court. Until a first instance judgment is issued, it takes at least six to 12 months. If an appeal is filed, it may take another one to two years until the court of appeal renders a decision. If the appeal court grants leave to appeal the judgment in a point of law to the Federal Supreme Court, another few years may pass until a final decision is rendered.

Apart from main proceedings, a trademark owner may apply for issue of a preliminary injunction against the infringer with a civil court. As a rule, preliminary injunctions are issued *ex parte* within one to two working days. As from the service of a preliminary injunction to the infringer, use of the infringing sign has to be discontinued immediately, and the failure to comply therewith results in a fine being imposed by the court.

Opposition can be filed by the infringer, following which, a hearing is scheduled within four to six weeks. Unless new facts are submitted, the court is likely to maintain its legal view and issue a judgment that confirms the preliminary injunction within two to four weeks. Against this judgment, an appeal can be filed. No further appeal is possible against the appeal court judgment in preliminary injunction proceedings. During the whole proceedings the preliminary injunction remains valid and in force.

Concerning criminal enforcement mechanisms, as a rule, an offence is only prosecuted upon the trademark owner's request, unless the public prosecutor considers an *ex officio* intervention to be necessary due to a particular public interest in the prosecution (section 143, subsection 4 of the Trademark Act). Upon request by the trademark owner, the criminal prosecutor decides whether or not criminal proceedings are initiated. Provided that the regular minimum punishment laid down by law for the offence at issue is a fine or less than one year's imprisonment, the offender's culpability is considered to be low and the court agrees, the criminal prosecutor may decide to not pursue the matter (article 153 of the Code of Penal Procedure).

If criminal proceedings are initiated, main criminal proceedings before the court begin and a court hearing takes place. In trademark matters, the proceedings only rarely end with a sentence for imprisonment, fines are the rule.

If it can be assumed that the trademark owner's claim for information or damages in civil proceedings will be difficult to enforce, a complaint under article 395 of the Code of Penal Procedure can be filed that gives the trademark owner access to the records of the criminal proceedings.

**20 Burden of proof**

**What is the burden of proof to establish infringement or dilution?**

As a rule, the trademark owner has to prove all facts and submit legal arguments that support his or her claims based on infringement or dilution, and the defendant has to prove all facts and submit legal arguments supporting his or her position.

**21 Standing**

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

The trademark owner may seek a remedy for trademark violation. As regards licensees, they may institute infringement proceedings only with the trademark owner's consent (section 30, subsection 3 of the Trademark Act). However, licensees may without the trademark owner's consent intervene in an infringement action instituted by the

**Update and trends**

On 23 March 2015 the Office introduced electronic files for trademarks. It is intended to make the electronic files of registered trademarks available for online inspection by the end of 2016.

The new Trade Marks Directive requires the EU member states to harmonise their national trademark laws by 14 January 2019 and 14 January 2023, respectively. One of the key changes in Germany will be the introduction of administrative cancellation (invalidity) proceedings on the basis of prior rights before the Office instead of the civil courts (see question 9).

trademark owner in order to obtain compensation for their own damages (section 30, subsection 4).

Only the trademark owner has standing to bring a criminal complaint.

**22 Foreign activities**

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

On the basis of a trademark with protection in Germany (either by registration, through use or notoriety) only infringement or dilution in Germany can be prevented.

According to the case law of the European Court of Justice, infringement of a registered trademark required goods to be placed on the EU market. Goods bearing a European Union trademark that were travelling from a non-EU country to another non-EU country in transit through an EU member state or were subject to a suspensive procedure did not satisfy this requirement.

Under the new European Union Trade Mark Regulation, European Union trademark proprietors now have the right to prohibit the transit of counterfeit goods through the territory of the EU unless the person responsible for the transit can prove that the European Union trademark proprietor does not have the right to prohibit the use of the infringing sign in the country of destination.

**23 Discovery**

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Provided that there is a sufficient likelihood of infringement, the trademark owner may request the alleged infringer to submit documents or to tolerate the inspection of an object that is at his or her disposal if this is required to substantiate the trademark owner's rights (section 19a of the Trademark Act). In addition thereto, the submission of banking, financial or trade documents can be requested if there is a sufficient likelihood that the infringement was committed on a commercial scale.

In respect of the trademark owner's claim for damages, in the event of an infringement committed on a commercial scale, he or she may request the infringer to submit banking, financial or commercial documents or to allow access to such documents if otherwise the settlement of the claim for damages would be doubtful (section 19b).

Both the section 19a and 19b rights are subject to the protection of the infringer's confidential information and the rule of proportionality.

Moreover, the trademark owner may claim inspection of the goods in the event of a seizure in customs proceedings (section 146, subsection 2).

**24 Timing**

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

See question 19.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no typical range of costs associated with an infringement or dilution action. The attorneys' costs and court fees depend on the value in dispute applied by the plaintiff. Values in trademark infringement actions range between €100,000 and €500,000 or even more in the event of infringement of a trademark with a reputation in Germany. The prevailing party can request a reimbursement of the costs as fixed by law. Concerning attorneys' costs, these are reimbursed on the basis of the German attorneys' statutory fee system, and not as agreed upon by the client and his or her attorney.

**26 Appeals**

**What avenues of appeal are available?**

**In main proceedings, appeal can be filed to a first instance judgment. Against the judgment of the appeal court, appeal can only be filed if the appeal court grants leave to appeal the judgment in a point of law to the Federal Supreme Court.**

Against a preliminary injunction, opposition can be filed. Against the court's judgment, appeal can be filed. No further appeal is possible against the appeal court judgment in preliminary injunction proceedings.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

Possible defences are:

- use of the infringing sign neither gives rise to a likelihood of confusion nor does it take unfair advantage of or is detrimental to the distinctive character or the repute of the earlier sign (sections 14 and 15 of the Trademark Act);
- the prior registered trademark has not been put to genuine use although it is subject to the requirement of use (sections 25 and 26);
- the claim for infringement is under the statute of limitation. This is the case within three years counting from the end of the year during which the claimant obtained knowledge of the infringement and the infringer. Without such knowledge, the period is 30 years (section 20);
- the proprietor of the earlier trademark has acquiesced for a period of five successive years in the use of the later trademark, while being aware of the use, unless the application for the later trademark was filed in bad faith (section 21). Moreover, the general principles developed by German case law in respect of acquiescence apply;
- the contested sign is the defendant's name or address, has been used as a descriptive indication or has been used where it is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts (section 23);
- the goods have been put on the market in Germany, in another member state of the European Union or in another contracting state of the European Economic Area under that trademark or trade designation by the owner or with his or her consent (exhaustion, section 24); or
- a request for cancellation of the later registered trademark has been rejected or should have been rejected on the grounds that the earlier trademark or trade designation did not yet have a reputation at the time of filing of the later trademark or the registration of the earlier trademark could have been cancelled on the date of the publication of the later trademark due to non-use or absolute grounds of refusal (section 22).

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

See question 19. As to damages, in most cases they are calculated on the basis of an estimated licence fee. Alternatively, the infringer's profits or the claimant's losses can be used as basis for calculating damages.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available, for instance, mediation in civil court proceedings. However, in trademark infringement cases mediation is used very rarely.

In trademark-related agreements, such as prior-rights agreements, sometimes arbitration clauses are included, for example, the WIPO arbitration clauses.

Arbitral decisions are enforceable like judicial decisions provided that they have been declared enforceable (section 1010 of the Code of Civil Procedure).

As to the benefits of ADR, the costs are, as a rule, lower than those of litigation court proceedings.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A famous foreign trademark is not afforded protection if it has not been used domestically. Only in the case of a European Union trademark, which enjoys reputation in the Community, is protection afforded even if not used domestically. According to the decision of the European Court of Justice in Case C-301/07, *PAGO International v Tirolmilch*, if a European Union trademark is known by a significant part of the public concerned by the products or services covered by that trademark in a substantial part of the territory of the European Community, protection shall be granted against the infringement of such a trademark in the whole European Union.



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# Guatemala

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## 1 Ownership of marks

### Who may apply?

Any person or legal entity, of any nationality, domicile or activity may acquire and enjoy the rights granted by the Industrial Property Law, which covers trademark rights.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The Trademark Law states, first, that a mark can be any sign capable of distinguishing the goods or services produced, marketed or provided by any person or legal entity and, second, requires, in order for the sign to be registrable, for such sign to be 'distinctive' with regard to the products or services it will cover.

The nature of the product or service to which the mark will be applied, will not be an obstacle in any case for the registration of the mark.

Marks may be for products or for services and may consist of words or groups of words, letters, figures, designs, monograms, shapes, pictures, labels, badges, patterns, engravings, vignettes, borders, lines and stripes and colour combinations and arrangements, as well as any combination of these signs. The shape, presentation, packaging or arrangement of the products and of points of sale of the products or services are also protectable. Non-traditional trademarks such as sound and scent marks are also registrable. The Trademark Law does not limit what can be a trademark, since it has left a general clause that indicates that in addition to that listed in the Trademark Law, trademarks may include 'others that in the opinion of the Registry have or may have acquired a distinctive character'.

Marks may consist of national or foreign geographical indications, provided such are distinctive regarding products or services to which they are applied, and that their use is not prone to cause confusion or association with regard to the origin, qualities or characteristics of the products or services for which the marks are used.

When the mark consists of a label or another sign that is composed of a group of elements and the name of a product or service is contained on such, the registration will only be granted for such product or service.

Special protection is provided to well-known trademarks; knowledge of the trademark has to be proven, though.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark exclusive rights are granted upon registration; an exception to this rule are well-known trademarks, which are entitled to protection even if not registered in Guatemala; however, such level of knowledge of a trademark is subject to evidence and will be dependent to a TMO or to a judicial decision.

Guatemala is a member to the General Inter-American Convention for Trademark and Commercial Protection, instrument that provides for protection for signs registered or in use in other member states,

even if such have not yet been registered in Guatemala. This prior use in another member state may support, depending of the facts and circumstance, registration in Guatemala with preference over other petitioner or may allow to seek cancellation of a registration.

Since under the law there is no obligation to register in order to use a trademark, there may be cases in which use of a non-registered trademark be confronted with unfair use by a third party. In such cases, one may invoke the law provisions referred to unfair competition. All acts contrary to honest business uses and practices performed in all industrial and commercial activities, shall be considered unfair. The Trademark Law also includes, within the prohibitions for the registration of trademarks based on third parties rights, the situation in which registration of a trademark may result in consolidating or perpetuating an unfair competition act.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

From filing of the application through grant of the trademark registration, the process may typically take seven to eight months. This estimated time will be increased if the trademark office issues an office action (ie, objection to registration) or if an opposition is filed against the application. Such actions will also increase the costs of the trademark process.

In addition to the applicant's information, the clear identification of the trademark and printed copies of the same (in the case of non-traditional trademarks such as sounds and scents, a description of such sufficiently clear, intelligible and objective), the list of products or services that will be covered and indication of the class number for which it is intended, filing should be accompanied by the correspondent power of attorney. If the document is in a language other than Spanish, translation shall take place in Guatemala through a certified translator, in addition to complying consular authentication (Guatemalan Congress approved in January 2016, the Apostille Convention, however, as of July 2016, it is still pending ratification and further deposit by the Executive branch, so its entry into force for the country is still uncertain). If, for any reason, the power of attorney has not been sent at the time of the application, a Guatemalan attorney is empowered by law to act as an ex officio representative and therefore, empowered to submit filing and gain a filing date and hour. The trademark procedure will be suspended until the attorney submits an authenticated copy of the power of attorney (POA), for which the trademark office will grant a two-month period for the presentation of a bond; if a bond is submitted, the authenticated POA shall be presented prior to grant.

We are not able to describe costs at this time, though we can provide them upon written request.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

For the purposes of the classification of products and services for which the registration of a trademark is requested, the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification) applies by express reference of the current trademark law, even when Guatemala is not a member to the Nice Agreement.

If there is doubt regarding the class in which a product or service shall be placed, such will be resolved by the Registry, which may carry out technical consultations. For all cases, the publications carried out by the World Intellectual Property Organization, related to trademark classification, shall be considered as a guide for the correct classification of the products and services.

Current legislation does not allow for multi-class filings.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Once the application is received, the Trademark Office proceeds, first, to review if formalities and required documentation have been met. If the application fails to comply with such formalities or documentation, the Office will suspend the process and will request the applicant to remedy any failure within a one-month period under the warning that otherwise the application will be considered abandoned.

After the form examination, the Office will proceed to examine the trademark in order to define if it does not falls into the inadmissibility cases or registration prohibitions and if it does not affect third parties' rights (ie, potential conflicts with other trademark applications or registrations). If the Office concludes that there are grounds to object the application based on such examination, it will serve notice to the applicant, granting a two-month period to respond. If the applicant does not respond, the application will be declared abandoned; if the applicant responds and the Office criterion is that the reasons to object prevail, it will reject the application; otherwise, the Office will allow the process to continue, issuing the edict for publication.

Once publication takes place in the BORPI (the TMO's electronic bulletin), there is a two-month period for any interested party to file for opposition. If there is an opposition, the Office will serve notice to the trademark applicant, providing the applicant with a two-month period to respond to the opposition. If there is a need by the Office to receive offered evidence, a two-month evidence phase will be enabled. The opposition shall be decided by the Office (the law does not establish a term for the Office to issue its decision). Oppositions are currently taking a minimum of eight months to be decided.

If no opposition was filed against the application (or the opposition was rejected and no administrative remedy was filed against such decision), the applicant must pay the registration official fee and once this has been performed, the Office will issue the registration certificate.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

The use of a trademark to commercialise a product or service is optional and registration of a trademark is an option of the person using it. Claiming or proving trademark prior use is not legally required in order to request or obtain registration. Once the trademark is registered, proof of use does not need to be submitted (not even for renewal

purposes). However, the Trademark Law provides for non-use cancellation action, by any person with interest, which may be activated when five years from grant of the trademark have passed without it having been used or five years from last use of the trademark. The cancellation of a registration for non-use may also be requested as defence against an objection of the Registry or against a third-party opposition to the registration of a trademark; against a request for statement of invalidation of a registration or against an action alleging infringement of a registered trademark. Cancellation will be settled by the competent judicial authority.

When non-use only affects one or some of the products or services for which the trademark was registered, the cancellation of the registration will be settled by a reduction or limitation of the respective list of products or services, eliminating those for which the trademark has not been used.

A registered trademark must be used in the market exactly as it appears in its registration; however, the use of a trademark in a way that differs from the way in which it is registered, only with regard to details or elements that are not essential and that do not change the identity of the trademark, will not constitute grounds for the cancellation of the registration, and will not reduce the protection that such confers. The use of a trademark by a licensee or another person authorised for such will be considered as if it were being carried out by the holder of the registration, for the effects relating to the use of the trademark.

Non-use cancellation action will not apply when such non-use is due to justifiable reasons. The burden of proof regarding use of the trademark will fall upon the trademark owner.

The applicant for the registration of a mark may claim priority based on a prior registration application, filed in order in a state that is a member of a treaty or agreement linked to Guatemala (ie, the Paris Convention). Such priority must be claimed in writing in the application, or later, until a three-month term following the expiration of priority, indicating the date and the country in which the first application was filed; proof must be submitted with the claim or within three months following the expiration of priority. Multiple or partial priorities may be claimed in the same application, which may have originated in applications filed in two or more different states; in such case the priority term will begin at the earliest priority date. The priority right shall be in force for six months as of the following day of the filing of the priority application.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If a trademark application is denied by the Office (rejection upon examination; rejection upon an opposition), the petitioner may file, no later than on the fifth day after having been served notice, an administrative recourse before the Minister of the Economy. Because the large number of cases, these recourses are being decided in approximately a year period.

If the decision from the Minister of the Economy confirms rejection, the petitioner may file a judicial contentious action before the Contentious-Administrative Courts, within three months after having been served notice of the ministerial decision. For the same reason, these judicial processes are being decided in approximately two years. Against the courts' decision, the affected party may submit an extraordinary recourse (cassation appeal) before the Supreme Court of Justice.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Having successfully passed the examination process, a publication edict will be issued. The edict has to be published once in the Intellectual Property Registry's Official Bulletin.

Any interested party may file opposition against a trademark application within a two-month period counted from the date of the

publication, based on relative grounds (ie, third-party rights) or absolute grounds (prohibitions for registration, non-distinctive).

As previously indicated, Guatemala is a member of the General Inter-American Convention for Trademark and Commercial Protection; this instrument provides for protection for signs registered or in use in other member states, even if such are not registered in Guatemala. The Convention provides for additional grounds for formulating oppositions. A brand owner may oppose a bad-faith application in Guatemala, even if such owner has not registered the trademark before, on the grounds of article 6-septies of the Paris Convention, which refers to 'use' and 'filings' by a former agent or distributor. Finally, other ground to file an opposition to an application, even when one has not registered the trademark in Guatemala, will be the provision that states that if the pretended trademark may result in an unfair competition act against a third party, such trademark shall not be registered.

#### 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Trademark registration is granted for a 10-year period counted from the date of grant; registration may be renewed indefinitely for equal and consecutive 10-year periods. Use of the trademark is not required for its maintenance or for renewal purposes.

Renewal may be filed within one year prior to the expiration of the 10-year term, subject to the payment of the renewal fee. However, if the term elapsed without having filed for renewal, the law provides for a six-month grace period, during which one can file for a late renewal, paying an increased official fee.

#### 11 The benefits of registration

**What are the benefits of registration?**

Registration provides for exclusive rights on the trademark. Registration entitles the right holder to invoke both civil and criminal actions and remedies against unauthorised use of registered trademarks and allows for stronger grounds to oppose filing of similar or identical trademarks for the same or similar products or services. At its time, the Trademark Office may, via an office action, object to trademark filings that may affect the rights of the registered trademark.

#### 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The law does call for the compulsory recordal of a licence for any particular effects. Recordal of a licence is an optional and a voluntary act of the parties. The licensor or licensee may submit a recordal petition, either by accompanying a copy of the agreement or a brief to such agreement; the law lists the basic information that the petitioner needs to provide for recordal purposes.

Recordal of a licence publicises the existence of the same; regarding 'use of a registered trademark', a certificate of the recordal will add to the evidence of use if the trademark has actually been in the market due to the licence.

Unless otherwise agreed in the licence agreement, 'exclusive licensees' are entitled to exercise legal actions for the protection of the licensed trademark; recordal of an exclusive licence will facilitate the licensee with a document to evidence, before the competent authority, that he or she is entitled to act against infringements to the trademark (instead of having to prepare other documents for such purposes or having to submit a copy of the licence agreement, which may have confidential content).

#### 13 Assignment

**What can be assigned?**

Trademarks can be assigned with independence of the company to which these belong; these do not need to be assigned along with other

assets. Assignment can be total or partial regarding the covered products; if partial, a petition for the division of the registration shall take place (prior to the assignment or concurrent to the assignment). If change of ownership may result in a risk of confusion, such assignment and recordal may be challenged in order to be declared void.

If a company is sold, such operation under the law implies the transfer of the right on all of its trademarks and trade name, unless otherwise agreed.

Trade names can only be assigned along with the business or company these identify, for which compliance with administrative proceedings before the Commercial Register is needed.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

Assignment of trademarks must be documented in writing, before a notary public in Guatemala or via a private document with authentication of signatures. If the document was celebrated in a foreign country, in order to record the assignment, one will need to comply with consular authentication (as explained above, Guatemala's Congress approved the Apostille Convention, but deposit of the instrument is still pending). If the document is in a language other than Spanish, translation shall take place in Guatemala through a certified translator.

In order to file for the recordal of the assignment, the owner, if not resident in Guatemala, shall grant a power of attorney to a Guatemalan attorney.

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

Assignment must be recorded for validity purposes.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Trademarks can be used as security interests; in order to proceed, the agreement has to be documented in writing, via a notary public instrument or with authentication of signatures by a notary public. In order to have effect before third parties, recordal is necessary.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The law does not refer to any markings or symbols to be used to indicate use of a trademark or a registration. Thus, there is no mandatory marking and no regulation regarding the use of markings or symbols. Adding a symbol or word such as ® will not have a legal weight in Guatemala. However, if there is risk for the trademark becoming a generic term, one shall use markings, such as reference that the term is a trademark; this will mitigate a potential cancellation action on the grounds of the term becoming generic and will be proof to demonstrate the owner has taken steps to prevent the term from become generic.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

There are civil and criminal proceedings available against trademark infringement. Administrative procedures are not available for that purpose. The criminal proceedings are of public action, meaning that the IP Prosecutor shall act if he or she learns of a trademark infringement (the least of the cases), and he or she will act when the right holder denounces criminal offences against its trademark rights.



Civil proceedings are available for trademark dilution and for trademark infringements.

Border enforcement mechanisms are only available through the courts. Border officers are not empowered to act *ex officio* before a suspicious import or export for which they may have reasonable grounds to believe it infringes trademark rights; rather, the right holder or a customs or border officer, when counting with reasonable evidence that an import may infringe trademark rights, may request a judge for customs measures.

There are no specialised tribunals or courts to deal with trademark infringement cases. Regarding criminal offences, there is a specialised intellectual property prosecutor office.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Criminal procedures are filed before the Permanent Attention Bureau of the Prosecutor's Office; the file is further transferred to the IP Prosecutor's Office (IPO). The right holder shall bring before the IP Prosecutor, evidence of its right and evidence of the alleged infringement. The IPO will verify the information and conduct its own investigation and if it finds there are reasonable grounds, it may request the judge the initiation of case and request raid and seizure orders. If no person is arrested, a six-month period will be granted to complete investigation; at the end of the six-month period, the judge will decide if the case is closed or it is suspended until new evidence is presented. If individuals are arrested as a result of the raids or other executed measures, a three-month period devoted to conclude investigation is granted; at the end of such period, conclusions of the investigation are to be presented as well as the accusation against the defendants. After accusation, the judge will define date and hour for the oral debate and will issue sentence immediately after the oral debate. Against the judge's sentence, the 'special appeal' may be filed.

Criminal process, depending on their complexity, may last from eight months up to three years (or even more).

IP civil proceedings are to be addressed through the 'oral civil process'. The rightholder should file suit, including identification of all evidence to be offered for the case. Along with the suit, injunctions can be requested. The judge will evaluate the facts and the rights at sight and may grant the injunctions prior to the first hearing. The proceeding is developed through oral hearings (up to three; however, if there is a countersuit by the defendant in first hearing, there could be more hearings).

The judge shall issue sentence after the final hearing. Depending of the recourses and other legal defenses (ie, *amparo* action) used by the parties, the proceeding may last one to three years, including appeal proceedings.

Both civil and criminal proceedings may be interrupted by the promotion of the *amparo* action (action used to obtain protection against alleged violations to constitutional rights, such as due process), which will result in substantial delay to the completion of the proceedings.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

Regarding trademark infringement cases, burden of proof resides in the plaintiff. The only case in which there is a reversal of the burden of proof is in the civil oral proceeding for trademark cancellation on the grounds of failure to use.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Trademark owners or exclusive licensees (unless the licensee has been expressly denied such power in the licence agreement) may seek for remedy before trademark infringement (civil or criminal). The trademark owner shall bring before the competent authority evidence of its right and evidence of the infringement.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Documents or activities that take place outside the country of registration may support arguments related to trademark infringement or dilution. For example, affidavits, administrative acts and court decisions issued in another country where a case has been or is being discussed may be invoked in support of an alleged infringement, for which one has to obtain certified copies of the documents in the given country and comply with the correspondent consular authentication (and translation into Spanish if the documents are in foreign language) in order to submit it in court.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery of documents is allowed in civil proceedings. A party in the proceeding, who needs to support its arguments in a document that is under control of the adversary or a third party (including documents outside of the country) may request it to the judge submitting a copy of such document or at least, the data the petitioner knows about its content; the party requesting discovery of documents shall prove that such document is in the domain or has been in the domain of the adversary or third party.

If the document is outside the geographical territory of competence of the judge or court or outside the country, the proceedings for requesting it should comply with the correspondent formalities, through a petition that the judge or court shall address. If the documents are located outside the country, the judge shall direct the petition via the Supreme Court. These proceedings take time to be executed.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

In civil proceedings, preliminary injunctions are typically decided within one month counted from the date on which it receives the lawsuit (lawsuits are not filed directly before the tribunal, these are filed at the administrative distribution centre (electronic distribution); a lawsuit is normally delivered to the assigned tribunal three days after having been submitted). Once the trial is in progress, one can request injunctions at any time before the case is decided. Injunctions cannot be requested in appeal proceedings.

In criminal proceedings, preliminary injunctions are requested in the preparatory phase; during the trial phase, one may request additional injunctions. Injunctions cannot be requested when appealing or during the appeal process.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation costs will vary depending on the case, its complexity, evidence needs and other criteria; quotes are provided upon revision of the case facts and rights related to the facts.

## 26 Appeals

### What avenues of appeal are available?

Final decisions in a civil or criminal proceeding are subject to appeal.

Administrative decisions from the Trademark Office proceedings can be reviewed via an 'administrative contentious' judicial process; a decision that is further subject to a cassation process before the Supreme Court.



**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

Both civil and criminal proceedings guarantee due process and the right to defence. Therefore, a defendant will have the opportunity to be heard and to submit evidence before a claim. In civil oral proceedings, the defendant may, at the first hearing, countersuit, and the proceedings will be developed in parallel.

Regarding criminal proceedings, the alleged infringer will have the chance to present evidence to vanish the claimed offence before the IP Prosecutor; however, as in civil cases, the judge may order preliminary injunctions previous to serving notice of the claim to the defendant.

A defendant, declared innocent, may act against the plaintiff to claim damages.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

A successful party in an action for infringement or dilution, will be entitled to claim damages and loss (monetary relief). The law provides for alternatives to establish damages, including statutory damages.

The judge may also decide in granting an injunctive relief, ordering the adoption of actions or prohibiting actions in order to avoid recurrence of the infringement and ordering the defendant disclose all the information related to other individuals or entities involved in the commission of acts that lead to the infringement, means to carry out the infringement, distribution systems and others.

Regarding infringing merchandise, the judge will order destruction of the counterfeit merchandise; however, the judge may also order donation to a charity entity removing labels and signs.

In criminal cases, remedies available to a successful party also include monetary relief and injunctive relief.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

The Arbitration Law excludes from arbitration those matters that, in a given law, have an established proceeding. Therefore, a trademark infringement cannot be subject to arbitration. Nevertheless, IP contractual matters may be subject to arbitration. Benefits of arbitration reside in more expedite procedures and specialised arbitrators.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Famous or well-known trademarks are afforded protection under Guatemalan law; knowledge of the trademark in the country (whether used or not in the country) has to be proven. The by-law to the Industrial Property Law provides for guiding criteria to establish the fame or knowledge of a trademark in the market, which coincides substantially with those contained in the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Know Marks (September 1999).

Proof of knowledge of the trademark by the pertinent public segment has to be provided; other accepted proof is that related to the geographical area where marketing of the trademark takes places and the intensity of such; the time that the trademark has been in use, its geographical reach; production volume, others. Local surveys, developed with an objective methodology, will certainly constitute valuable evidence regarding the knowledge of the trademark in the market and among the relevant members of the public.

Protection of well-known trademarks allows the right holder to oppose registration of an identical or similar trademark, for the same or similar products or services; protection also allows the right holder to challenge use of an identical or similar trademark covering the same or similar products or services. In any case, fame of the mark has to be proven or shall have been proven previously.

It should be noted that on 25 February 2016 Guatemala's Congress published an approval for the country to adhere to the Trademark Law Treaty; the Executive branch (as of July 2016) needs to ratify it and proceed with the deposit of the ratification instrument. Once in force (date yet uncertain), it will benefit the trademark filing system through simplification and most notably, will limit the requirement as to the, notarisation, authentication, legalisation or certification of any signature, to the case of the surrender of a registration.

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# Honduras

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## 1 Ownership of marks

### Who may apply?

Any physical or juridical person (foreign or national) may apply.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The definition of a trademark or service mark is as follows: any visible sign able to distinguish the products or services of a business in respect of the products or services of other businesses. A mark shall consist, inter alia, in fantasy denominations, names, pseudonyms, commercial slogans, shapes, portraits, letters, figures, monograms, labels, coats of arms, cotton prints, vignettes, fringes, lines, stripes, combinations and arrangements of colours. They shall also consist in the form, presentation or conditioning of the products or their packing or wrapping, or from the means or places of expenditure of the corresponding products or services. Without prejudice of the other provisions of the law hereby and from other applicable norms, trademarks shall also consist in national or foreign geographical indications as long as they are sufficiently arbitrary and distinctive of the products or services to which they are applied, and that its use shall not be susceptible of creating confusion or creating wrong or unjustified expectations in the public about the origin, source, qualities or characteristics of the products or services to which the marks are applied.

## 3 Common law trademarks

### Can trademark rights be established without registration?

No. The general provision states that the right to the exclusive use of a trademark is acquired through its registration at the Honduran Trademarks Office. If two or more parties simultaneously request the registration of a trademark for the same products or services, the registration will be granted to the party who proves it has continuously used the mark in Honduras for a longer period of time, unless the application refers to a mark considered to be well known and has been adopted and used in bad faith. A trademark can also be rejected (although this seldom happens) by the examiners of the Honduran Trademarks Office when it is identical or confusingly similar to a trademark not registered but amply used by a third party who would have a greater claim to obtain the registration, as long as the mark covers the same products or services, or for products or services different but able to be associated with or related to those the previously used mark distinguishes.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It takes about 12 months to secure a registration and the cost of registering a mark per class is approximately US\$430 including standard professional charges, IVA tax, normal publication expenses and official

fees. No multi-class applications are allowed. Additional professional fees and disbursements (the costs vary depending on the particular issue raised or encountered) should be expected in the event of initial refusals, objections or citations from the examiners of the Trademarks Office. A power of attorney and copy of the applicant's Certificate of Corporate Good Standing, both legalised by the apostille, are needed for filing an application. One set of documents (if not restricted by the applicant) serves for all matters of interest to an applicant.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The Nice Classification of Goods and Services (9th edition). Multi-class applications are not allowed in Honduras but significant discounts on professional fees can be awarded for large filing projects.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Trademarks are examined and confronted against previous registrations or pending applications. About 70 per cent of applicants respond to initial rejections or objections.

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Under the current Honduran Industrial Property Law, registered marks that have not been used in the Honduras for three years or more counted from the registration date may be subject to cancellation on the grounds of non-use and following a simple petition from an interested third party. It should be noted that the said petition may also be used as a defence in an opposition. The owner of the attacked registration must prove use of the mark or payment of 'rehabilitation taxes'. Payment of these taxes fully protects a registered and non-used mark against actions or defences on the grounds of non-use. Once a cancellation action on the grounds of non-use is filed by an interested third party, it is impossible to pay the taxes in arrears.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

If a trademark application is rejected by the Honduran Trademarks Office, the affected party may request the reconsideration of the said rejecting resolution before the same office. Filing of evidence in support of all arguments filed is allowed in the form of documentary evidence (affidavits), expert witness declarations, inspections performed (at the request of the petitioner) by officers of the Trademarks Office. If the Trademarks Office maintains the rejection, an appeal can be filed before the Directorate of Intellectual Property and if the same maintains the rejection a further appeal can be made before the highest administrative office, the Superintendency of Intellectual Property. The resolutions of this body are final and the only resource left for the affected party is to file suit against the administrative office for damages. This is filed at the Contentious Administrative Court.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

An interested party may file an opposition against a trademark application within the period of publication and up to 30 working days counted from the last publication of the application in the Official Gazette. The opponent must prove the grounds for lodging the opposition and must attach or announce the pertinent means of proofs in support of its allegations and claims. An opposition founded on the previous use of a mark will be dismissed if the opponent cannot prove to have previously filed an application for registration of the mark in which the opposition is based. Oppositions are substantiated according to the declarative procedures and parties (opponent and applicant) must prove all claims and allegations. Brand owners may oppose a bad-faith application even if they do not have protection in the country (eg, a brand owner may oppose a trademark registration application filed without authorisation by a distributor or re-seller of the goods covered by the mark).

Cancellation actions on the grounds of non-use are also contemplated by the law following the same declarative procedures. In these cases, there is a reversal of the burden of the proof and it is the registrant who must prove either the use of the mark as defined by the law or payment of rehabilitation tax. A mark will be considered as used in Honduras when the products or services identified by the same can be found in the market under that mark in the quantity and regularity that normally correspond to the size of the Honduran market, the nature of the products or services in question and the form in which such are usually commercialised. The lack of economic resources or the insufficient demand for the products or services covered by a mark in the Honduran market will not be considered as just cause for non-use. When non-use of the mark only affects one or some of the products covered by a given registration, then the cancellation will be resolved by a reduction or limitation of the coverage of the registration provided that sufficient evidence as to the right of the third party is provided.

Any interested party can file a petition before the Honduran Trademarks Office requesting the annulment of a trademark registration proving that it was granted despite the following inherent prohibitions:

- the mark consists of the usual or common shapes of the products or their packaging or of necessary shapes imposed by the nature of the given product or service;
- the mark consists of shapes that provide a functional or technical advantage to the product or service it applies to;
- the mark consists exclusively of a sign or indication used in the market to describe the characteristics of the given products or services;
- the mark consists exclusively of a sign or indication, which in the common language or commercial usage of the country, is a common or usual designation, generic denomination or technical name of the given products or services;
- the mark consists of a single and isolated colour;
- the mark lacks distinctiveness in respect of the products or services covered;
- the mark violates morality or public order;
- the mark consists of signs, words or expressions that ridicule or tend to ridicule people, ideas, religions or national symbols, of the symbols of third countries or international entities;
- the mark is susceptible to deceiving the commercial market or the public about the source, nature, way of manufacturing, qualities, aptitude for the use or consumption, amount or any other characteristic of the products or services covered;
- the mark is identical or confusingly similar to a mark whose registration has expired or has not been renewed, or has been cancelled upon request of its holder or annulled by any cause, and that covering similar products or services, or for other products or services that, due to their nature, could be associated to those, unless one or two years (for collective marks) have elapsed from the date of expiry, cancellation or annulment of the registration;
- it contains an appellation of origin protected in accordance with the law for the same products, or for different products when their use could cause a risk of confusion or association with the denomination or represent an unfair use of its notoriety, or consist of a geographical indication as contemplated by the law;
- the mark reproduces or imitates official signs of control or guarantee adopted by any country or public entity, without the full authorisation from the respective national or public entity;
- the mark copies coins or bills of legal course within the territory of any country, securities or other commercial documents, seals, stamps or government obligations in general;
- the mark includes or reproduces medals, prizes, diplomas or other elements that can deceive the public, unless such awards had actually been granted to the trademark applicant;
- the mark consists of the names, emblems and distinctive marks of the Red Cross and religious and welfare entities legally recognised;
- the mark includes a total or partial reproduction or imitation of a coat of arms, flag or other emblem, initial, denomination or abbreviation of denomination of any country or international organisation, without the authorisation of the said country or international organisation;
- the mark consists or includes the Olympic symbol as it is defined in the 1981 Treaty of Nairobi, on the protection of the Olympic symbol; and
- the mark includes the denomination of a vegetal variety protected in the country or abroad, if the mark is to cover products or services related to this variety or if its use has the potential to generate confusion or association with the same.

A nullity action can also be filed by an interested party who proves that the registration was granted in violation of the following prohibitions based on the prior acquired rights from third parties:

- it is identical or similar to a previously registered mark or pending application in such a way that can visually, grammatically or phonetically create confusion to distinguish between those products or services or between products or services different but susceptible to being associated or related to those the prior trademark distinguishes;
- it is identical or confusingly similar to a trademark not registered but amply used by a third party who would have a better right to obtain the registration, in a way that can visually, grammatically or phonetically create confusion, as long as the mark covers the same products or services or for products or services different but susceptible to being associated or related to those the previously used mark distinguishes;
- it is identical or confusingly similar to a widely used trading name, emblems or slogans used in the country by a third party since a previous date, as long as, given the circumstances, it could create confusion;
- it constitutes the total or partial reproduction, imitation, translation or transcription of a distinctive sign used in Honduras that is famous or notorious to the general consumer or to the relevant business sectors of the country and to which the public belongs, to a third party, notwithstanding the products or services covered by the well-known or notorious sign; when its use had the potential to create confusion or a risk of association with the same;

- it consists of the name, signature, title, hypocoristic or portrait of a person different to the one who requests the registration, unless the consent of that person is submitted or, if such person has died, the consent of his or her descendants or ascendants in the closest degree; and
- it infringes a copyright or a right on an industrial design or it clearly violates provisions against unfair competition.

All nullity actions are substantiated according to the declarative procedures and the parties must prove all allegations and claims at the corresponding probatory period. The proofs allowed include documentary evidence, expert witness declarations, judiciary and administrative audit or inspections, presumptions, etc.

The nullity of registration of a trademark shall not be declared for reasons that were no longer applicable at the moment of issuing the resolution declaring or dismissing the nullity action. Nullity actions based on prior better rights shall be initiated within five years after the date of objected registration or within three years after the date in which the use of the trademark for which cancellation is demanded began. The right to initiate a nullity action will not expire when the registration for which cancellation is demanded was registered in violation of inherent prohibitions or in bad faith.

The costs (in \$US) associated with these proceedings are, generally speaking, as follows:

Oppositions to a trademark registration			
Description	Our fees	Official fees/expenses	Total
For filing an opposition suit	335	50	385
For filing means of proof during the prosecution of the opposition	450	25	475
For the final pleadings, filings and further prosecution of the case up to the final decision from the Trademarks Office	550	50	600
Preparing and filing an answer to an opposition suit	335	50	385
For filing means of proof during the prosecution of the case	450	25	475
For the final pleadings, filings and further prosecution of the case up to the final decision from the Trademarks Office	550	50	600

Nullity			
Description	Our fees	Official fees/expenses	Total
Preparing and filing/ answer a nullity action on the grounds of better rights (judicial action)	1,800	50	2,000
For filing means of proof during the prosecution of the case	800	50	850
For the final pleadings, filings and further prosecution of the case up to the final decision from the court	800	50	850
For obtaining a first-instance decision from the court	850	0	850
For filing a review appeal or defending a case against a review appeal filed by the counterpart	1,800	200	2,000

Cancellation actions on the grounds of non-use trademark/service mark/slogan registrations			
Description	Our fees	Official fees/expenses	Total
a) For preparing a cancellation action on the grounds of non-use (administrative action) (minimum)	1,700	140	1,840
b) Publication of final resolution in the Official Gazette and a local newspaper		Mostly publication expenses - may be higher depending on length of decision	

Infringement and forgery			
Description	Our fees	Official fees/expenses	Total
Infringement and forgery actions, including (if it was necessary) seizure of counterfeit goods (minimum) (Logistics and miscellaneous are discussed case by case)	1,575	750	2,500
		Logistics and other expenses when coordinating with police and public prosecutors	

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark is registered in Honduras for 10 years counted from the registration date and the registration can be indefinitely renewed for 10 years. A six-month grace period counted from the initial expiry date is allowed for the registration of a mark. Proof of use is not required at any moment during the maintenance of a mark or at renewal date, unless a third party attacks a registration on the grounds of non-use.

## 11 The benefits of registration

**What are the benefits of registration?**

In Honduras the right to exclusively use a mark and preventing others from using or imitating the same originates from its registration before the Honduran Trademarks Office. All remedies for infringement, access to specialised courts, border measures and actions before the Attorney General's Office IP division will request the submission of a copy of the Honduran trademark registration or, at the very least, of an admitted application. Moreover, an opposition founded on the previous use of a mark will be dismissed if the opponent cannot prove to have previously filed an application for registration of the mark on which the opposition is based.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The proprietor of a Honduran trademark registration or pending application may license its use through a written agreement. All licence agreements must be recorded before the Honduran Trademarks Office to produce effects against third parties. Only the use of a mark by a duly registered licensee will be available to the benefit of the trademark owner. There are no specific deadlines for recording a licence agreement, but recording is now recommended in view of the use requirements imposed by the current Honduran Industrial Property Laws. Only duly registered licensees may act together with the trademark owner in opposition and infringement cases including actions before the Attorney General's Office division of Intellectual Property.

In the absence of particular regulations set up by the contracting parties, the following regulations shall apply to licence agreements:



- the licensee shall have the right to use the mark in the whole Honduran territory during the licensed trademark registration term, including its renewals and in respect to all products or services covered by the mark;
- the licensee may not assign the licence or grant sub-licences;
- the licence will not be exclusive; and
- if the licence is exclusive, the licensor shall not grant other licences or use the involved mark by itself.

The Honduran Trademarks Office may reject the registration of a licence agreement in the following cases:

- when it lacks quality control provisions;
- if it contains export prohibitions or limitations;
- if it imposes on the licensee the obligation to use raw materials, equipment or goods of origin determined by the licensor;
- when sale or resale prices are imposed;
- when the obligation to permanently employ personnel designated by the licensor is imposed; or
- if the facility to resolve conflicts arising from the interpretation or fulfilment of the obligations and clauses of the agreement is given to foreign tribunals.

It should be noted that the Honduran Trademarks Office may register a licence agreement that includes the above clauses if a just cause is invoked and proved to the satisfaction of the said Office.

### 13 Assignment

#### What can be assigned?

Trademark registrations and pending (admitted) applications may be assigned in Honduras with or without goodwill.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

A deed of assignment executed by the assignor and assignee is needed for recording the assignment of a trademark or service mark before the Honduran Trademarks Office. This document must be legalised by the apostille of a Honduran consulate.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

Only recorded assignments will produce effects against third parties. The recording is not needed to produce effects between the contracting parties.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised. If produced abroad they must be legalised by the apostille of a Honduran consulate. If produced locally, then only notarisation is required. Security interests must be recorded for purposes of its validity and enforceability.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is not mandatory. The benefits of using a mark as registered consist mainly of an expanded recognition by consumers and competitors.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

As part of DR-CAFTA agreements the Honduran Customs Office may block the importation of products bearing infringing trademarks into the country. However, in practice, the IP Special Unit of the Honduran Customs Office will ask the Trademarks Office to notify the attorneys of the registered owners of a possible infringement and this will give the said owners a window of 48 to 72 hours to initiate an action before the IP Unit of the Attorney General's Office to work with the said office and obtain the seizure of the goods bearing the infringing marks before they are released in the Honduran market.

The Customs Office also allows for some firms that handle a large number of cases to provide them with lists of relevant registered trademarks, in order to receive forewarning when an importation petition is filed or when the merchandise arrives at the port of entry. This, however, is not mandatory and does not have a clear-cut procedure.

With regard to dilutive use of a mark, the owner of a registration may request from the authorities a prevention of the use of a registered trademark in a way that may dilute its distinctiveness. The authorities will substantiate this action as an ordinary declarative action, request from the affected party proof of its allegations and claims and issue an administrative order prohibiting the dilutive use of a mark when appropriate.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

Several administrative sanctions can be imposed on a party found to have infringed a trademark. These range from fines to criminal sanctions in the event of recidivism. The affected party may also bring an additional claim for damages and lost profit, in a civil law action. Damages and lost profit start accruing from the date on which the existence of an infringement can be proven. Honduran law tends to provide fair compensation to the affected party.

The right to file a civil suit for infringement of trademark rights will expire after two years counted from the moment in which the trademark owner had knowledge of the infringement or five years counted from the last time the infringement took place, applying the term that expires first.

Infringement actions may also be filed before the Trademarks Office and the infringers, without prejudice to civil and criminal sanctions, may face fines of up to 20 times the minimum wage (around US\$10,000) when they engage in any of the following acts:

- use of a servile copy or fraudulent imitation of a registered mark to identify products or services covered by the same;
- perform acts prohibited by the Honduran Commercial Code in respect of trade names, slogans or emblems. These acts are servile copies or imitations of the said signs;
- use of a false geographical indication susceptible of deceiving the public about the source of any product or service or about the identity of the producer, manufacturer or trader of the product or service; or
- use of a false or deceiving appellation of origin or an imitation of a appellation of origin, even when the true origin of the product is indicated, an incorrect translation of the appellation of origin is used or the appellation of origin is used together with expressions such as 'type', 'gender', 'way', 'imitation' or other analogous qualifications.

The Honduran Attorney General's Office has created an IP Special Unit and the registered owner of a trademark or its duly recorded licensee may file a criminal complaint before this office requesting the seizure (both at the market place and at the Customs Authority) of goods bearing infringing marks. Infringement procedures before this unit have an expedited procedure and the complainant must only prove to own a Honduran valid trademark registration and also provide clear and

precise indications as to the nature of the infringement that it wants to ban.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

In Honduras, the general principle is that the parties must prove all allegations. With that understanding, it is the plaintiff who must prove infringement or dilution of its trademark rights. There is a reversal of the burden of the proof for the cancellation of a trademark registration on the grounds of non-use. In these cases, the owner of the attacked registration must prove use, justified reasons for non-use as outlined in the law or payment of rehabilitation tax.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The registered owner of a trademark registration or duly registered licensee (unless expressly forbidden from doing so in the licence agreement) has the right to prosecute a suit against a third party infringing his or her rights. A distributor may not bring a suit for infringement. The trademark owner and the duly registered licensee also have the standing to bring a criminal complaint.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Honduran trademark law is territorial in principle. The infringer may act only when the infringement takes place within the country or at its borders.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery and disclosure techniques are seldom used in trial as their effectiveness is not normally recognised by the courts and the administrative offices.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Infringement actions before the Trademarks Office have a typical time frame of six to 12 months before first instance resolution is issued.

Civil actions before the courts have a typical time frame of 15 to 20 months before a first-instance resolution is issued.

Criminal complaints before the criminal courts have a time frame of around 15 to 20 months before a first-instance resolution is issued.

Complaints before the Attorney General's Office IP division have a time frame of one to two weeks before the preliminary injunction is issued.

All decisions, including the preliminary injunctions, rendered by the above-mentioned administrative offices and courts are subject to appeal before the Higher Administrative Office and Court of Appeals respectively. The injunctions issued by the IP division are subject to an appeal to be resolved by the Attorney General's Office within two weeks.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Around US\$6,000 to US\$12,000. Generally speaking, the plaintiff may recover costs, although this is not common.

## Update and trends

The Trademarks Office is working closer with the Customs Authorities to impede the entrance of infringing goods to the country. The General Attorney's Office IP Unit is strengthening its operative capabilities for faster response to claims of interested parties.

## 26 Appeals

### What avenues of appeal are available?

The affected party may appeal all resolutions before the Higher and Highest Administrative Office. The decisions rendered by the Highest Administrative Office put an end to administrative procedures.

In judicial cases the affected party may appeal before the Court of Appeals and before the Honduran Supreme Court. Decisions rendered by the Supreme Court put an end to judiciary proceedings.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

An accused infringer may defend itself by proving not to have committed the infringement, the lack of right to sue by the affected party and also based on formalities and technicalities that can be used as dilatory pleas as part of the defence from the alleged infringer. The alleged infringer may also counterclaim the nullity of the allegedly infringed trademark under formal and substantial considerations.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The affected party may also request one or more of the following remedies in the event of infringement of IP rights:

- (i) the cessation of the acts that infringe the rights;
- (ii) the indemnification from the damages suffered. These damages must be proven by the party alleging them;
- (iii) seizure of the objects resulting from the infraction, and of the means that had predominantly served to commit the infraction;
- (iv) the prohibition of the import or export of the products, materials or means referred to in (iii);
- (v) the withdrawal of the objects or means referred to in (iii) from the commercial circuits, or their destruction, when appropriate;
- (vi) the attribution in property of the objects or means referred to in (iii). In this case the value of the assets will be imputed to the amount of the damages; and
- (vii) the necessary measures to avoid the continuation or repetition of the infraction, including the destruction of the seized means compliant with (iii).

A bond will be required from plaintiff prior to issuing the provisional injunctions needed to carry out any of the measures listed above. This bond has the goal to warrant damages to the defendant.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Alternative dispute resolution methods are available in Honduras, but they are not commonly used. This may change in the future as the enacted revisions and additions to the Investment Law in July 2011 require the mandatory use of alternative dispute resolution methods before filing suits on intellectual property matters. This provision does not affect complaints before the Attorney General's Office special IP Unit.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

To determine the fame or notoriety of a mark all relevant circumstances will be taken into consideration, and in particular the following factors, among others:

- the degree of knowledge of the mark among the members of the pertinent sector and the time, scope and geographical extension of use of the mark within the country;
- the advertisement and presence of the mark in fairs, trade shows or other events always in connection with the activity, products or services covered by the mark;
- the existence and seniority of a registration or application for the mark within the country;

- all actions taken for the enforcement and recognition of the notoriety or fame of the mark, and in particular any decision rendered by the national authorities (administrative offices and courts) recognising the notoriety or fame of the mark; and
- the value of all investments made to promote mark, or to promote the establishment, activity, products or services to which the mark applies.

The following alone will not give ground to claim the fame or notoriety of a mark in Honduras:

- the registration or pending application of the mark abroad;
- former or current use of the mark in foreign markets; and
- international (foreign) notoriety by itself.

Inter-class protection is awarded to famous brands if the fame and notoriety within the country can be proved as outlined above. No other means of proof are allowed.



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# India

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## 1 Ownership of marks

### Who may apply?

Any person claiming to be the proprietor of a trademark used or proposed to be used by him or her, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his or her trademark.

An application for registration of a trademark can be made by:

- a person or persons jointly;
- a company;
- firm;
- a Hindu undivided family;
- government or not for profit organisations;
- a trust; and
- foreign applicants, nationals, or corporations.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Section 2(1)(zb) of the Trade Marks Act, 1999 defines 'trademark'. The definition of trademark in India is an inclusive definition and means a mark:

- is capable of being represented graphically;
- is capable of distinguishing the goods and services of one person from those of others; and
- may include the shape of the goods, their packaging and combination of colours.

The Trade Marks Act also defines 'mark' to include a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof.

Word marks, device marks, slogans, symbols, colour combinations, shape marks and sound marks have been given statutory protection in India. The first sound mark to be registered in India was the Yahoo yodel, which was represented graphically by way of the sound or musical notes.

Section 9 of the Trade Marks Act imposes an absolute ground of refusal on registration of certain trademarks. The following kind of trademarks cannot be granted registration in India.

Marks that consist exclusively of indications that may serve in the trade to designate:

- kind;
- quality;
- quantity;
- intended purpose;
- values;
- geographical origin; and
- time of production of the goods and services.

Marks that are customary in the current language or in the bona fide and established practices of the trade shall also not be registered as trademarks in India. The Act, however, makes an interesting exception to the above detailed absolute grounds of refusal. In recognition of the common law rights that an applicant of a trademark may have

acquired in India, the Trade Marks Act states that a trademark shall not be refused registration if before the date of application for registration the mark has acquired a distinctive character as a result of the use made of it or is a well-known trademark.

The Trade Marks Act, therefore, grants specific recognition to the common law rights of an applicant in the trademark. A mark that ordinarily may appear to be descriptive or indicative of the kind, quality, quantity, intended purpose, values of the geographical origin of the goods and services to which the same is attached can be granted registration if by virtue of use or well-known status of that mark, the mark has acquired a distinctive character.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The Trade Marks Act in India gives recognition to common law rights of a proprietor of a mark that can be developed by using the trademark without any statutory protection or grant of registration.

Section 27 of the Trade Marks Act provides that no infringement action will lie in respect of an unregistered trademark, but recognises the common law rights of the trademark owner to take action against any person for passing off goods or services as the goods or services of another person.

In an action for passing off, the plaintiff needs to demonstrate common law rights that are established by evidence of reputation and goodwill acquired by the use of mark of a trademark in India.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Once the mark has been applied for registration, an application number is generated on the same day. Subsequently, the Registrar issues an examination report. The report is currently being issued within six to eight months of filing. There is a deadline of one month from the date of filing of the application for a reply to be filed. This is, however, extendable by one month, if the request for an extension is filed before the expiry of the original term.

If the Registrar is not convinced by the reply or is of the opinion that further clarifications are required, a show cause hearing is usually appointed. If the mark is accepted, it proceeds to advertisement usually within six months from such date of acceptance. This period, however, varies depending on the quantum of backlog at the Registry.

Once a mark is advertised, it is open to an opposition period for a term of four months. If no opposition is filed against the advertisement, the mark proceeds to registration. The issuance of registration usually takes anywhere between four to six months from the date of expiry of the four-month opposition period, owing to procedural backlogs at the Registry. A registration is valid for 10 years and can be renewed within six months before the due date.

For filing a trademark application, the following particulars are required:



- name, address and nationality of the applicant. If the applicant is a partnership, the names, addresses and nationalities of all partners;
- the mark sought to be registered;
- a listing of the goods or services for which registration is intended. In this context, you may note that India follows the international classification of goods and services;
- the date, month and year since when the mark has been used in India if at all used. If the mark has not been used, it would be in order to state that the same is proposed to be used, as use is not a prerequisite for registration. The user statement has to be factual as of 1 January 2007. No evidence of use or format of declaration is required; and
- a power of attorney form duly signed by an authorised representative of the applicant. No notarisation or legalisation of the power of attorney is required. A single form once executed would suffice for any number of applications filed for the same applicant. A power of attorney form is enclosed. The power of attorney form can be submitted even subsequent to the filing of the application without any additional costs and hence is not an urgent requirement for filing.

Although the procedure of registration has been shortened under the present Trade Marks Act of 1999 and related rules, the grant of registration takes anywhere between 18 and 24 months from the date of application.

The government fee for filing a trademark application in a single class is 4,000 rupees.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

In India, goods and services are classified according to the International Classification of goods and services. The government fee in the case of a multi-class application is charged for each class of goods and services and, therefore, as regards the government fee to be paid by the applicant, there is no cost advantage in filing a multi-class application. The applicant may, however, save on attorney fees in filing a multi-class application.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

While examining a trademark, the Trademarks Office may raise objections on the following grounds.

Section 9: absolute grounds for refusal of registration: Under this section, the Registrar may object to the registration of a trademark on the ground that a trademark lacks distinctiveness. A trademark may lack distinctiveness if it consists exclusively of marks or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods and services.

Section 11: relative grounds for refusal: under this section, the Registrar may object to the registration of a trademark on account of:

- its identity with an earlier trademark and similarity of goods or services covered by the trademark;
- its similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademark; or
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark.

Procedural objections: under this sub-heading, the Registrar may raise procedural objections in the examination report relating to the filing of a duly executed power of attorney, priority documents in the case of a priority application, translation or transliteration of marks that have not been filed in Hindi or English language.

Once the Trademarks Office serves the physical examination report upon the applicant or his or her agent, the deadline to file a response to the examination report is one month from the date of physical receipt of the same. This deadline of one month is extendable in multiples of one month. Once a response to the examination report has been filed by the applicant or his or her agent, if the Registrar is satisfied with the written response, the Registrar directs the mark to proceed to advertisement in the Trade Marks Journal. Where the Registrar is not satisfied with the written response, a show cause hearing is appointed wherein the applicant or agent is allowed to make oral submissions in support of the trademark. At this stage, the Trademarks Office is liberal in accepting any documents of use or other evidence that the applicant may like to submit in support of the registration of the trademark.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

An application for registration of a trademark can be filed in India either on use basis or on a 'proposed to be used' basis. Therefore, registration in India may be granted to a trademark that has been filed on a 'proposed to be used' basis.

The Trade Marks Act, 1999 has a provision for cancellation of the registration of a trademark on account of non-use. Where a trademark has not been used in commerce in India for a continuous period of five years and three months from the date of grant of registration, an aggrieved person may file a cancellation action on the ground of non-use either at the Trademarks Registry or at the Intellectual Property Appellate Board. The onus of proving non-use is on the party filing the cancellation petition. Non-use may be proved by filing trade affidavits, market surveys indicating the non-use of the mark for the period of five years and three months from the date of grant of registration to the trademark.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

As per the provisions of section 127(c) of the Trade Marks Act, 1999, the Registrar may, on an application made in the prescribed manner, review his or her own decision.

In the case of an order of the Registrar refusing the registration of a trademark, the applicant may file an application to the Registrar for the review of his or her decision. The review application should be filed within one month of the date of receipt of the order or within such period not exceeding one month thereafter. The review petition shall be accompanied by a statement setting forth the grounds on which the review is sought. The Registrar may, after giving the party an opportunity of being heard, reject or grant the application, either unconditionally or subject to any conditions or limitations as the Registrar may deem appropriate.

Further, section 91 of the Trade Marks Act makes a provision for appeals from the orders of the Registrar to the Intellectual Property Appellate Board. A person aggrieved by the order or the decision of the Registrar may prefer an appeal to the Appellate Board within three months from the date on which the order or decision sought to be appealed against was received. Where the appeal is preferred after the expiry of the three-month period, the appeal may be admitted by the Appellate Board if the appellant satisfies the Appellate Board that he or she had sufficient cause for not preferring the appeal within the specified period.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Once an application is published in the Trade Marks Journal, it is open to an opposition by a third party within a period of four months from the date of publication. Any person may file the notice of opposition.

Once a notice of opposition has been filed at the Trademarks Registry, the Trademarks Registry allots the opposition number. This would generally take approximately two to three months' time unless there is an excessive backlog situation at the Trademarks Registry. While allotting the number the Registrar would serve a copy of the notice of opposition on the applicants with a direction to file a counter-statement within two months from the date of receipt of the copy of notice of opposition.

If the applicants file their counter statement, the Registrar serves a copy of the same on the opponents with a direction to file evidence in support of the opposition in the form an affidavit within two months from the date of receipt of the copy of counter statement. If the applicants do not file a counter statement, the application shall be abandoned without further contest.

Upon receipt of the affidavit filed by the opponents, the applicants have to file their evidence in support of the application within two months (which term is extendable by a maximum of one month upon filing appropriate requests).

Thereafter, the Registrar would issue a notice to the opponent to file rebuttal evidence, if any.

Finally, the Registrar would appoint the matter for a hearing. Upon hearing the two parties, the Registrar would reserve his or her order.

The rules of filing a cancellation action in India are also similar. The main distinction between the opposition procedure and the cancellation procedure is that any person may file the notice of opposition whereas a cancellation action can only be filed by a 'person aggrieved'.

Further, the grounds for filing the notice of opposition and a cancellation action are also identical except that an additional ground for filing the cancellation on the ground of 'non-use' is specified under the Trade Marks Act. No opposition can be filed on the ground of non-use.

The grounds available for filing a notice of opposition or a cancellation action in India are as follows.

Section 9: the mark is not capable of being granted registration as it lacks distinctiveness or is descriptive or consists exclusively of marks or indications that may serve in trade to designate the kind, quality, quantity, intended purpose, values, geographical origin or the time of production of the goods and services.

Section 11: identity or similarity with a prior mark:

- its identity with an earlier trademark and similarity of goods or services covered by the trademark;
- its similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademark; or
- there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark.

The mark sought to be registered is identical with or similar to an earlier trademark and is to be registered for goods or services that are not similar to those for which the earlier trademark is registered in the name of a different proprietor, and the earlier trademark is a well known trademark in India and the use of the later mark without due cause would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark.

Section 12: the applicant is neither honest nor concurrent in the use of an identical or deceptively similar mark. There are no special circumstances existing that may justify the registration of the mark in favour of the applicant.

Section 18: there is a false claim of proprietorship in the mark or there exists bad faith on the part of the applicant in claiming to be the proprietor of the trademark.

The government fee towards filing the notice of opposition is 2,500 rupees.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A registration is valid for a tenure of 10 years and can be renewed within six months before the due date. The use of a trademark is not required for its maintenance, however, an aggrieved person may file a cancellation action against a registered trademark on the ground of non-use if the mark has not been used for a continuous period of five years and three months from the date of grant of registration.

## 11 The benefits of registration

**What are the benefits of registration?**

Section 28 of the Trade Marks Act lists the 'Rights conferred by registration'. The statute states that the registration of a trademark shall give to the registered trademark:

- the exclusive right to the use of the trademark in relation to the goods or services in respect of which the trademark is registered; and
- to obtain relief in respect of infringement of the trademark.

The proprietor of a registered trademark, therefore, can sue for infringement. A person claiming to be the proprietor of an unregistered trademark can enforce rights in the said mark through a passing off action during which the said plaintiff will have to demonstrate his or her common law rights acquired through use of the mark in India. However, in all legal proceedings relating to a trademark registered in India the original registration of the trademark shall be prima facie evidence of the validity thereof.

Moreover, a registered trademark can also be recorded with the customs under the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. These Rules empower the customs authorities to suspend the clearance of import of goods into India suspected to be infringing registered trademark rights. Further, they also empower the customs authorities to adjudicate on the issue of infringement and seize or destroy the goods on a finding in favour of the right holder.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Under the Trade Marks Act, 1999, it is not compulsory or obligatory to record trademark licences in India. Where the parties desire to record the licence agreement under the Trade Marks Act, the licensor can apply to the Registrar of Trademarks to record the licensee as the 'registered user'. For recordal of the licence agreement under the Trade Marks Act, the licensor and the licensee are required to jointly apply to the Registrar along with the following particulars:

- the licence agreement in writing and duly authenticated copy thereof, entered into between the licensor and the licensee; and
- an affidavit by the licensor giving the following particulars:
- having the particulars of the relationship between the licensor and the licensee: whether the licence agreement is exclusive or non-exclusive;
- stating the goods and services in respect of which the licence is granted;
- stating any conditions or restrictions under the agreement including restrictions on territory; and
- whether the licence is to be for a period or without limit of period and if for a period, the duration thereof.

The benefit of recording a licence agreement with the Registrar of Trademarks is that the licensee can institute proceedings for infringement in his or her own name. The licensor can unilaterally apply in writing to the Registrar of Trademarks to cancel the registration of

the licence agreement. No consent is required from the licensee for such cancellation.

It is important to note that under the provisions of the Trade Marks Act, the licensor and the licensee can request the Registrar of Trademarks to maintain 'confidentiality' of the terms of the licence agreement.

### 13 Assignment

#### What can be assigned?

A trademark, whether registered or pending registration, can be assigned in India with or without goodwill of the business concerned. It is important to note that assignments should not result in creation of concurrent exclusive rights in more than one person that would be likely to deceive or cause confusion.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

Required documents for recordal of assignment are:

- a duly executed and notarised assignment deed;
- a duly executed power of attorney from both assignor and assignee (please note no notarisation or legalisation of the powers of attorney is required); and
- in relation to registered trademarks, along with assignment deed, an affidavit will also be required to be filed deposing that the mark has not been questioned in any legal proceedings. The affidavit also requires notarisation while no legalisation is required.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

Registration of the assignment under the Trade Marks Act is compulsory.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

The Trade Marks Act is silent on creation of security interest in a trademark. Although under common law, a security interest in a trademark can be created, its recordal is not mandatory for the purpose of validity or enforceability.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Where a trademark has not been applied for registration or is pending registration, the symbol <sup>TM</sup> can be used along with the trademark to indicate that the word against which the symbol of <sup>TM</sup> is being used has trademark value and the proprietor thereof can assert rights in the said trademark.

Once a trademark is granted registration, the symbol <sup>®</sup> can be used. The use of this symbol indicates to the consumers and the members of the trade that the trademark against which the <sup>®</sup> symbol is being used is a registered trademark and the proprietor of the said trademark is capable of asserting rights and instituting infringement proceedings.

The Trade Marks Act also creates a penal provision for misrepresentation of a trademark as registered, which has not been so registered under the Trade Marks Act. The penal provision includes imprisonment for a term that may extend to three years, a fine or both, on a person making such a misrepresentation.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The proprietor of a registered trademark can obtain relief in respect of infringement of the trademark. In addition to filing a suit for infringement, the proprietor of the registered trademark can also record the registered trademark rights with customs under the Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007. These Rules empower the customs authorities to suspend the clearance of import of goods into India suspected to be infringing registered trademark rights. Further, they also empower the customs authorities to adjudicate on the issue of infringement and seize or destroy the goods on a finding in favour of the right holder.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

A party may apply to the court for discovery of documents. This is, of course, subject to conditions such as relevancy of documents being, stage of the proceedings, etc. In addition to discovery of documents, a party to a suit may also apply for 'interrogatories' – questions that the opposite party may be compelled to respond to.

In all trademark infringement suits, parties have the right to lead live testimony. Parties may choose to rely on experts. This may be done by filing affidavits of experts or by live testimony. The case is decided by the judge of the court where the suit is filed. Usually, a trademark infringement suit takes about one to two years to reach trial. From trial to final arguments, the usual period is in the range of one to two years. Having said that, a suit can always be expedited. Please note that the general time line is obviously influenced by unpredictable factors such as level of contest in the suit. It may be noted that a criminal complaint procedure is also available in the case of a trademark infringement.

### 20 Burden of proof

#### What is the burden of proof to establish infringement or dilution?

All claims in a trademark suit have to be proved by balance of probabilities.

### 21 Standing

#### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The registered proprietor of a trademark or a registered user under the Trade Marks Act can initiate infringement proceedings.

### 22 Foreign activities

#### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Yes, export of infringing goods from India can give rise to a claim of infringement in India. Import of infringing goods can be checked by border enforcement mechanisms through the recordal of trademark rights with customs.

### 23 Discovery

#### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

A party may apply to the court for discovery of documents. This is, of course, subject to conditions like relevancy of documents being, stage of the proceedings, etc. In addition to discovery of documents, a party to a suit may also apply for 'interrogatories' – questions that the opposite party may be compelled to respond to. *Norwich Pharmacal* orders

### Update and trends

There is an increasing drive to declare marks as well known. The list of marks adjudicated as well known is now 68. All these marks were declared well known in judicial pronouncement.

There is an increase in both the cases relating to damages as well as the speed of disposal through expedited trials or mediation.

The government of India announced the National IPR policy on 13 May 2016. The salient features of the National IPR policy, which is intended to give a boost to innovation in India and promote the protection and enforcement of intellectual property rights, are as follows:

- great boost to start-up companies (filing fee dramatically reduced; government assistance with fees of agent; out-of-turn examination).
- expedited examination of trademarks (target – one month) – currently eight months from the previous 13 months;
- great new thrust to combat digital piracy.

- special recognition for IP securitisation, monetisation, etc; and
- a special look at the health, food and environment sectors.

The Trade Mark Rules under the Trade Marks Act 1999 are also proposed to be amended by the Draft of the Trade Mark (Amendment) Rules 2015. The highlights of the proposed amendments are as follows:

- increase in the official fee for filing by double;
- ‘use claim’ in application to be supported by an affidavit (to combat ‘fake’ user claims);
- electronic service of all documents- examination reports, compliance letters, oppositions, renewals, etc;
- petition to Registrar for declaration of a trademark as ‘well-known’; and
- the draft amendment Rules are yet to be notified in the Official Gazette by the government of India.

seeking production of documents from third parties are also allowed in India.

Lastly, seeking production of documents from parties outside the country is normally not allowed, unless it can be shown that the relevant court has jurisdiction over the party outside India.

### 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Broadly, a lawsuit based on straightforward infringement claims can wrap up within 12 to 18 months because there is likely to be low contest and very little likelihood of a trial. A more contested action that goes to trial may take around three years to conclude.

### 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

Under section 35 of the Code of Civil Procedure, 1908, the court may award costs.

### 26 Appeals

**What avenues of appeal are available?**

An appeal from the order passes by a single judge of the High Court shall lie to the division Bench of the High Court and the Supreme Court when the suit is filed before the High Court.

### 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The following defences are available in an action for infringement or dilution:

- the plaintiff is not the proprietor of the trademark;
- the defendant’s trademark is dissimilar to the plaintiff’s trademark;
- the defendant is the prior user of the trademark;
- the defendant is an honest and concurrent user of the trademark;
- the action is delayed or that the plaintiff has acquiesced to the defendant’s use of the impugned mark;
- the defendant’s use of the mark is in accordance with honest practices in the trade;
- the trademark is common to the trade or *publici juris*;
- the trademark is not registrable under the statute;
- goods bearing the trademark have been lawfully acquired by the defendant after they have been put on the market; and
- the plaintiff’s trademark has not acquired any reputation or goodwill (this defence is applicable in action for passing off or dilution).

### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The following remedies may be granted by the court.

In a civil lawsuit a preliminary injunction may be granted subject to the discretion of the court and on a satisfaction of the following conditions:

- a prima facie case in favour of the plaintiff;
- balance of convenience in favour of the plaintiff;
- irreparable harm being caused to the plaintiff in the event that the injunction is refused;
- an *Anton Piller* order;
- discovery of documents;
- preservation of evidence;
- restraining the defendant from disposing of his or her assets in a way that would frustrate the plaintiff’s claim;
- a *Mareva* injunction; and
- a *Norwich Pharmacal* order.

Permanent reliefs in a civil lawsuit include:

- permanent injunction: permanent injunctions are ordinarily granted if the plaintiff is able to establish infringement or passing off; and
- monetary relief: both compensatory and punitive damages are available though grant of punitive damages is discretionary. In the alternative, the plaintiff may claim accounts of profit.

Criminal remedies are available. In the case of a criminal action for infringement or passing off, the offence is punishable with imprisonment for a term that shall not be less than six months, but which may extend to three years and fine that shall not be less than 50,000 rupees, but may extend to 200,000 rupees. In a criminal action, however, there is no scope for obtaining an injunction or securing damages from the defendant.

### 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Mediation is a common ADR technique employed for settling trademark disputes. This is usually conducted under the supervision of the court though the mediation proceedings themselves are conducted by an independent mediator nominated by the court. The mediation proceedings are confidential. While mediation is an often-used and successful mode of settling trademark disputes, the parties must keep a close watch on the time taken by the mediation proceedings and should not prolong the same if they have reached a stalemate. Further, defendants have used mediation proceedings as a means of prolonging the case without any intention of settling the lawsuit. This tactic is especially common in cases where there is no preliminary injunction exists.

Another ADR technique employed in a case before the Delhi High Court is early neutral evaluation. The procedure is as under a senior lawyer or panel of lawyers with expertise and experience in the subject matter of litigation is appointed to conduct early neutral evaluation.



This person, referred to as an 'evaluator', is a neutral person having no stake in the dispute.

The lawyers provide the neutral evaluator with a written brief summarising the facts, legal arguments and authorities in support of each party's case.

In the initial session before the evaluator, each party's representative and the respective lawyers are present and a short, concise presentation is made by the lawyers for each side referring to the documents and legal propositions. It is open to the evaluator to raise queries during this presentation.

The neutral evaluator prepares his or her opinion on the central dispute in the case and what the likely outcome on each of the issues or aspects should be. The evaluator also estimates the costs to each party.

The evaluator, thereafter, shares his or her conclusions with the parties either at joint or private sessions, called caucuses.

If no settlement is attainable, the matter is referred back to the court without disclosing the reason for the failure of the early neutral evaluation process.

The confidentiality principles of mediation are equally applicable to early neutral evaluation proceedings.

### 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A trademark can be declared well known in India only by way of a judicial pronouncement. Section 11(6) of the Trade Marks Act lays down the factors that the Registrar shall take into consideration for determining a trademark as a well-known trademark:

- the knowledge or recognition of that trademark in the relevant section of the public including knowledge in India obtained as a result of promotion of the trademark;
- the duration, extent and geographical area of any use of that trademark;
- the duration, extent and geographical area of any promotion of the trademark, including advertising or publicity and presentation, at fairs or exhibition of the goods or services to which the trademark applies;
- the duration and geographical area of any registration of or any publication for registration of that trademark under this Act to the extent they reflect the use or recognition of the trademark; and
- the record of successful enforcement of the rights in that trademark, in particular, the extent to which the trademark has been recognised as a well-known trademark by any court on Registrar under that record.

The Registrar shall not require as a condition, for determining whether a trademark is a well-known trademark, the any of the following, namely:

- that the trademark has been used in India;
- that the trademark has been registered;
- that the application for registration of the trademark has been filed in India;
- that the trademark is well known in, has been registered in or in respect of which an application for registration has been filed in, any jurisdiction other than India; or
- that the trademark is well known to the public at large in India.



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# Italy

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## 1 Ownership of marks

### Who may apply?

Under article 19.1 Code of Industrial Property (CIP), anyone may apply for registration and own a trademark. Thus, any natural person, legal person or entity may register a trademark and it is not required that they carry out any business activity. For some types of signs only those parties that have rights that existed prior to registration may register. In particular, only the person depicted in a portrait is entitled to register (article 8.1 CIP), well-known names and signs can be registered solely by the person who created this renown (article 8.3 CIP). Names that are not well known, however, may be freely registered, provided the honour and personal identity of the proprietor of the name is not harmed (article 8.2 CIP). When someone has copyright, an IP right or another exclusive right on a sign, only that party may register the sign as a trademark (article 14.1.c CIP).

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A registrable trademark is a sign that can be represented graphically and can distinguish the goods or services of one undertaking from those of other undertakings (article 7 CIP). The requirement of being represented graphically is expected to be eliminated when Directive (EU) 2015/2436 is implemented in Italy. Under the Directive this requirement must be replaced by the requirement of being represented on the register in a manner that enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor. Article 7 CIP expressly states that both product and service trademarks may be registered. It contains a list of signs that may be registered, namely, 'words, including personal names, designs, letters, numerals, sounds, the shape of a good or its packaging, colour combinations or shades'. The list is not finite and so signs other than those mentioned, such as fragrances, smells and flavours may also be registered. Position and movement trademarks (constituted respectively by the position of the sign in a certain point of the goods and by the characteristic movement of the good itself) may also be registered. Those signs that may be registered as a trademark are protectable in the absence of registration as unregistered trademarks.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Unregistered trademarks come within those IP rights that are protected by the CIP (article 2.4). In the absence of registration a right on a trademark is acquired through use of the sign that makes it known among consumers of the goods or services bearing the trademark. Legal theorists and the courts state that, for there to be a right on an unregistered trademark, the quality of its being known that ensues from use must be 'qualified', namely, it must be accompanied by the fact that the public perceives the sign as the trademark of the party using it.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

The trademark registration procedure before the Italian Patent and Trademark Office (PTO) can take, from the application being filed to the trademark being granted, around six to nine months. The total cost of registration in a single class, for fees, charges and costs, is in the region of €200. If the applicant uses the services of a trademark attorney, the costs of the latter need to be added to this sum. The trademark registration application must be accompanied by any documentation relating to a trademark attorney being instructed to file the application, documents attesting to the payment of the required fees, charges and costs, any documentation relating to a priority claim and any documentation that proves that the trademark has acquired distinctive character following use made of it prior to the registration application being filed. The registration procedure is lengthier and more expensive if an opposition is brought against the registration of the trademark and the PTO, consequently, has to decide on the opposition before being able to proceed with registration. On the contrary, the procedure is quicker if the trademark whose registration is sought is the subject matter of invalidity or infringement claims; in this case the PTO has to examine the application, giving it precedence over applications filed earlier.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Italy has adopted the system provided by the Nice Agreement on the International Classification of Goods and Services. The registration application must indicate the goods or services for which protection is sought, as well as the class they belong to. Protection can be claimed for a number of classes (or even for all classes) with a single application. Savings can be made if multi-class applications are made, as the fees for the first filing are €101 for one class and €34 for each additional class. In the case of renewal, the fees are €67 for one class and €34 for each additional class.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

In examining a registration application the PTO checks whether the trademark is a registrable sign as provided by article 7 CIP, whether it possesses distinctive character (article 13 CIP) and whether it is lawful and not misleading (article 14 CIP). The PTO also checks that the

specific bars to registration, provided, upon certain conditions, by articles 8, 9 and 10 CIP (respectively for portraits, names and well-known signs, for the shapes of products and their packaging, when they possess characteristics of technical function or aesthetic value and for certain crests, emblems, symbols and flags) do not hold.

It does not, however, investigate potential conflicts with other trademarks.

If, in the course of its examination, the PTO considers that, for one of the above reasons, the trademark may not be registered, it informs the applicant of its remarks, giving it a term of at least two months within which to draw up observations. If the applicant fails to reply within that term or if its observations are not admitted, the registration application is rejected.

If, however, the examination has a positive outcome (possibly also with remarks being notified and then overcome by the observations of the applicant), the application is published by the PTO. After publication, any interested third parties may send their observations to the PTO, giving reasons as to why the trademark should be excluded *ex officio* from registration. Within three months of publication, the proprietors of earlier registered trademarks and the proprietors of rights on portraits, names or well-known signs pursuant to article 8 CIP can also bring an opposition to registration. The applicant can reply to both observations and oppositions. If observations or oppositions are not made or the observations are disregarded or the oppositions rejected, the PTO proceeds with registration of the trademark. Otherwise, if observations or oppositions are admitted, the registration application is rejected.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

A trademark need not have already been used for goods or services prior to an application being filed or even registration being granted. However, the trademark must be effectively used in the five years following registration and, subsequently, effective use must not be suspended for an uninterrupted period of five years. If in those five years effective use does not begin (or is not resumed), the trademark lapses due to non-use and any interested third party may present a claim for its revocation to the courts (articles 24 and 26.c CIP).

In the event of a registration application having already been lodged in a state that is party to the Paris Convention, the applicant has a six month priority right to file the same trademark in Italy (article 4 Paris Convention and article 4 CIP).

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If the PTO denies an application, an appeal can be brought within 60 days, not before the PTO but before a special jurisdictional body, the Board of Appeals (articles 135 and 136 CIP). If the Board admits the appeal, it annuls the PTO decision and adopts the consequent measures. Board of Appeals decisions may, in turn, be appealed before the Supreme Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Registration applications that have passed the examination discussed in question 6 are published by the PTO and the proprietors of earlier

rights can bring an opposition within three months. In Italy, an opposition can only be brought before registration. There are currently no procedures under Italian law for cancelling granted trademarks before the PTO. However, such procedures are expected to be introduced when Directive (EU) 2015/2436 is implemented. Under article 45 of the Directive member states must provide for administrative trademark cancellation procedures. At the moment, however, trademark invalidity actions can only be brought before the competent courts.

An opposition can be brought only by the proprietor of an earlier registered trademark or by the proprietor of a right on a portrait, name or well-known sign pursuant to article 8 CIP. In the event of an opposition founded on a registered trademark, the only grounds for opposition are that the later trademark is identical to the earlier trademark and its registration is sought for goods or services that are identical to those for which the earlier trademark is registered or the later trademark gives rise to a likelihood of confusion or association with the earlier trademark. In the event of an opposition founded on rights as per article 8 CIP, the ground of opposition is that, under article 8 CIP, only the proprietor of such rights may register the sign and the proprietor has not given its consent to registration. Bad faith on the part of the applicant in filing a trademark application in Italy is not a ground of opposition before the PTO for the purposes of preventing registration. Bad faith is, however, a cause of trademark invalidity under article 19.2 CIP. A ruling of invalidity can only be issued by the courts, not by the PTO.

Once an opposition has been lodged there is an initial cooling-off period in which an agreement may be reached. If no agreement is reached, the procedure continues with briefs and documents being exchanged within the terms laid down by the PTO. The applicant may also file a petition, asking that the proprietor of the earlier trademark upon which the opposition is based provides, if this earlier trademark has been registered for at least five years, adequate proof of its effective use. If proof is not provided the opposition is rejected. Once briefs and documents have been exchanged, the PTO decides on the opposition, admitting or rejecting it completely or in part. PTO decisions on oppositions may be appealed before the Board of Appeals. Decisions of the Board may be appealed before the Supreme Court.

Average costs for bringing an opposition before the PTO are around €300, of which €250 are for fees. The costs of professional assistance must be added to this sum if the parties instruct a trademark attorney or counsel. The PTO decision on the opposition may order the losing party to reimburse the fees paid for the procedure and the costs borne by the other party in availing itself of the assistance of a professional. The latter reimbursement, however, is capped at €300.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A registration remains in effect for 10 years from the date of filing the application. It may be renewed an indefinite number of times, always for a 10-year period, by filing an application for renewal. Renewal does not require demonstration of use of the trademark. However, if the trademark is not effectively used in the five years following registration or if use is suspended for five years (see question 7), any interested party may present a claim for its revocation to the courts. In the event of such an action, it is the claimant that has to prove non-use. However, the proprietor of the trademark may strengthen its position by, of its own accord, providing proof of use. This normally consists of invoices and other accounting documents relating to the offer and sale of the goods or services bearing the trademark, catalogues, brochures, advertising material and all documents relating to promotional-advertising costs, data on turnover and on the market share of the goods or services bearing the trademark, market surveys and statements and depositions of suppliers, distributors, operators in the sector and clients.

## 11 The benefits of registration

**What are the benefits of registration?**

Under the CIP there are no differences between registered and unregistered trademarks for what concerns the competent courts and

sanctions; the specialised corporate divisions of a number of Italian courts are competent for both types of trademark and sanctions for infringement are the same. However, registering a trademark brings key benefits concerning protection. In particular:

- within the limits of lapse through non-use, a registered trademark is protected even if it is not used. Therefore, it is possible for a registered trademark not to be used for a period of up to five years without it losing its protection. Cessation of use of an unregistered trademark that leads to loss of its quality of being known among the public results in immediate loss of protection;
- a registration certification suffices to prove the existence of a right and it does not need to be demonstrated that there has been use accompanied by knowledge of the sign;
- the registered trademark is presumed to be valid unless there is evidence to the contrary;
- a registered trademark is also protected, upon certain conditions, when there is no likelihood of confusion. On the contrary, according to prevailing opinion, an unregistered trademark is protected only against likelihood of confusion;
- a registered trademark is automatically protected throughout Italy while an unregistered trademark is protected only in the geographical area in which it is known to the public;
- a registered trademark can always be enforced against a later trademark, while an unregistered trademark that is known only locally cannot be enforced against the registration and use of a later registered trademark;
- a registered trademark that loses distinctive character continues to be protected if this loss cannot be ascribed to acts or inactivity of the proprietor, while an unregistered trademark that loses its distinctive character consequently loses its protection; and
- an opposition to registration of a later trademark before the PTO can be made only on the basis of a registered trademark, not of an unregistered trademark.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction?  
Are there any benefits to doing so or detriments to not doing so?**

Licence agreements may be recorded with the PTO (article 138 CIP). Recording is not obligatory and an agreement is fully valid even should it not be recorded. However, unrecorded licences are ineffective and cannot be enforced against third parties, which have, in any way, acquired and lawfully maintained rights on the trademark (article 139 CIP). Therefore, if a licence is not recorded, it cannot be enforced by the licensee, for example, against another party to whom the proprietor has subsequently granted an identical licence or assigned the trademark. The law does not require any particular form for licences. They can be made verbally, in writing or even implicitly by conduct.

## 13 Assignment

**What can be assigned?**

Trademarks can be freely assigned (article 23.1 CIP). A trademark need not be assigned with goodwill or with assets or a branch of the assets for assignment to be valid. A trademark can be assigned for all the goods or services for which it is registered and also for only some of them. The law states that assignment must not give rise to deception as to the characteristics of the goods or services that are essential in public assessment (article 23.4 CIP).

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The law does not require any particular form for assignments. Assignments can, therefore, also be made by verbal agreement or, implicitly, by conduct. In practice, however, assignments are usually drawn up in writing for purposes of certainty. If parties choose the written form a private contract signed by the parties is sufficient and there is no requirement for notarisation.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

An assignment may be recorded with the PTO (article 138 CIP), but it is fully valid even should it not be recorded. Recording is, however, necessary if the agreement is to be enforceable against third parties. Under article 139 CIP, an unrecorded assignment is without effect against third parties that, in any way, have acquired and lawfully maintained rights on the trademark. Further, if a proprietor has entered into a number of assignment agreements with different parties and there is then conflict between a number of assignees, the assignee that recorded its agreement first prevails.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Under article 140 CIP, security interests can be created over a trademark for money credit. The law does not specify the type of security interest. In practice these interests may be equated with liens or chattel mortgages. Opinions vary as to whether security interests need to be in written form and recorded with the PTO. The prevailing view is, however, that written form and recording are necessary for there to be a security interest. Again, under article 140 CIP, if there are a number of security interests on a trademark, grades of pre-emption are determined by order of recording, the creditor that recorded its security interest first taking precedence over creditors who recorded later.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The most common symbol used in Italy to indicate that a trademark is registered is a small R in a circle (®), usually placed at the top right of the trademark. Use of the symbol is not obligatory but it is helpful in alerting consumers and competitors to the fact that the trademark is protected by registration.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The main way of enforcing trademark rights is to bring an infringement action before the ordinary civil courts. The specialised corporate divisions of a number of Italian courts of first instance and appeal are exclusively competent for these actions. When one of the parties is a company whose seat is outside Italy the action may be brought only before some of these specialised divisions. Trademark infringement may also be a crime (articles 473, 474, 474-bis, 517 and 517-ter Criminal Code) and criminal proceedings can be brought to put a stop to it. Trademarks are also protected by the provisions of Regulation (EU) 608/2013 concerning customs measures that can be adopted in relation to infringing goods.

It must be remembered that, under Italian law, dilution is a form of trademark infringement. Therefore, here and hereunder, references to infringement also cover dilution.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The format of the infringement proceedings is as follows:

- an initial stage in which the parties file introductory briefs (writ of summons and entry of appearance with statement of defence) and a number of other briefs, by way of which they present their claims and evidence-gathering requests and submit documents;



- an evidence-gathering stage in which the court collects all necessary evidence; and
- a decision-making stage in which, after an exchange of final briefs and reply briefs and after oral discussion, if any, the court decides the case.

The proceedings are conducted entirely by a single judge. However, the decision is taken by a panel of three judges.

For what concerns evidence, in addition to examining documents submitted by the parties, the judge may hear witnesses and order disclosure of relevant documents (in particular, accounting books) and questioning of the parties to the proceedings (and other parties involved in the infringement). Expertise may be conducted should the judge consider it advisable, a court expert being appointed to conduct the required ascertainties. In cases of trademark infringement, expertise is usually conducted, an accounting expert being appointed, in order to reconstruct the turnover and profits generated by the infringement and to estimate damages.

The first instance of an infringement action takes an average of two to three years.

Both before and during the action the trademark proprietor may bring urgency proceedings for the purposes of obtaining an interim injunction and other emergency measures against the infringer.

Criminal proceedings are composed of an investigation stage led by a public prosecutor followed by a decision-making stage in which the criminal court issues its ruling after the accused has been given the chance to make its case.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

In infringement proceedings, the burden of proving infringement and the resulting negative consequences lies entirely with the party seeking a ruling of infringement and the sanctions provided by the law.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

In infringement proceedings it is, first and foremost, the trademark proprietor that has standing. Opinions differ as to licensees. The prevailing view is that an exclusive licensee has standing. Whether or not a non-exclusive licensee also has standing is more disputed. The standing of mere distributors has traditionally always been denied but a recent Supreme Court decision has stated that distributors can also bring an infringement action. An express rule on the standing of licensees to bring an infringement action will probably be inserted in the CIP with implementation of article 25 of Directive (EU) 2015/2436.

In the case of criminal proceedings, most crimes may be prosecuted ex officio upon the initiative of the public prosecutor, possibly upon the crime being reported by any interested party. For other crimes, however, institution of proceedings presupposes a complaint by the injured party.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

In relation to Italian trademarks, activities that take place abroad and do not have any connection with Italy cannot support an action of infringement of an Italian trademark before an Italian court.

One particular situation, however, is that of a party resident in Italy that is guilty of infringement of foreign trademarks in countries in which said trademarks are registered. Legal theorists maintain that such a party may be sued in Italy, according to the general rule that the courts of the defendant have jurisdiction, for its infringement of foreign trademarks. However, this is not common in practice and trademark infringement actions always concern unlawful activity connected to Italy.

Infringement of a EU trademark is different. Under the EUTMR, the Italian court that is seised as a EUTM court may, in certain cases,

issue decisions with a pan-European Union effect on activities that take place in other member states.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Under article 121 CIP, if a trademark proprietor provides serious evidence that its claims are well-founded and identifies documents, elements or information kept by the opponent that support this evidence, it can obtain an order whereby the court instructs that the documents or elements be disclosed or that the information be acquired. The opponent may also be ordered to provide all elements that identify other parties involved in the production or distribution of the infringing goods. In issuing this order the court must adopt measures that guarantee protection of confidential data so that disclosure or acquisition does not lead to divulgation. In practice, discovery orders are rather frequent in relation to an infringer's accounting books, which often need to be examined in order to reconstruct the extent of infringement, the channels used and other parties involved. These orders are, therefore, particularly useful for quantifying the damage that has to be compensated and the profits that must be disgorged. There are no particular procedural difficulties or high costs inherent in disclosure and acquisition of information.

Article 121-bis CIP adds that, on the basis of a justified and proportionate petition, the judge may order both the infringer and third parties extraneous to proceedings but involved in the activity to provide, in the course of being questioned by the judge, all information in their possession on the origin and distribution networks of the infringing goods or services. This information may include the names and addresses of all parties involved in the activity, at any point of the production and distribution chain, and also data on the quantities of goods and on the price of the goods or services. Refusal to respond to the court without justification or responding by giving false information will result in a criminal sanction.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

An urgency proceeding in trademark matters, such as a preliminary injunction proceeding, lasts an average of two months, from petition to decision. In cases of particular urgency, the judge may issue a provisional ex parte order at the beginning of proceedings. Such orders are normally granted in a few days. They are not, however, very common.

A decision in an urgency proceeding can be appealed. This appeal procedure lasts, on average, another two months.

An action on the merits for trademark infringement lasts an average of two to three years. Any appeal against the first instance decision also lasts an average of two to three years.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

One instance of proceedings in a trademark infringement action normally costs (at both first instance and appeal) some tens of thousands of euros. Much depends on the counsel chosen and the complexity of the case.

Under article 92 Code of Civil Procedure, the losing party is usually ordered by the judge to pay the successful party a sum by way of reimbursement of case costs. This sum is, however, usually lower than the actual costs borne by the successful party for its defence, normally being around €20,000 to €25,000.

## 26 Appeals

### What avenues of appeal are available?

First instance decisions can always be appealed before the specialised corporate division of a court of appeal whose task is to re-examine the

case. Proceedings are heard by a panel of three judges and the decision is also taken by the panel.

A court of appeal decision can be appealed before the Supreme Court for questions of law and without the facts of the case being re-examined. If the court upholds the appeal decision the case is closed. If, however, it overturns the decision it may either decide the case itself directly or send it back to the court of appeal for the case to be examined anew, setting forth the principles of law that the latter court must adhere to.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

In addition to denying interference between the conflicting trademarks, a typical defence in infringement actions is to claim the invalidity of the earlier trademark on the basis of which the action was brought. Invalidity may be claimed both by way of an objection for the purposes of simply blocking the infringement claim and by way of a counterclaim, which can be made in the same infringement action, for the purposes of obtaining a ruling of invalidity.

Another typical defence is to claim lapse of the earlier trademark due to circumstances that have occurred after its registration. The reason for lapse most often used is non-use for at least five years (articles 24 and 26.c CIP). Other causes of lapse are the fact that, due to acts or inactivity of the proprietor, the trademark has lost its capacity to distinguish the goods or services for which it was registered (articles 13.4 and 26.a CIP) and the fact that, due to the method and context of use, the trademark has become misleading for the consumer (articles 14.2.a and 26.b CIP).

Another defence to a charge of infringement is that the other's sign has a merely descriptive use. In particular, whoever uses a sign that is identical or similar to the trademark solely to describe the goods or services or their characteristics or to provide information to the public as to the intended purpose of the product or because its name and address correspond to the trademark is not guilty of infringement, provided that this use complies with principles of fair business practice (article 21.1 CIP). Similarly, whoever is able to demonstrate that he or she has just cause to use the sign cannot be found guilty of free riding on or causing detriment to a trademark with a reputation among the relevant public (article 20.1.c CIP).

According to the exhaustion principle, if the product bearing the trademark has been placed on the market in the European Union (EU) or European Economic Area (EEA) by the proprietor of the trademark or with its consent, the proprietor cannot oppose subsequent circulation of the product and cannot accuse a re-seller of the product in Italy of infringement (even if the product was put on the market in another EU or EEA state), unless there are legitimate reasons for the proprietor to oppose resale, such as modifications or alterations to the goods (article 5 CIP).

The validation defence (acquiescence) may be used against the proprietor of an earlier trademark (article 28 CIP). If the proprietor of the later trademark did not apply for it in bad faith and has then used it for at least five consecutive years with the acquiescence of the proprietor of the earlier trademark, which, albeit aware of the use of the later trademark, has not taken any action, the later trademark is validated and the proprietor of the earlier trademark can no longer either claim its invalidity or oppose its use.

In relation to infringement compensation claims, another defence is that the claim is time-barred. Under article 2947 Civil Code, the right to damages lasts for five years. Therefore, if the time bar has not already been interrupted prior to service of the writ of summons with which damages are sought, the defendant may claim that there is a time bar in relation to damage that occurred more than five years prior to service of the writ.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The successful party in an infringement action can obtain various sanctions against the infringer. First of all, once infringement has been ascertained, an injunction on the infringement is almost always issued.

This may be backed up by a penalty, namely, by an order that the infringer pay a certain sum for any violation of or delay in compliance with the order (article 124 CIP). The injunction and the penalty may also be applied as an emergency measure in urgency proceedings (article 131 CIP). The requisites for grant of an interim injunction are that a brief examination has shown that there are reasonable grounds for the infringement claim (*fumus boni iuris*) and a danger in delay, namely, that the proprietor of the trademark would suffer irreparable damage in the period required to reach a decision on the merits (*periculum in mora*).

If the defendant is found guilty of infringement in an action on the merits it may be ordered to compensate the damage caused, including consequential damage and loss of earnings, and to disgorge the profits it has made thanks to the infringement, to the extent that such profits exceed the lost earnings (article 125 CIP). In practice, there are various criteria for calculating compensatable damage. One commonly used criterion is that of the licence royalty, which makes the damage proportionate to the amount of royalties that the infringer would have had to pay if, in order to exploit the trademark, it had taken out a licence. Other criteria often used are to estimate damage by taking as a reference point the turnover achieved by the proprietor of the trademark before and after infringement or the turnover achieved by the infringer thanks to the sale and provision of the infringing goods or services.

Other sanctions provided by the CIP are an order to withdraw the infringing goods from the market, to destroy them or hand them over to the proprietor of the trademark (article 124 CIP). The court may also instruct that its decision be published in one or more newspapers or magazines (article 126 CIP). The courts have also, at times, ordered publication on the online version of these newspapers and magazines and also on the infringer's website.

A defendant convicted of the crime of infringement in criminal proceedings can be issued with a custodial or monetary sanction. In fact, the Criminal Code states (articles 473, 474, 517 and 517-ter) that an infringer may be both sentenced to prison and issued with a fine. The decision may also order that the infringing products be confiscated. The Criminal Law also provides for emergency measures and means of gathering evidence, which are very useful for the trademark proprietor, such as seizure of the infringing goods and searches aimed at finding the goods in question.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

There are ADR systems in Italy but, in practice, they are almost never used to settle trademark infringement disputes.

There are a certain number of arbitration procedures but these are usually conducted on the basis of arbitration clauses in agreements previously signed between the parties (normally licence or co-existence agreements that contain an arbitration clause stating that disputes relating to the validity, interpretation and breach of the agreement will be referred to arbitration). Cases in which parties are in conflict over a question of infringement but do not have an agreement are always heard by the courts.

Other ADR systems, such as mediation or assisted negotiation procedures, do not ever seem to be used in trademark cases. Finally, it must be remembered that no ADR procedure can result in a ruling of invalidity or lapse of a trademark. Only the courts may cancel a registered trademark.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

A foreign trademark that is neither registered nor used in Italy is not, in theory, afforded protection in Italy. However, article 6-bis of the Paris Convention obliges signatory states, of which Italy is one, to refuse or cancel registration and to prohibit the use in their country of trademarks that are already well known as trademarks of another party, when there is a likelihood of confusion. Further, protection of a well-known trademark as per article 6-bis is also provided by article 16 of the

TRIPs Agreement (of which Italy is also a signatory), which extends this protection, beyond likelihood of confusion, to all situations in which the interests of the trademark proprietor are prejudiced. The above rules of the Paris Convention and the TRIPs Agreement are expressly taken up by article 12.1.a and f CIP, whereby an Italian trademark cannot validly be registered if the trademark itself is already well known in Italy as the trademark of another party and there is a likelihood of confusion or association with respect to the well-known trademark or, in the absence of a likelihood of confusion, a situation of free riding on or prejudice to the renown of the trademark in question. The above rules are interpreted in Italy as being applicable to foreign trademarks that are famous in their country and are neither registered nor used in Italy, but whose renown reverberates in Italy in that, by virtue of this renown, they are also known to Italian consumers. A requirement of protection, therefore, is not only that the trademark is famous abroad but that it is also well known in Italy. Proof of this renown can be given by any data that shows that the average Italian consumer knows the

foreign trademark, for example, because many Italian consumers visit the country in which the trademark is well known, or because the trademark appears in television programmes, television series, films or newspapers distributed in Italy, or because the Italian consumer can see the trademark online. The type of protection afforded to foreign trademarks that are well known in Italy is the same as that granted to Italian trademarks and consists both of being able to have registration of a subsequent trademark cancelled and its use prohibited.

Another rule that the proprietor of a foreign trademark may use to oppose registration of its trademark in Italy is article 19.2 CIP, whereby a trademark is null if the applicant filed the application in bad faith. Legal theorists and the courts hold that a party is acting in bad faith when, aware of the existence of the foreign trademark on which the proprietor does not yet have rights in Italy, it registers this trademark in order to block the proprietor and try and stop it extending into the Italian market.

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# Japan

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## 1 Ownership of marks

### Who may apply?

Any Japanese individual or legal entity that uses or will use a trademark in respect of goods or services in connection with its business may apply, as well as:

- a foreign individual domiciled or resident in Japan;
- a foreign legal entity having a place of business in Japan; or
- an individual or legal entity from a country that allows Japanese nationals to register their trademarks, provided that such foreign nationals have a representative in respect of the said trademark in Japan.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The new Japanese Trademark Act came into effect as of the 1 April 2015, which covers new types of trademarks, for example, colours and sounds.

Under the new Act, 'trademark' should be recognisable by human perception and is defined as 'any character(s), figure(s), sign(s), three-dimensional shape(s) or any colour(s), or any combination thereof, sounds or other marks provided by Cabinet Order'. In particular, 'motion marks', 'holograms', 'colours without profiles', 'position marks' and 'sound marks' are to be protected in addition to the traditional trademarks.

A trademark to be used in respect of goods (trademarks) or services (service marks) in connection with the applicant's business can be registered, unless such trademark is generic, customary for the business, non-distinctive or against good morals or public order.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The Unfair Competition Prevention Act (Act No. 47 of 1993) protects well-known trademarks without registration although other trademarks are not protected without registration.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It usually takes six to 10 months from the filing of an application for registration with the Japan Patent Office (JPO) before the JPO determines the registrability of the trademark (assuming there are no major issues in respect of the application). As for cost, an applicant or owner of a trademark should pay the official fee for filing upon filing, and registration tax when the application is determined registrable. The official fee for filing one application is the total sum of ¥3,400 plus the result of ¥8,600 multiplied by the number of designated classes. Registration tax is the sum of ¥28,200 multiplied by the number of designated

classes. As for attorneys' fees, there is no legally binding standard in Japan. Usually, attorneys charge flat fee rates agreed with clients.

Attorneys' fees for filing and registration (excluding translation costs) are difficult to estimate, but they would, on average, be approximately ¥120,000 per application covering one class, provided that there are no reasons for rejection. Filing an application in more classes can increase the estimated time and cost of filing a trademark application and receiving a registration. At filing, no documentation such as power of attorney is needed.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

From January 2012, the JPO has followed the latest version (10th edition) of the International Classification of goods and services (the Nice Classification). Any goods or services listed in the Nice Classification may be claimed, as long as goods or services are specifically designated. The wordings of the class headings are not always acceptable for the designation of the goods or services. Multi-class applications are available. Filing such an application will be more cost-efficient than filing an application per class.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The JPO examines all applications for conflicts with prior registrations and applications.

The similarity between the trademark applied for and prior registrations or applications of trademarks is determined by the examiners of the JPO according to the examination standard published by the JPO and considering three factors: sound, appearance and meaning. Applicants may respond to preliminary rejections by the examiners of the JPO, and may request further examinations in an appeal against a final rejection. An English translation of the examination guidelines for similar goods and services can be downloaded from the website of the JPO ([www.jpo.go.jp](http://www.jpo.go.jp)).

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

No. Use of a trademark or service mark is neither a requirement for the application or registration of a trademark nor a requirement for



the maintenance of the registration, although lack of an intention to use can be a ground for the rejection of registration. Accordingly, in principle, proof of use does not have to be submitted. However, if the registered trademark has not been used for three consecutive years, any party may ask the JPO to cancel the registration. In such a case, the trademark will be cancelled unless the trademark owner shows proof of use of its trademark.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

Yes. In the course of an application examination, the JPO examines the completeness of the basic formalities and the substance of the applications, the similarity of the trademarks and the similarity of the goods or services (see question 6). If the examiners find any problems, the JPO issues a notice of rejection, in which case the applicant can submit an opinion or amend the application. If, after the applicant's amendment or opinion, the JPO decides that the requirements remain unsatisfied, it will issue a decision of rejection. If the applicant has a complaint about the decision of rejection, then it is subject to an appeal examination. Further, the applicant can appeal to the Intellectual Property High Court seeking cancellation of the JPO's decision. If the court renders a judgment cancelling the decision of the JPO, the applicant can have the trademark in question registered based on such judgment.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Japan adopts post-registration opposition system, and therefore, applications are not published for opposition. Any third party may oppose a trademark or service mark only after registration.

An opposition may be filed with the JPO on the grounds that the trademark or service mark is unregistrable, within two months from the publication of the Gazette showing the said trademark or service mark. The examination of the opposition filing shall be conducted by documentary examination. In addition, any party may seek invalidation or cancellation of the registration of a trademark or service mark with the JPO. The primary bases of opposition or invalidation include:

- that a mark is generic or descriptive;
- that a mark is similar to another party's mark that has been registered, filed for registration or well known in Japan;
- that a mark is similar to another party's mark, which is well known in a foreign country, and has been filed for registration by an applicant for the purpose of deception; and
- that a mark includes another party's image, full name, or famous abbreviation or stage name.

Certain major reasons for invalidation need to be filed within five years after registration.

A brand owner may oppose a bad-faith application regardless of whether its mark is registered with the JPO if the mark is famous in Japan or a foreign country.

In the opposition proceedings, the trademark owner is required to submit a counterargument only when the JPO considers that a third-party's argument is reasonable and issues a notification of reason for revocation.

The typical range of costs associated with a third-party opposition would be approximately ¥200,000 to ¥400,000 when filing a counterargument.

## 10 Duration and maintenance of registration

### How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The term of a trademark is 10 years from the date of the registration. An owner of a trademark desiring the renewal of the registration shall submit a request for renewal to the JPO within six months prior to the expiry. Even after the expiry of the term, the owner may make a request for renewal within six months from the date of expiry. Where a registered trademark has not been used in Japan by an owner or its licensee for three consecutive years, any person may file a request for a trial for rescission of such trademark registration. As a defence against such request for a trial for rescission, the trademark owner needs to file proof of use, such as copies of catalogues, advertisement, publication, websites and trade documents bearing the trademarks and indicating the issuance dates.

## 11 The benefits of registration

### What are the benefits of registration?

The owner of a registered trademark has an exclusive right to use the registered trademark in respect of designated goods or services. The owner may also prohibit another party from using marks identical or similar to the registered trademark for goods or services identical or similar to those designated in the registration. When the registered trademark is infringed or likely to be infringed, the owner may seek injunctions for discontinuing such infringement or other necessary measures to prevent the infringement. Upon infringement, the owner may also seek compensation for damage caused to the owner by the infringement.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

A licence may be recorded in the register of the JPO in respect of each registered mark. There are two types of registration of licence. One is the registration of an exclusive licence, and the other is the registration of a non-exclusive licence. If either registration of a licence is made, a licensee is able to use its right to the licensed mark as a licensee against a party that is subsequently assigned the licensed mark from a licensor or a bankruptcy trustee subsequently appointed by a court for a licensor. Further, if the registration of an exclusive licence is made, then the licensee has standing to sue against infringers for both injunctive and monetary relief (see question 21).

## 13 Assignment

### What can be assigned?

In Japan, a trademark can be assigned either with or without goodwill, and either with or without other business assets. When several goods or services are designated for registration, a trademark may be divided into each class and can be assigned separately.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

For the registration of the assignment of a trademark, a deed of assignment is required. Notarisation is not necessary. If the deed includes a provision where an assignor agrees to an assignee's filing application for recording of the assignment, then the assignee may file an application for recording of the assignment without cooperation of the assignor.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

The assignment of a trademark shall be of no effect unless it is registered with the JPO, except those transferred by inheritance, merger or other general succession.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

A trademark may be the subject of pledges, provided that such creation of pledges over trademarks is registered with the JPO. Registration of the pledges is a condition for such pledges to be valid and enforceable. For the purpose of creation of pledges, a deed of pledge needs to be filed with the JPO. The deed does not need to be notarised.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not mandatory. The following are customarily used to indicate trademark registration: ®, the letters ™ in the upper-right corner or the words 'the registered trademark, registration number' followed by the registration number itself. However, none of these is legally required to be indicated and none has statutory effectiveness. When the trademark owner uses any of the above indications, the trademark owner can easily show the intention or negligence of infringers in a suit for infringement. However, despite the absence of such indications of trademark, it is likely that the alleged infringer's negligence would be found.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Both civil and criminal proceedings are available. There are two types of civil proceedings. One is the main lawsuit, by which a trademark owner may seek both a permanent injunction order and compensation for damages, and the other is a proceeding for preliminary injunction, by which a trademark owner may seek a preliminary injunction order. There is no specialised court for trademark cases; however, the Tokyo District Court and Osaka District Court have specialised divisions dealing with cases relating to intellectual property. For criminal proceedings, a trademark owner may file a criminal complaint with police officers or public prosecutors; in practice, however, it depends on the discretion of police officers or public prosecutors as to whether a substantial investigation is made. Criminal proceedings are governed by the Code of Criminal Procedure, which is applied to all criminal proceedings in Japan. There are no specific procedural provisions related to trademark enforcement in criminal law. In addition, as an administrative proceeding, it is possible for a trademark owner to file an application for custom seizure.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The infringement proceedings begin with the filing of a complaint for a main lawsuit or petition for a preliminary injunction. No US-style discovery is allowed in Japan. However, an order for document production with limited scope under certain conditions is available. Live testimony can be used under the Code of Civil Procedure, although judges usually prefer to dispense with live testimony for trademark infringement cases. As to experts, we often submit affidavits of experts in order to prove important facts, such as pronunciation of foreign words, likeness of confusion, the fact that the mark is well known and amount of damages, etc. The proceedings for a preliminary injunction typically take several months, and the proceedings for a main lawsuit typically take one to one-and-a-half years at the district court level and another year at High Court level. For criminal proceedings, a trademark owner may file a criminal complaint with police officers or public prosecutors; however, in practice, it depends on the discretion of police officers or public prosecutors as to whether a substantial investigation is made.

After the investigation, only the public prosecutors may commence the prosecution in court, and whether to prosecute is at the sole discretion of the public prosecutors. Live testimony is commonly used. Upon the request of the public prosecutor, the trademark owner may submit affidavits in order to prove important facts, such as the likeness of confusion, the fact that the mark is well known and the amount of damages etc. The criminal proceedings typically take less time than civil lawsuits, unless the accused (trademark infringer) denies the offence.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

A trademark owner has the burden of proof to establish that its mark has been registered with the JPO or is well known in Japan and that marks used by an alleged infringer are similar and cause confusion of source. The alleged infringer has the burden to prove the facts supporting its counter-arguments (see question 27).

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A trademark owner or a licensee who has been registered as an exclusive licensee with the JPO has standing to seek injunctive relief or compensation for damages. A licensee who has not been registered as an exclusive licensee with the JPO does not have standing to seek injunctive relief, although there are a few precedents where an exclusive licensee who has not been registered with the JPO was awarded compensation for damages. A trademark owner or a licensee who has been registered as an exclusive licensee with the JPO may file a criminal complaint with police officers or the public prosecutors. However, only the public prosecutor has standing to bring a criminal complaint to the court under the Code of Criminal Procedure. Whether to prosecute is at the sole discretion of the public prosecutor.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Activities taking place outside Japan cannot support a legal charge because the activities to be judged in Japanese courts must be those made within the territory of Japan. However, activities that take place in foreign countries are often cited in order to prove facts, such as the fact that the mark is well known worldwide and the fact that the alleged infringer had the intention to infringe. Further, judges sometimes wish to know about judgments rendered by courts of foreign countries, especially those of the US and EU. In addition, an act of importation from foreign countries into Japan constitutes infringement taking place within Japan.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Under the Code of Civil Procedure, each party may file a court petition for an order of document production against an adverse party or a third party, as long as: the requesting party can identify the document to be produced to a certain extent; there is necessity to obtain an order for document production; and the adverse party or the third party has no statutory grounds of immunity from production. Further, there is another proceeding by which each party may request a court to request a third party to produce documents voluntarily. In order to obtain evidence from third parties outside the country, a party should request a foreign court through a Japanese court to provide judicial assistance and obtain evidence in accordance with the Convention Relating to Civil Procedure or bilateral international agreements.

### Update and trends

On 1 April 2016, the JPO introduced new Examination Guidelines for Trademarks that include more specific criteria for protecting mottos and catchphrases as trademarks.

The Guidelines indicate that registration of the following two types of marks would be refused due to lack of distinctiveness:

- a mark consisting solely of an advertising phrase of designated goods or services, indicated in a common way; or
- a mark consisting solely of words indicating a corporate mission or business policy, in a common way.

According to the Guidelines, if the mark is merely indication of advantageous features of the designated goods or services, or if the mark consists of commonly used advertising phrase or if the wording of the mark is commonly used as expression of corporate mission or business policy, the mark shall be deemed to be indistinctive. By contrast, if a third party does not use an identical or similar wording to the mark while the applicant has been using the mark for a certain period of time, the examiner will conclude that the mark has distinctiveness.

For example, the registration of the mark ECO-STYLE in Classes 29, 30 and 32 was refused because the word ECO-STYLE was commonly used as a slogan or advertising phrase in the food industry (Appeal against Decision of Refusal No. 2010-21956).

On the other hand, the registration of the mark Advanced Security for Life in classes 9, 37 and 45 was granted because the mark does not indicate specific meaning or feature of specific goods or services, and the phrase of Advanced Security for Life was not commonly used as a slogan or advertising phrase in Japan (Appeal against Decision of Refusal No. 2010-26967).

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

After the filing of the complaint, the court clerk will examine whether the correct form for the complaint has been used and whether the correct stamp value has been affixed on the complaint. The clerk will then contact the plaintiff, or his or her attorney, and depending on his or her availability, will decide the date of the first oral hearing. The court will then send a summons and the complaint to the defendant by mail. The first oral hearing will typically be held 40 to 50 days after the filing date. Before the hearing, the defendant has to file a defence, which will deny or accept each claim and the factual information relied upon in the complaint. At each key event in the proceedings the judge will ask the parties whether they have an intention to settle the case.

Following the first hearing, there will be a court hearing of (on average) 10 to 15 minutes once a month for about eight to 12 months. In addition, the judge may hold a preparatory court hearing, at which the judge and both parties will discuss the issues at hand for a relatively long time in chambers.

The examination and cross-examination of witnesses will follow, although judges tend to dispense with the examination of witnesses in relation to trademark cases. After this, each party will file its closing brief. The oral proceedings will close and the court will issue its judgment. On average, judgment is rendered one to one-and-a-half years following the filing of the complaint.

The proceedings for a preliminary injunction typically take several months. The proceedings for appeals typically take one year.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The fee to be paid to a court upon filing depends on the economic scale of the case. For example, if the trademark owner seeks ¥100 million as damages, it has to pay approximately ¥300,000 to the district court and, if it appeals, ¥500,000 to the High Court.

As for attorneys' fees, there is no legally binding standard in Japan. Usually, attorneys representing foreign clients charge on an hourly basis and their rates vary from ¥30,000 to ¥60,000, although some

attorneys charge certain amounts as initial and contingent fees. Under Japanese law, a plaintiff can recover the full amount of the fee paid to the court and a part of the attorneys' fees, which is usually up to 10 per cent of the amount of the damages awarded as compensation for infringement.

## 26 Appeals

**What avenues of appeal are available?**

The judgment of a district court can be appealed to a high court. There are 50 district courts and nine High Courts in Japan. Since April 2005, trademark cases that used to be subject to the jurisdiction of the Tokyo High Court are now heard by the Intellectual Property High Court. The grounds for appeal from a district court to a high court are that the first judge made an error in a factual finding or in the application of the law. The Supreme Court will hear appeals from a high court on grounds of error in interpretation and other violations of the constitution. In addition, violations of the civil procedure rules such as an error in jurisdiction, lack of reasoning, etc, will also give rise to a right of appeal to the Supreme Court. A system of petitions to the Supreme Court has been introduced that gives the Supreme Court discretion to accept cases if the judgment being appealed is contrary to precedent or contains significant matters concerning the interpretation of laws and ordinances.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

In defending a charge of infringement or dilution, an alleged infringer often alleges, inter alia:

- no similarity of the marks;
- no similarity of goods or services;
- no likelihood of confusion;
- prior use that caused an allegedly infringing mark to become well known;
- that the term is generic;
- that the registration is invalid;
- that the registration should be cancelled as a result of non-use of the registered mark;
- that the mark is not well known or famous in Japan;
- exhaustion of rights by first sale; or
- parallel importation.

In addition to a defence before the courts, an alleged infringer may file a petition for invalidation or cancellation of registration as a separate proceeding before the JPO. Filing a petition for invalidation or cancellation with the JPO does not necessarily stop litigation proceedings before a court, but judges sometimes prefer to await the outcome of a JPO decision.

## 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

Permanent injunctions and monetary relief are available through the proceedings for a main lawsuit, and a preliminary injunction is available through the proceedings for a preliminary injunction. As to monetary relief, the amount of damages is limited to actual damages (punitive damages are not allowed in Japan).

The amount of damages is usually determined by:

- the profit gained by an infringer;
- the number of infringing products multiplied by the amount of profit per unit gained by the trademark owner that sells competing products; or
- a reasonable or established royalty rate.

To obtain injunctive relief, the trademark owner does not have to establish any fact other than an existing, or the threat of, infringement for a permanent injunction through a lawsuit on the merits, but has to establish the necessity for a preliminary injunction if they request one. However, in practice courts do not require a high level of necessity to be established. Further, as a condition for a preliminary injunction order, the trademark owner is ordered by judges to place a bond with the

court, the amount of which is determined by judges on a discretionary basis; for example, as an amount equivalent to 20 per cent of the annual sales of infringing products.

As for criminal remedies, imprisonment not exceeding 10 years or a fine not exceeding ¥10 million (in the case of a corporation, ¥300 million), or both, may be imposed on the trademark infringers, depending on the maliciousness of the conduct, the amount of damages, etc.

## 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Arbitration is available in Japan as long as both parties agree to arbitrate disputes. The Japan Commercial Arbitration Association ([www.jcaa.or.jp](http://www.jcaa.or.jp)) and Japan Intellectual Property Arbitration Centre ([www.ip-adr.gr.jp](http://www.ip-adr.gr.jp)) are active institutions that administrate arbitration proceedings in relation to disputes related to intellectual property. However, the number of arbitration cases relating to intellectual property is small, except for domain name disputes, and is the number is presently far lower than the number of litigated cases. The benefits of arbitration are that the parties may agree to use the English language, that confidentiality can be kept and that the enforcement of the decision is easier if the decision needs to be enforced in foreign countries, etc. The risks

of arbitration are that no appeal is available, etc. Further, mediation is also available as long as both parties agree. The benefit of mediation is that the proceedings are not necessarily adversary, and the risks of mediation are that it is very difficult to locate good and experienced mediators and that the proceedings may become redundant as the mediation is not binding.

## 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A famous foreign trademark is afforded protection even if not used domestically. A domestically famous foreign trademark can prevent others' similar trademarks from being registered and prevent others from using similar trademarks. A trademark that is famous only in a foreign country can prevent others' similar trademarks from being registered only if the applicant is found to have an unfair purpose. Materials proving that the trademark is famous among consumers (eg, the period, scope, frequency of its use) or the trademark is used with the unfair purpose (eg, the purpose of gaining unfair profits or causing damage to the other person), or both, are required.

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# Korea

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## 1 Ownership of marks

### Who may apply?

Any individual or legal entity who uses or intends to use a trademark in the Republic of Korea is entitled to file a trademark or service mark application.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The Korean Trademark Act protects any of the following as a trademark, when used on goods or services related to the business of a person who conducts business activities, such as producing, processing, distributing, certifying or selling such goods, to distinguish them from the goods of others:

- a sign, a character, a figure, a sound and a smell, a three-dimensional shape, a colour, a hologram, a motion, an emblem or any combination of these; or
- things that can be visually recognised other than the above-mentioned things.

A trademark, service mark, collective mark, business emblem or geographical indication and certification mark can be registered and protected in Korea.

## 3 Common law trademarks

### Can trademark rights be established without registration?

As the Korean Trademark Act adopts a 'principle of registration', a trademark right can only be established with the registration of the mark. Even if it is not used, once the trademark is registered, the trademark right is established.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It takes approximately one year to obtain a trademark registration (provided there are no objection or opposition proceedings, etc). The cost of registration varies depending upon the number of goods or classes in the trademark application, whether there is a trademark search before the trademark application, whether there is preliminary refusal, whether there is a final refusal or whether there is an opposition filed from a third party. In general, attorney fees for a trademark application are US\$500 and the official fees are 62,000 won per class (with no more than 20 items of goods or services); for the publication of a trademark application, the fees are US\$130; and attorney fees for a trademark registration are US\$170 and the official fees are 211,000 won per class (with no more than 20 items of goods or services). At its simplest, registration of a mark in one international class with no more than 20 items of goods or services – unless there is trademark search,

preliminary refusal or opposition by a third party upon the trademark application – would cost approximately US\$1,300.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

In Korea, a trademark applicant is required to designate goods or services according to 34 classes of goods and 11 classes of services as adjusted under the 10th edition of the NICE classification. Of course, multi-class applications are available in Korea. Many law firms in Korea offer a discount on attorneys' fees when filing multi-class application. However, there is no reduction on official fees when filing multi-class applications.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Once an application for trademark registration is filed, the Korean Intellectual Property Office (KIPO) examines whether it is in compliance with the formal requirements. Then, an examiner who has been assigned to prosecution of the application will examine whether there are absolute grounds and relative grounds for refusal of registration of the trademark application. The absolute grounds include examinations to determine whether a mark sought to be registered is distinctive, identical or similar to a national flag, national emblem, etc. The relative grounds include examinations to determine whether there is an earlier similar trademark owned by a third party.

The examiner conducts a search to determine whether the trademark is identical or similar to any earlier trademarks registered or filed before the filing date of the application, or well known in Korea or in a foreign country in connection with identical or similar goods or services.

After the examination proceedings, if the examiner fails to locate any grounds for refusal of registration of the trademark application, the trademark application will proceed to publication in the Trademark Gazette for opposition purposes. If no opposition is raised within two months from the date of publication, then a notice of allowance will be issued and the application will be matured into registration.

On the other hand, if there are grounds for refusal, the examiner will issue an 'office action' based upon the grounds for rejection of the application for registration. In response to such an office action, the applicant may submit a response within the designated or statutory period. If the applicant fails to overcome the grounds for refusal of registration, the examiner will issue a decision of refusal. The applicant may appeal against the final rejection before the Intellectual Property Tribunal (IPT) at the KIPO.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

In Korea, there are no provisions in the Trademark Act clarifying the time by which use must begin to maintain the registration. Therefore, submission of any proof of use of a trademark or a service mark is not required before registration is granted or issued. Also, the use of the mark is not a prerequisite for filing. However, pursuant to the Trademark Act, if a registered trademark has not been used in Korea for a period in excess of three consecutive years after registration without any justifiable reasons for such non-use, the mark is liable to cancellation upon petition of a third party based on non-use.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

Under the Korean Trademark Act, the applicant can appeal against a decision of final rejection on a trademark application. Any applicant dissatisfied with the decision of refusal may file an appeal before the IPT within 30 days of the date of receiving a certified copy of the decision of refusal. The applicant may then appeal to the Patent Court (High Court level) against an unfavourable decision by the IPT, and may also appeal to the Supreme Court against the Patent Court's decision. A Supreme Court decision is final.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

### Opposition before registration of a trademark

When an application is published, any person may file an opposition against the published trademark or service mark application at the KIPO within two months of the publication date of the application. A person requesting an opposition may supplement the reasons and evidence for supporting the opposition filed against a trademark application or service mark application within 30 days after the expiry date of the opposition period.

Attorney fees for preparing and filing opposition vary depending on the firms; generally it will be US\$1,500–2,500 per mark and official fees are US\$50 per class.

### Cancellation or invalidation trial

With the exception of raising a cancellation trial by the applicant against the cited mark conflicting with their own trademark or service mark application, any person can seek cancellation of a trademark or service mark registration on the grounds of non-use and illegitimate use of the trademark. The burden of proof of use is on the owner of the trademark or service mark against which a cancellation trial is filed. Where the owner fails to prove previous use of a trademark or a service mark for three consecutive years before the date on which a trial is filed, or to provide justifiable reasons for non-use, the trademark or service mark registration will be cancelled. Accordingly, it is desirable to secure sufficient evidence of domestic use of a registered trademark or service mark.

An interested party or KIPO may file a trial for invalidation of a registered trademark on the grounds that the mark is not registrable. If two or more designated goods are covered by the trademark registration, a request for an invalidation trial may be made for each of the designated goods. A trial for invalidation may be requested even after the extinguishing of a trademark or service mark right.

Attorney fees for preparing and filing invalidation and cancellation vary depending on the firms; these generally will be US\$3,500–4,500 per mark and official fees are US\$240 per class.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration is valid for 10 years from the date of registration. The application for renewal can be filed during the one year prior to the expiry date of the trademark registration. There is a six-month grace period from the expiry date to file for the renewal. Proof of use is not required for renewal in Korea.

## 11 The benefits of registration

**What are the benefits of registration?**

Principally, only a registered trademark can be protected under the Korean Trademark Act.

The trademark owner can request a person who is infringing or is likely to infringe the trademark right or exclusive licence to discontinue or refrain from the infringement, and prevent others from using his or her trademark or confusingly similar trademarks in relation to the same or similar goods or services.

The registered trademark is also protected with the cooperation of the Korean Customs authorities. The trademark owner can record his or her trademark at Customs to prevent unauthorised goods from being imported and exported through Customs and the Customs authorities have to stop clearance of the unauthorised goods and notify the trademark owner of the arrival of the unauthorised goods. In addition to this, if imported goods seem unauthorised, even without the owner's previous recording of the registered trademark, Customs can suspend the clearance of the corresponding goods ex officio and notify the trademark owner that there has been an attempt of importing any unauthorised goods.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Under the Korean Trademark Act, it is not mandatory to record an exclusive licence agreement, but the matters falling under the following points shall have no effect on any third parties unless they are registered:

- establishment, transfer (excluding transfer by inheritance or other general succession), modification, extinguishment by abandonment or restriction on disposition, of an exclusive licence or a non-exclusive licence; and
- establishment, transfer (excluding transfer by inheritance or other general succession), modification, extinguishment by abandonment or restriction on disposition, of a pledge, the object of which is an exclusive licence or a non-exclusive licence.

When an exclusive licence or a non-exclusive licence is registered, it shall also be effective to any person who acquires rights or an exclusive licence or non-exclusive licence after the registration.

## 13 Assignment

**What can be assigned?**

A trademark right may be assigned separately for each of the designated goods or services. In such cases, the rights for similar designated goods or services shall be assigned together to the same assignee. A trademark may be assigned with or without goodwill and other business assets.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The following documents are required:

- a deed of assignment signed by both the assignor and assignee;
- a notarised corporate or individual nationality certificate of assignor; and
- respective power of attorney signed by both the assignor and assignee.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

The transfer of a trademark application for trademark registration or a registered trademark, except for inheritance or other general succession, is not effective without recording the transfer of the trademark application or registered trademark.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interest agreements are recognised and recordable with the Trademark Registry at the KIPO in order to give a third party notice of equitable interest or other matters relevant to the ownership of a trademark registration. A pledge as a kind of security interest on a trademark right or exclusive or non-exclusive licence may be recorded. As a trademark right can be assigned by way of enforcing a pledge right, creditors can secure a right of preferential repayment by establishing a pledge for a trademark right. A pledge in a trademark right must be recorded with Trademark Registry at the KIPO for its validity.

In the case of an exclusive licence, an exclusive licensee can establish a right of pledge in the exclusive licence subject to approval of the owner of trademark registration. The pledge in exclusive licence must be recorded with Trademark Registry at the KIPO in order to take effect.

The right of pledge in a non-exclusive licence also may be established under approval of the registrant and may be recorded to give notice to a third party.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The trademark owner, exclusive licensee and non-exclusive licensee usually use the words 'registered trademark' or the symbol '®' to indicate trademark registration, even though use is not compulsory. The words and symbol are used in such a way as to prevent others from infringing trademark. Anyone who infringes a trademark right or exclusive licence of another person bearing such words or symbols is presumed to have known that the trademark was already registered, and therefore is presumed to have intentionally infringed the trademark right. Accordingly, by using the markings a trademark owner can easily prove the infringement of the trademark right in any legal action.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

There are no specialised courts or tribunals dealing purely with matters of trademark infringement in Korea. However, administrative proceedings before civil courts are available as follows:

- a request for an injunction against infringement;
- a request for a provisional injunction to prevent infringement;
- a request for compensation for damages incurred by infringement; and
- a request for restoration of a business reputation.

Administrative remedies (including border control) include:

- a trial for confirmation of the scope of a trademark right before the IPT;
- Customs' holding the clearance of unauthorised goods according to the trademark owner's previous recording or ex officio; and
- a request for mediation to the IPT.

A person who has infringed a trademark right or an exclusive licence is liable to criminal prosecution and imprisonment with labour for a period not exceeding seven years, or a fine not exceeding 100 million won.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

An infringement trial progresses by way of argument and proof between plaintiff and defendant. Discovery is usually not permitted, although there is a similar system available (evidence preservation). If necessary, witnesses' live testimony and experts' opinions are permitted. Infringement proceedings typically last around six months, depending on the complexity of the case.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The plaintiff shall prove the defendant's infringement of his or her trademark right. However, the Korean Trademark Act contains certain articles to lessen the burden of proof from the plaintiff in some cases.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

A trademark owner or exclusive licensee is entitled to seek an injunction, provisional injunction, compensation, the return of undue profit, restoration of reputation and, finally, criminal prosecution.

Under the amended Korean Trademark Act, it is possible for the trademark owner to grant an exclusive licence of the trademark without recording it in the Trademark Register. Thus, the exclusive licensee can also claim trademark infringement and seek damages even if its licence has not been recorded.

The standing to bring a criminal complaint lies with the trademark owner or its exclusive licensee, or both, with the police officers or the Public Prosecutor. However, only the Public Prosecutor has standing to bring a criminal complaint to the court.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Basically, only activities that take place in Korea can support a charge of infringement or dilution according to the Korean Trademark Act. However, the Korean Trademark Act defines activities of importing unauthorised goods as a kind of infringing activity too, so that, for example, importation of unauthorised goods can be withheld at Customs ex officio or according to the trademark owner's previous recording of the trademark.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Korean courts do not adopt exactly the same system as the discovery, but the court may order a party who has documents to submit them as proof if there is a request from another party to do so, and the document-holding party is determined to have such proof. When the document-holding party fails to comply with the court's order, the court may consider that the requesting party's allegation about the document is true.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

#### First instance (district court)

A civil (criminal) proceeding for an infringement begins with a filing of the trademark owner or exclusive licensee's complaint with a civil (criminal) court (district court). If the defendant (alleged infringer) submits a written answer, the court holds the pleading process and the hearings, and then renders a judgment. The civil (criminal) proceeding takes about one year.

#### Second instance (High Court (Patent Court))

A party who is dissatisfied with the district court's decision can lodge an appeal before the High Court within 14 days from the date on which the district court's decision is delivered to the party.

#### Third instance (Supreme Court)

A party who is dissatisfied with the High Court (Patent Court)'s decision can lodge an appeal before the Supreme Court within 14 days of the date on which the High Court's decision is delivered to the party. Further, the party shall submit a written statement of the grounds for the appeal to the Supreme Court within 20 days from the date of receiving the notice that the party shall supplement the grounds for the appeal.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Litigation costs are as follows.

#### Injunctions

- First instance, including preparation: US\$10,000 to US\$15,000;
- second instance: US\$7,000 to US\$12,000; and
- provisional injunction: US\$7,000 to US\$10,000.

#### Compensation

- First instance, including preparation: US\$10,000 to US\$15,000;
- second instance: US\$10,000 or more; and
- criminal prosecution: US\$5,000 or more.

## 26 Appeals

### What avenues of appeal are available?

Two-step appeals against the decision of the district court are available; any person who is dissatisfied with the decision of the district court may appeal to the High Court (Patent Court), and any person who is dissatisfied with the decision of the High Court (Patent Court) may appeal to the Supreme Court. A Supreme Court decision is final.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

There are many ways to defend against a charge of infringement or dilution.

#### Within the legal procedure in court

A defendant may argue that his or her use of a mark is based on his or her own trademark, that the scope of the trademark right does not extend to the use of the mark by the defendant, that there is no likelihood of confusion between the marks or goods or services, or that the defendant is entitled to the use of the trademark (eg, based on the prior use of the trademark). Of course, if the registration right has original defects meaning that the mark is not registrable, a defendant may deny the trademark right based on such.

#### Outside court

A defendant may file an invalidation trial of the trademark registration or a cancellation trial on the grounds of non-use before the IPT

at the KIPO. In addition to the argument that the use of trademark by a defendant does not fall within the scope of the registered trademark right in the legal procedure, the defendant may file a trial for confirmation of the scope of a trademark right before the IPT at the KIPO.

In this regard, even if a trademark is not well known in Korea, a party who has been using its trade name (commercial name) as a trademark may continue to use such trademark if it has previously done so without engaging in any act of unfair competition before the other party's application was filed.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

Where judgment is given for the defendant, he or she can seek a complaint for compensation of damages in a separate lawsuit so as to recover actual expenses, financial losses in business as well as credit or mental damages. Permanent and preliminary injunctive relief is available in addition to the monetary relief. A person who has trademark rights or exclusive licence may move for a preliminary injunction or permanent injunction when his or her right is, or is about to be, infringed.

#### Civil remedies

##### Injunctions

The owner of a trademark or exclusive licensee may go to court to obtain an injunction against any person who is infringing or is likely to infringe its trademark, and require to cease and desist any infringement, such as 'the destruction of the goods or equipment, any other measures necessary to prevent future infringement'.

##### Monetary damages

Under the Korean Trademark Act, a trademark owner may enter a claim for actual damages, can seek the forfeiture of the profits derived from the infringing activities or seek payment of a royalty that the owner would normally be entitled to receive for use of its registered trademark. Alternatively, the trademark owner can claim damages in an amount equal to the total sales of the infringing goods multiplied by the profit per unit of such goods.

##### Statutory damages

A trademark owner can claim statutory damages against an infringing party of up to 50 million Korean won (US\$45,000) instead of claiming on the basis of actual quantifiable damages. However, statutory damages are only available in cases where the infringing mark is identical or virtually indistinguishable from the injured party's registered mark and used in connection with goods or services that are identical or virtually indistinguishable from the goods associated with the registered mark.

#### Criminal proceedings

Under the Korean Trademark Act, any person who intentionally infringes a trademark can be imprisoned for up to seven years or fined an amount of not more than 100 million Korean won.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

There are two forms of ADR, as follows:

- A request for arbitration to the Korean Commercial Arbitration Board.
  - The arbitration decision has the same effects on the conflicting parties as a decision issued by the Korean courts and, thus, has binding power as a final decision to the parties. Arbitration is processed with reference to the UNCITRAL Arbitration Rules. Also, Korea is a member of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.
- A request for mediation to the Intellectual Property Dispute Resolution Committee, submitted at the KIPO.
  - These mediation techniques are quick, cost-effective and time-effective to implement. The disadvantage is that when mediation does not resolve the dispute, the parties must seek remedy through court proceedings.



**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

There is a provision in the Korean Trademark Act which states that a trademark is identical or similar to a mark that is well known to consumers in a foreign country cannot be registered in Korea. According to this provision, even if the mark has not been used in the domestic market or is not well known to domestic consumers, as long as the mark stays well known in a foreign country, the owner of the well-known mark may still prevent registration of similar or identical marks.




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# Kyrgyzstan

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## 1 Ownership of marks

### Who may apply?

Any legal or natural person engaged in business activity may apply for trademark registration. Foreign applicants may apply for trademark registration in Kyrgyzstan through a patent attorney admitted to handle registration and prosecution of trademarks before the State Patent Office (Kyrgyzpatent).

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any signs or combinations that can distinguish goods and services of one person from similar goods and services of another person may be registered as trademarks, including verbal, visual, three-dimensional and other designations. A trademark may be registered in any colour or colour combination. Non-traditional marks that are visually indistinguishable, as well as sound and olfactory marks cannot be protected and registered as a trademark.

The Law On Trademarks, Service Marks and Appellation of Places of Origin of Goods dated 14 January 1998 (as amended by the Law of 27 February 2003 and the Law of 6 February 2014) (the Trademark Law) provides for absolute and other (relative) grounds for refusal in registration of a trademark. Absolute grounds include, inter alia:

- signs and designations having no distinctive ability;
- state emblems, flags, official names of states, abbreviations or full names of international organisations, official control, guarantees and hallmarks, awards;
- designations pointing to the type, quality, properties, purpose and value of goods;
- designations that are deceptive or capable of misleading a consumer in respect of the goods or services or the manufacturer; and
- designations that are contrary to the public interest, principles of humanity and morality, etc.

Examples of relative grounds for refusal in the registration of a trademark are as follows:

- designations identical or similar to the extent they are likely to cause confusion with a trademark registered or filed for registration in Kyrgyzstan in the name of another entity with regard to homogenous goods holding earlier priority;
- designations that reproduce names of works of science, literature and the arts famous in Kyrgyzstan, characters therefrom or citations, works of art or parts thereof without consent of the copyright owner or his or her successor; and
- designations reproducing industrial designs the right to which are owned by other entities in Kyrgyzstan, if the industrial design holds earlier priority compared with the designation filed for trademark registration.

It should be noted that the Trademark Law does not stipulate a possibility of a formal preliminary search to identify in advance any identical or similar trademarks likely to cause confusion filed and registered with the Kyrgyzpatent. Absence of such a possibility can cause difficulties for applicants in the registration of their trademarks.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark rights cannot be established without registration.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Generally, the registration process can take at least from 12 to 15 months from the date of submission of all relevant documents to the Kyrgyzpatent. The official fee for registration of a trademark applied for one class of goods or services and executed in black and white amounts to US\$630, whereas registration of a trademark executed in colour costs US\$665.

The time and cost of registration of a trademark may be higher in the case of experts' actions (inquiries, provisional refusals, etc), as well as the actions of third parties (eg, objections against a filed application).

The documents and information required for registration are as follows:

- the application;
- a power of attorney (if application is filed through a patent attorney);
- a description of the trademark;
- a document confirming payment of the official fee; and
- the designation of goods and services according to the International (Nice) Classification of Goods and Services (ICGS).

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The ICGS is used, and any goods and services provided in this classification may be claimed.

Multi-class applications are available. The official fee for each additional class when filing the application is US\$175.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The Kyrgyzpatent follows a two-stage examination procedure: a preliminary examination and an examination on the merits. Applications are examined for conflicts with other trademarks with consideration of the absolute and relative grounds specified in question 2, including the potential conflicts with other trademarks. Applicants may respond to

rejections by the Kyrgyzpatent by appealing to the appeal board of the Kyrgyzpatent (Appeal Board).

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

The use of a trademark does not have to be claimed before registration is granted. Proof of use does not have to be submitted.

Applicants, including foreign applicants, may use conventional priority, which is established pursuant to the date of the first application in a member state of the Paris Convention for the Protection of Industrial Property (Paris Convention) if the application is filed with the Kyrgyzpatent within six months from the specified date. The Trademark Law also provides for the possibility of 'exhibit priority', which is established pursuant to the first date of exhibition at an official or officially recognised international fair organised in the territory of one of the member states of the Paris Convention, if the application for trademark registration is filed with the Kyrgyzpatent during six months from the specified date.

In the event a trademark is not used for any three consecutive years after its registration, any concerned third party may challenge the registration of a trademark for non-use, in which case the registration of such a trademark shall be subject to early termination upon the decision of the court.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If the application is denied, an appeal can be filed with the Appeal Board within three months from the date of receiving the refusal. The Appeal Board shall consider the appeal within four months from the date of receiving the appeal. The decision of the Appeal Board may be further appealed at the court within six months from the date of receiving the decision of the Appeal Board. See question 19.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

The Trademark Law does not provide for publication of applications for registration of a trademark. Therefore, a third party may not oppose an application prior to registration. However, a third party may oppose registration or seek cancellation of a trademark or service mark after registration by filing an opposition or objection with the Appeal Board. Registration of a trademark can be opposed by any concerned party within its term of validity on absolute grounds and within five years from the date of publication of trademark registration information in the official bulletin on relative grounds (examples of absolute and relative grounds are provided in question 2). The opposition or objection shall be considered by the Appeal Board within four months from the date of its receipt. The decision of the Appeal Board can be appealed at the court within six months from the date of receiving the decision of the Appeal Board.

A brand owner whose trademark is not registered in Kyrgyzstan may not oppose a bad-faith application, since pursuant to the Trademark Law only registered trademarks are protected. At the same time, a bad-faith issue can be raised under the unfair competition legislation of Kyrgyzstan. However, there have been no precedents of challenges raised on unfair competition grounds.

The approximate costs associated with a third-party opposition or cancellation proceeding after registration range from 42,000 Kyrgyz som to 70,000 Kyrgyz som, excluding the US\$500 official fee for filing the opposition or cancellation. The indicated costs depend on the complexity of the matter.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Registration of a trademark lasts for 10 years from the date of filing an application with the Kyrgyzpatent. To maintain the registration, a trademark holder, within the last year of registration, must file an application for renewal with the Kyrgyzpatent. The trademark is renewed every 10 years. No proof of trademark use is required under the Trademark Law.

## 11 The benefits of registration

**What are the benefits of registration?**

The registration of a trademark provides its holders with the rights to protect their trademarks, including, but not limited to, seeking protection in the courts, getting remedies for infringement of their rights, as well as deploying border enforcement mechanisms against importation of counterfeit goods, etc.

However, it should be noted that trademark holders have begun to include goods containing IP objects into the customs registry recently, therefore, application of border enforcement measures in practice remains to be tested.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Any licence against a mark must be registered with the Kyrgyzpatent, otherwise, such a licence shall be deemed invalid.

## 13 Assignment

**What can be assigned?**

There are no restrictions as to assignment of a trademark. However, the assignment of a trademark is not allowed if it may confuse a consumer with regard to the product, its quality or manufacturer. Any assignment of trademark must be registered with the Kyrgyzpatent, otherwise, such an assignment shall be deemed invalid.

No concept of 'goodwill' is provided under Kyrgyz law.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The following documents are required for assignment:

- the application for registration of a trademark assignment;
- the agreement on the assignment of a trademark;
- a copy of the certificate of trademark registration;
- a document confirming payment for the registration of a trademark; and
- a power of attorney issued in the name of a Kyrgyzstan patent attorney should an application for trademark assignment be filed by a foreign person or entity.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

To be valid, assignments of trademarks must be registered with the Kyrgyzpatent.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Pursuant to the Trademark Law exclusive rights to the trademark may serve as an object of pledge by executing pledge agreement. A trademark owner may have the right to use the pledged trademark unless otherwise is stipulated in the pledge agreement, which must be registered with Kyrgyzpatent to be valid or enforced.

The Trademark Law does not allow for collective trademarks to be the object of pledge.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Pursuant to the Trademark Law a trademark holder may use a warning marking in the form of R or ® or the words 'registered trademark'. Application of warning marking is not mandatory. The warning marking allows a trademark holder to inform consumers about the fact that the given trademark is registered and protected, and any unauthorised use of the trademark will infringe rights of the trademark holder. There are no risks of not using the warning marking since such use is voluntary.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Infringement of a registered trademark entails civil, criminal and administrative liability. Illegal use of a trademark entails administrative liability in the form of fine, which ranges from 5,000 Kyrgyz som to 20,000 Kyrgyz som. The anti-monopoly body considers the administrative matters involving unfair competition. Kyrgyz law provides for criminal liability for illegal use of trademark in the form of:

- a fine ranging from 20,000 Kyrgyz som to 40,000 Kyrgyz som;
- triple айып, a penalty in the form of treble damages imposed by the decision of the court in monetary terms or in kind; or
- public service for a term of between 180 and 240 hours.

There are no specialised courts or other tribunals in Kyrgyzstan dealing exclusively with trademark matters.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Cases in the area of intellectual property are examined by one judge. Court proceedings are held in the form of hearings. Any evidence in the form of documents, reports of witnesses, expert evidences, video and audio records, etc, can be submitted to the court. Court proceedings typically take around one month, provided that no expert examination is appointed. All parties are allowed to participate in the proceedings.

The Kyrgyz laws provide for a criminal enforcement mechanism. In particular, unauthorised use of a trademark shall entail criminal liability should heavy damages be caused. Heavy damages shall be deemed as such if the damage caused is of an amount exceeding 500 times the index rate stipulated by Kyrgyz laws at the time of committing a crime (50,000 Kyrgyz som). A criminal case is initiated and investigated by an investigator of the financial police. Investigation of such cases must be completed no later than one month from the date of the initiation of the criminal case. Upon completion of the investigation the case shall be sent to the court. A judge shall consider the case on its merits not later than one month from the date of receipt of the case by the court. During the investigation the investigator undertakes investigative actions (interrogation, visiting premises, examination of goods, documents and other material objects, search, seizure, arrest, etc). During the criminal proceedings the judge listens to the testimonies of the defendant and

## Update and trends

Currently, a principle of national exhaustion of trademarks rights is effective in Kyrgyzstan. However, starting from 12 August 2017 the principle of regional exhaustion of trademarks rights will apply in the Kyrgyz Republic due to accession to the Eurasian Economic Union (EEU) consisting of Armenia, Belarus, Kazakhstan and Russia. Foreign trademark holders are recommended to take this issue into consideration when planning trademark protection strategies, particularly with respect to parallel importation.

In addition, Kyrgyzpatent is in the process of revision of the official fees for registration of intellectual property objects, including trademarks. It is anticipated that the new official fees, if approved, will be denominated in Kyrgyz som.

other parties of the case, witnesses, the opinion of experts, examinations of material evidence, declared protocols and other documents, and undertakes other judicial actions on examination of the evidence. The judgment of the court must be based only on the evidence that has been examined during the court proceedings. It should be noted that in practice application of the criminal enforcement mechanism is virtually non-existent.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

The parties shall bear the burden of proof in establishing infringement of trademark by proving the facts to which each party refers as the basis of its claims and objections. Dilution is not considered to be a cause of action in Kyrgyzstan.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

The trademark holder may always seek a remedy for an alleged trademark violation, while a licensee may seek a remedy only when it is provided under the licence agreement. Both the trademark holder and the licensee are entitled to bring a criminal complaint.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

As registration and protection of a trademark are limited by the territory of Kyrgyzstan, any foreign activities may serve only as auxiliary evidence in trademark infringement proceedings.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

A party experiencing difficulty in obtaining important evidence may turn to the court with a request to issue a judicial request to the other party or third parties to produce the evidence sought. The judge has the power of discretion as to the issuance of such a judicial request. With regard to obtaining evidence from parties outside Kyrgyzstan, the court may, within the framework of international agreements on rendering legal assistance (eg, international agreements such as among CIS countries) enforce such judicial requests. Any such actions intended for obtaining evidence are time-consuming.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The approximate time frame for trademark infringement action is as follows:



- about one month at the trial level;
- about one month at the appeal level or at the cassation appeal level; and
- about two months at the supervisory (Supreme Court) level.

Kyrgyz laws do not stipulate a preliminary injunction level. The issue of injunctive relief is discussed in question 28.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The approximate cost of litigation ranges from 290,000 Kyrgyz som to 700,000 Kyrgyz som for the first instance and from 290,000 Kyrgyz som to 650,000 Kyrgyz som for further stages of appeal. The indicated litigation costs depend on the complexity of the matter.

Pursuant to Kyrgyz law, a successful plaintiff shall be entitled to all legal expenses should a court grant a judgment in favour of the plaintiff in its entirety. However, if the court grants the judgment in part, then the legal costs shall be shared proportionally between the parties.

## 26 Appeals

**What avenues of appeal are available?**

A judgment of the court of first instance can be appealed by filing an appeal or cassation petition and appeal with the Supreme Court.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant has a right to object against the charge of infringement, adducing its evidence objecting to the claim, filing a motion for the appointment of expert examiners, interrogation of witnesses, experts and undertaking any other actions defending his or her position. Thus, the defendant (the participant of the legal proceedings) enjoys the same rights as the plaintiff.

## 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The major remedies are stipulated in a civil action, including, inter alia:

- compensation of losses incurred due to the infringement;
- cessation of the infringement;
- seizure and destruction of the infringing goods; and
- publication of a court's decision to restore the business reputation of the legitimate trademark holder.

Monetary relief is available in criminal, administrative and civil court proceedings. Usually the courts award all costs against the losing party.

Kyrgyz laws do not distinguish between preliminary and permanent injunctions. The injunctive relief is available at any stage of court proceedings if failure to undertake such measures may impede or prevent enforcement of the court's decision. Such an injunction may include an injunction against the defendant to commit specific actions: against other parties to transfer the property, seizure of property or funds, etc.

## 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques, such as cease-and-desist letters, pretrial negotiations, etc, are available, but not commonly used. The major benefits of ADR are time and cost savings.

## 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A famous foreign trademark may be recognised as a well-known trademark in Kyrgyzstan under specific terms and conditions. In particular, the trademark shall be deemed as a well-known trademark in the territory of Kyrgyzstan if it complies with the well-known trademark criteria, including its use in the country. Such a decision is within the competence of the Appeal Board. On the basis of the Appeal Board's decision, the information about such a trademark is included in the register of well-known trademarks and published in the official bulletin of the Kyrgyzpatent.

The 'well-known' status provides certain benefits to the trademark, in particular, protection of the well-known trademark:

- is unlimited;
- extends not only to the goods with regard to which it has been registered, but also to non-homogenous goods; and
- the well-known trademark may serve as a ground for refusal in the registration of a trademark by any third party.

The owner of the well-known trademark has the right to prohibit use of such a trademark with regard to any goods and services.

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# Macao

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## 1 Ownership of marks

### Who may apply?

Any person or legal entity having a legitimate interest, in particular, a manufacturer or trader, may apply for trademark registration.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Words and devices or a combination thereof may be registered.

The following marks may not be registered:

- marks consisting exclusively of signs or indications that may be used in commerce to designate the kind, quality, quantity, intended purpose, value, geographical origin, or time of production of the goods or the rendering of the services or other characteristics of the goods or services;
- marks consisting exclusively of signs or indications that have become customary in the current language or in bona fide and established commercial practices for the designation of the goods or services;
- marks consisting exclusively of colours, except when these are arranged in an original and distinctive manner;
- marks containing flags, coats of arms, or other emblems of the Macao Special Administrative Region, of local councils, or other national or foreign public or private bodies without the consent of the competent authority;
- marks containing official signs, seals, and stamps of control or guarantee, if intended for products that are the same or similar to the products to which these are to be applied, except with the consent of the competent authority;
- marks containing heraldic insignia or escutcheons, medals, decorations, or distinctions of honour that the applicant is not entitled to or, if he or she is entitled thereto, if disrespect or disrepute would result from the use thereof;
- marks containing the emblem or name of the Red Cross or of any other body to which the chief executive of Macao has granted the exclusive right to their use, except where special authorisation has been obtained;
- marks containing a trade name, company name, business name or shop sign not belonging to the applicant or that the applicant is not authorised to use;
- marks containing the name or portrait of an individual without his or her consent or, in the case of a deceased person, without the consent of his or her heirs up to the fourth degree, or even if such consent has been obtained, if the use of the mark containing such name or portrait may cause disrespect or disrepute to the person concerned;
- marks containing a sign or signs that are an unlawful reproduction without authorisation of a work that is the literary or artistic property of another party;
- marks containing false indications of the nature, quality, or utility of goods or services for which the mark is intended;
- marks containing any false indication of origin, with regard to the country, region or locality, factory, property, or place of business;
- marks likely to cause confusion with one or more other marks already registered with respect to identical or similar goods or services in the name of another party; and

- marks being entirely, or in a substantial part, a reproduction, an imitation, or a translation of another unregistered mark that is known to belong to another party being a national of or having his or her principal place of business in a Paris Convention member state, where confusion may be caused because the mark applied for is to be used for goods or services identical or similar to those for which the well-known mark is used, provided, however, that opposition on this basis can be successful only if the owner of the well-known mark files proof that he or she has applied for registration of his or her mark in Macao.

Colours may be registrable as a mark only if arranged in an original and distinctive manner.

The shape of a product or of the package or cover of a product may be registered as a mark, provided that it is capable of distinguishing the goods concerned from identical or similar goods.

Collective marks may be registered. Certification marks may also be registered.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Provisional protection is given to a trademark application. Total protection is given as from the grant of the trademark registration. Thus, trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If no opposition is filed against the trademark application and if the application is filed with all the required documents, it usually takes five months to obtain a trademark registration plus another five months to obtain the registration certificate. The official fees for the trademark application amount to 1,000 patacas.

Moreover, in order to proceed with said filing, it is necessary to have a power of attorney duly dated, signed by the legal representative and legalised by notary public and the Apostille of the Hague Convention.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The applicable classification is the 10th Edition of the International Classification of Goods and Services under the Nice Agreement. Multi-class applications are not available.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

If the opposition period lapses without oppositions having been filed or the opposition proceedings have been terminated, the application will be examined as to form, registrability per se, and prior conflicting registrations.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

A registered mark should be used. If a registered mark has not been used without a legitimate reason for three consecutive years, the registration of the same may be declared forfeited.

Only registered trademarks are obliged to be used. Before the registration there is no obligation of use of the trademarks.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

An appeal against the decision of the Intellectual Property Department (IPD) of the Macao Economic Services (MES) may be lodged with the first instance court within one month of notification. Both the applicant and the opposing party may lodge an appeal. Further appeal lies with the court of second instance.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Within two months after the publication (term not extendable), any third party considering itself prejudiced by the possible grant of the registration may file an opposition. The applicant may file a counter-statement within one month (term also not extendable).

The opposition or the cancellation of a trademark can be requested in the following circumstances:

- that the person in whose name the registration of a mark was made was not entitled to acquire it;
- that the registration concerns a mark that was not registrable;
- that the grant of the registration infringes third-party rights based on priority or other legal title, and, in particular, that the grant infringes upon rights to an earlier mark, provided the use requirement in respect of that mark is complied with. Note, however, that no cancellation on this ground may be requested in the case of acquiescence in the use of the later mark during five years;
- that the mark being the subject of the registration is wholly or partly an imitation, translation or reproduction of a mark that is well known in Macao, and is used for the same or similar articles and there is danger of confusion;
- that the mark being the subject of the registration is graphically or phonetically identical or similar to an earlier mark being highly renowned in Macao, irrespective of the goods or services for which it is applied, if use of the later mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark; or
- that the grant of the registration infringed provisions requiring authorisation or consent and this has not been given.

The cancellation procedure may be started before the competent court within one year from the date of grant of the registration of the mark.

A brand owner that does not yet have its trademark protected in Macao cannot oppose a bad-faith application.

The present official fees associated with a third-party opposition and for a cancellation proceeding are €83,36 for each one.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The duration of registration of a trademark is seven years from the application date and is indefinitely renewable for further seven-year periods.

## 11 The benefits of registration

**What are the benefits of registration?**

Only registration confers exclusive rights to a mark. Only registration confers proprietary rights. The effect of registration, therefore, is attributive of ownership.

The following acts performed without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Macao of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Macao of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

With the exception of a legal limitation, industrial property rights may, with or without consideration, be licensed for exploitation in whole or in part and, when for a limited duration, for all or part of that duration.

The provision in the previous paragraph shall apply to rights deriving from industrial property right applications, but a refusal to grant such rights shall imply the forfeiture of the licence.

The exploitation contract licence shall be in writing.

Unless otherwise stipulated, the licensee shall, for all legal purposes, enjoy the privileges conferred on the title holder to which the exploitation licence was issued, with exceptions set forth in the following paragraphs.

The exploitation licence shall be deemed non-exclusive.

An exclusive exploitation licence shall be understood to be that in which the owner of the industrial property right forswears the right, for the full duration of the licence, to grant any other exploitation licences for the rights to which the licence refers.

Unless otherwise stipulated in the respective contract:

- the granting of an exclusive exploitation licence shall not preclude the owner from also directly exploiting the industrial property right covered by the licence;
- the right obtained through the exploitation licence may not be waived without the written consent of the industrial property right owner; and

- no exploitation sub-licences may be granted without the written authorisation of the industrial property right owner.

The granting of a licence agreement is subject to registration by being written on the title and mentioned in the respective granting register.

The above-mentioned fact may be raised by the parties or their successors at any time but shall produce effects in relation to third parties only after being registered.

### 13 Assignment

#### What can be assigned?

The rights to an applied-for or to a registered mark may be assigned independently of the goodwill of the business. Although not compulsory, it is advisable to record the assignment with the IPD of the MES.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

The requirements for registration of an assignment are as follows:

- deed of assignment in Portuguese, signed by the assignor and the assignee, and certified by a notary public;
- power of attorney in Portuguese, signed by the assignee, certified by a notary public; and
- original certificate of registration of the trademark for endorsement of the recordal therein. If this is not possible, it is necessary to request a duplicate of said document.

Owing to the recently revised requirements of the IPD of the MES, these documents must be legalised with the Hague Convention Apostille.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

The recordal of the assignment is required in order to be valid.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised and they must be certified by a notary public. They must be recorded for purposes of their validity in Macao.

Due to the recently revised requirements of the IPD of the MES, these documents must be legalised with the Hague Convention Apostille.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is optional. Possible markings include Marca Registrada, 'MR', ®, 'chu chak seong pio' (Cantonese), 'zhu ce shang biao' (Mandarin) or 'Registered Trademark'.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. There are no specialised courts for this matter, and the criminal law of Macao does not establish the trademark enforcement proceedings. However, in this the Civil Procedure Code applies.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

Only registration confers exclusive rights to a mark. The following acts done without the consent of the owner of a registered mark are deemed infringements:

- use in the course of trade in Macao of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Macao of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

There are rather severe criminal sanctions, namely, heavy fines and imprisonment for up to three years. Sanctions apply also to deliberately trying to have a mark registered that infringes upon the rights of another party.

### 20 Burden of proof

#### What is the burden of proof to establish infringement or dilution?

The burden of proof lies with the plaintiff, who has the burden of proving that its mark has been infringed.

### 21 Standing

#### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Trademarks Office and the licensee can only intervene if the registered user agreement (licence to use) is recorded before said office.

### 22 Foreign activities

#### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Only activities that take place in the Macao territory may be taken into account. However, this is not applicable to goods made outside the country from the moment that they are imported into Macao.

### 23 Discovery

#### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist a court order may be sought.

### 24 Timing

#### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Unfortunately, there is no 'typical time frame' for infringement or dilution actions. They are lengthy and can last for years.



**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no 'typical range of costs'. These depend mainly on the professional fees that are charged.

**26 Appeals**

**What avenues of appeal are available?**

An appeal against the decision of the IPD of the MES may be lodged with the first instance court within one month of notification. Both the applicant and the opposing party may lodge an appeal. Further appeal lies with the court of second instance.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceeding by responding to the complaint and submitting evidence.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Code contains provisions regarding the penalties imposed on an infringer but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are not available in Macao.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The existence of a well-known mark may be a ground for the opposition of a trademark application in Macao, provided that the owner applies for registration of the well-known mark at the same time.

The evidences that are required include market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies, sales volume, and other factors relevant to the reputation of the mark.



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# Mexico

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## 1 Ownership of marks

### Who may apply?

According to the Mexican Law of Industrial Property trademark registrations may be applied for by individuals and companies devoted to the manufacturing and sales of products or to the rendering of services.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

In Mexico, trademark protection is obtained once the trademark is registered before the Mexican Institute of Industrial Property. Any word, sign or three-dimensional figure that is capable of distinguishing products and services from others in the market may be registered as a mark. Mexican Law does not provide registration of non-traditional marks and thus owners of these kinds of marks should work together with their counsel to look for alternative means of protection.

## 3 Common law trademarks

### Can trademark rights be established without registration?

While use of a mark may grant the individual or company certain rights such as grounds for a cancellation action upon prior use or the possibility of opposing such use as an exception against an infringement action, the exclusive rights over a trademark are only obtained by means of registration.

Moreover, a mark may only be enforced against alleged infringers if it is already registered before the Mexican Institute of Industrial Property.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

According to the official document whereby the Mexican Institute of Industrial Property has established the terms in which a response in a trademark registration procedure should be issued, the examiner may issue his or her decisions in a file within a four to six-month period from the date on which the last petition is filed.

Thus, an application that does not encounter any requirement or grounds for refusal may become registered within a four to six-month period.

The official fees for the study, revision and issuance of a certificate of registration are in the amount of around 2,851.04 Mexican pesos.

If the application is objected to by the authority, then delays in obtaining the registration may be expected. Once a response to an official action is filed the examiner in charge will have another four- to six months to issue a decision.

In the event official actions are issued then additional official fees will have to be paid in the amount of between 377.89 Mexican pesos and 755.78 Mexican pesos per requirement or objection.

In order to file a trademark application, the following is required:

- the word or phrase to be registered and a black and white or colour specimen in the case of designed or combined marks;
- the law does not require the exhibition of the document upon which priority is claimed. Thus, in order to claim priority rights it is only necessary to name the country of the base application with its filing date and the serial number, if possible;
- the products or services to be covered;
- the date of the first use of the trademark in Mexico, or confirmation that the mark has not been used;
- the domicile or registered business address of the applicant;
- the factory address or location of the main commercial establishment (street, number, city and country). This information is only required when an applicant claims a date of first use in Mexico; and
- a simplified power of attorney, which document has to be executed by an authorised officer of the applicant company and by two witnesses.

Accuracy of this information is very important since Mexican law provides that a trademark registration may be cancelled if it is granted upon false statements contained in the application form.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Mexico follows the International classification of Goods and Services under the Nice Agreement in its 10th edition.

However, it is very important to verify the drafting of goods and services as examiners tend to be very strict concerning goods not expressly contained in the classification as described.

According to the Mexican Law of Industrial Property multi-class filing is not available.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Trademark applications are subject to two different types of examination. Initially a formal examination is performed to make sure that all the required information has been provided and that the goods or services to be covered are properly drafted and classified.

In a second examination, the officer determines whether the proposed mark is subject to being registered, either due to its nature or in light of pre-existent registered marks or pending applications.

Applicants have a two-month term, counted from the date in which they are served with the official action, to respond to any objection, it being possible to obtain two extensions of one month each time.

The extensions do not need to be applied for as they operate automatically provided that complementary fees in the amount of approximately 377.89 Mexican pesos per month are paid in a timely fashion.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

When filing the application, the applicant must state whether the mark has been used. If no mention is made of this, then the law provides it should be presumed that the mark has not been used.

In Mexico, trademarks may be registered even if its use has not commenced.

The ownership of a foreign registration does not grant any right of priority on behalf of the applicant.

Mexican law does not expressly provide the time in which use of a mark must begin. However, since it is the granting of a trademark registration that allows use of the mark, it has been construed that cancellation actions on grounds of non-use may only be filed when three years from the granting date of the registration have passed.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The decision of denying an application may be challenged either by means of an administrative recourse before the Mexican Institute of Industrial Property or through a nullity action that must be filed before the Federal Court of Fiscal and Administrative Justice, which has a specialised chamber for intellectual property matters.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Owing to an amendment made on June 2016 an opposition system has been incorporated to the Mexican Law of Industrial Property. This amendment will become into effect on 30 August 2016. Accordingly, applications will be published for opposition purposes within a 10 working-day period, counted as from its filing date. The deadline to file an opposition will be of one month, counted as from the date of publication. This deadline is non-extendible. The Mexican Institute of Industrial Property will publish listings detailing the trademark applications that have been opposed to. Upon the corresponding publication, applicant will have a one-month term in order to file its response to demerit the grounds of opposition.

The grounds of opposition were not limited to persistent rights but open other absolute grounds such as descriptiveness of proposed mark.

The opposition process, as outlined in the Law should not suspend or interrupt the registration process and thus is not expected to delay the study and ruling of trademark applications.

The examiners will still carry out the formal and novelty exams and thus will be able to object applications upon relative and absolute grounds.

Once the registration process is concluded the examiner will determine whether the application should be granted into registration, in which case the certificate of registration will be issued.

Aside from the opposition system, it will still be able to expunge a trademark registration by lodging a cancellation action, which may be grounded upon the following causes of action:

- the registration was granted against the applicable provisions;
- a third party claims to have rights over the mark derived from prior use in connection with the same or similar goods;
- the registration was granted upon false statements contained in the application form;

- the registration should not have been granted in the light of a pre-existent mark covering the same or similar goods or services; or
- the registration was obtained in bad faith, namely by a distributor, licensee or agent of a foreign registered mark.

Costs related to oppositions and cancellation actions depend on many factors such as the type of evidence to be rendered and whether certification, legalisation and translation of documents will be required. On the other hand, in Mexico there are no standardised tariffs or guidelines regarding professional fees, which may vary depending on the engaged firm.

Thus, it is of the utmost importance to work closely with counsel to come up with a time- and cost-effective strategy.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

In Mexico, a trademark registration is in full force and effect for a 10-year period, it being possible to file subsequent renewals for 10 years. The 10 years are counted as from the filing date of the corresponding application.

In order to maintain the registration it is not compulsory to periodically declare or demonstrate its use.

However, if use of the mark is interrupted for three or more years any interested party may file for the cancellation of its registration on grounds of non-use.

While Mexican legislation does not provide a guideline on the use that suffices to defend a registration, for instance, if token use is enough, the law's administrative regulation states that use of a mark should be performed in accordance with the practices of the relevant market.

## 11 The benefits of registration

**What are the benefits of registration?**

Benefits of registering a mark may be summarised in the two following statements: the possibility of using the mark without infringing the rights of a third party and the possibility of stopping a third party from using the mark.

Obtaining the registration of a mark provides the brand owner with a title that may be opposed if, for example, use of an evocative mark were alleged as an infringement to a third-party registered mark.

Additionally, the Mexican Law of Industrial Property expressly provides that the exclusive right to use a mark and thus the right to enforce it against third parties is obtained by its registration before the Mexican Institute of Industrial Property.

Accordingly, actions to prevent unauthorised use, provisional measures and border enforcement are only available to owners of registered marks.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

According to domestic legislation, licence agreements may and must be recorded before the Mexican Institute of Industrial Property in order to produce legal effects against third parties.

While Mexico is a signatory to international treaties that provide that use of a mark should inure on behalf of its owner if the owner controls such use, it is advisable to record licence agreements.

For many years the federal courts held that domestic law had a preferential effect with regard to international treaties. Consequently, recordal of a licence agreement was considered as the only manner in which use performed by a licensee could inure to the benefit of a grantant.

At present, the Federal Court's criterion is different as they have considered international treaties have the same constitutional rank as domestic law and, thus, there are many judgments that have recognised controlling use in light of NAFTA or TRIPS.

Notwithstanding the above, in order to negate the dependence of a criterion that could change at some point, it is advisable to record licence agreements.

### 13 Assignment

#### What can be assigned?

Rights derived from trademark applications and registrations may be assigned.

While the Mexican Institute of Industrial Property had sustain that benefits derived from the use of a mark and, in turn, goodwill were not transferred in an assignment, there are some judicial precedents where this criterion has been reversed.

Assignments may be total or partial depending on whether the mark is entirely transferred or if only a portion of the property rights is assigned. In the latter case, the mark will be understood as being in joint ownership.

When negotiating the assignment of a mark it is important to verify that no other marks may be considered as linked. According to Mexican law, linking of a mark takes place when there are identical or confusingly similar marks covering products or services of a similar nature that pertain to the same owner. If linked marks are detected, the authority will not allow the assignment of only one application or registration and therefore all of the marks should be included in the assignment document.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

In order to record an assignment, an original document of assignment, preferably depicting the involved registrations, or a duly certified and legalised copy, should be submitted along with a completed form. All documents drafted in languages other than Spanish should be accompanied by their translation. The translation does not need to be certified.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

The assignment of a mark must be recorded in order for it to produce legal effects against third parties.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Mexican Law recognises security interests over registered marks. The security interest should be recorded before the Mexican Institute of Industrial Property to produce legal effects against third parties.

In order to proceed with such a recordal an original document or a certified and legalised copy thereto must be exhibited along with the corresponding translation into Spanish, if applicable.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking in Mexico is mandatory since it enables the registrant to pursue civil or criminal actions against an infringer.

Moreover, under the criteria of the Mexican Institute of Industrial Property, use of markings is necessary in order to obtain preliminary and precautionary measures, such as seizures of infringing merchandise and others.

The only symbols accepted by Mexican Law are: ®, MR or *marca registrada*. The display of the words 'registered trademark' (*marca registrada*), the letters MR or the symbol ® may be used only in connection with the products or services for which the mark was registered.

### Update and trends

Given the amendment to the Law of Industrial Property on June 2016, an opposition system has been incorporated, which came into effect on 30 August 2016.

Additionally, the Mexican Institute of Industrial Property is planning a desirable and ambitious online trademark filing and prosecution system that should be in place during the last quarter of 2016.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The enforcement of trademark registrations should be made before the Mexican Institute of Industrial Property by means of infringement action.

In these types of actions, the plaintiff can claim unauthorised use of an identical or a confusingly similar mark, it being always necessary that such use is performed in connection with goods or services that are identical or similar to those covered by the corresponding registration.

Additionally, manufacturing, transportation, distribution and commercialisation of counterfeit goods are activities that constitute felonies that may be pursued by means of criminal actions before the Federal Prosecutor's Office.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

The administrative infringement procedure commences with the filing of a claim before the Mexican Institute of Industrial Property. Along with the claim, the plaintiff must exhibit and attach all documents offered as evidence. Documents must be submitted in the original or as certified and legalised copies and accompanied by their Spanish translation if they are drafted in a different language.

The Mexican Law of Industrial Property allows submission of all types of evidence. The only particular requirement is that confessions and witness proof should be rendered in writing.

Once the plaintiff's writ is admitted, the Institute orders the service of the alleged infringer, who will have a 10-working-day period in order to file its responsive brief and supporting evidence.

According to Mexican procedural law, the plaintiff has a three-day term in order to rebut the exceptions and evidence submitted by the alleged infringer.

Thereafter, the Institute will grant both parties a five- to 10-day term in order to submit final allegations. Once this term expires the Institute will be able to commence with the drafting of its decision.

Prosecution of an infringement procedure may typically last seven to 12 months, depending on the amount and nature of the evidence submitted by the parties.

### 20 Burden of proof

#### What is the burden of proof to establish infringement or dilution?

As a general rule, it is plaintiff who has the burden of proof to demonstrate the fact upon which an infringement is alleged.

However, the alleged infringer also has the burden of proof to demonstrate the facts upon which exceptions are opposed, for example, the existence of a parallel imports status for the infringing goods.



**21 Standing**

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

According to the Law of Industrial Property the owner of a trademark registration and duly recorded licensees may initiate infringement and criminal actions.

If a registrant wants to prevent licensees from seeking remedy for an alleged trademark violation, then such a prohibition must be expressly contained in the corresponding licence agreement.

**22 Foreign activities**

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only activities performed within Mexican territory may be alleged as infringing conduct as the legal effects of trademark registrations are limited to Mexico.

**23 Discovery**

**What discovery/disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Mexican legislation does not recognise nor regulate discovery as it is understood in other jurisdictions.

However, a particular provision in the Law of Industrial Property provides that if a plaintiff or an alleged infringer has offered all the evidence they have under their control and states that a certain piece of evidence is in the power of their counterpart, the authority may order the exhibition of such documents or object.

In such cases, the authority should take all the necessary steps to protect the disclosure of documents or information that may constitute confidential material.

**24 Timing**

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The typical time frame for an infringement action before the Mexican Institute of Industrial Property may be of seven to 12 months depending upon the amount and nature of evidence that is submitted.

Once a decision is rendered, its revision before the Federal Court of Fiscal and Administrative Justice may take anywhere from eight to 12 months.

Finally, the decisions rendered by the Federal Court may be contested by means of a judicial appeal (*amparo*) that can be ruled within a six- to eight-month period.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

Costs related to infringement litigation depend on many factors such as the location of the premises of the alleged infringer, the number of premises, travel expenses, the type of evidence to be rendered and whether or not provisional measures are requested. Thus, a bond has to be submitted if the alleged infringer appears before the Institute or not, as well as government fees.

On the other hand, in Mexico there are no standardised tariffs or guidelines regarding professional fees, which may vary depending on the engaged firm.

Thus, it is of utmost importance to work closely with counsel to come up with a time- and cost-effective strategy.

**26 Appeals**

**What avenues of appeal are available?**

The decisions of the Mexican Institute of Industrial Property may be challenged either by an administrative recourse before the same Institute or by means of a nullity action before the Federal Court of Fiscal and Administrative Justice, which has a chamber specialised in intellectual property matters.

Thereafter, the decisions rendered by the Federal Court may be contested by means of a judicial appeal (*amparo*) that has to be filed before a circuit court.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

An alleged infringer could structure a defence upon parallel imports if the involved goods were legally introduced into the Mexican market by the brand owner or a licensee.

Another line of action would be to oppose prior use of the same or a confusingly similar mark within Mexican territory in connection with goods or services identical or similar to those covered by the registration upon which the infringement is alleged.

Additionally, the plaintiff could challenge the validity of a trademark registration or oppose its name or corporate name or grounding the infringement action in the manner that makes them somehow distinguishable from the registered mark.



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**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

During the prosecution of the infringement action, the plaintiff may request the adoption of provisional measures to prevent the infringement conduct persisting during the time of litigation.

These provisional measures may consist in seizure of goods, closing of premises, orders for suspending commercial or service activities related to the infringing conducts or even retrieval of goods alleged to be infringing.

Once there is a final and conclusive decision declaring the existence of a trademark infringement, the plaintiff may claim damages, for which purpose an action would have to be lodged before a civil court.

According to Mexican law, damages are awarded in an amount equivalent to at least 40 per cent of the public selling price of each product or the price of the rendering of services involved in the alleged infringement.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Depending on the nature of the involved goods, services, individuals or companies the owner of a registered trademark can submit its case to a non-governmental association like an industrial chamber.

However, the decisions rendered by such associations are not enforceable beyond the association's sphere and, thus, would not have legal effects.

Moreover, in order to be able to claim damages it is essential to obtain a decision from the Mexican Institute of Industrial Property declaring the existence of the alleged infringements.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Mexican Law recognises and protects notorious and famous trademarks even if they are not registered in Mexico.

However, the statute of notoriety and fame is in reference to Mexico and, thus, the protection of such trademarks derives from commercial and advertising activities of which Mexican consumers may have been aware.

Accordingly, suitable evidence to argue notoriety or fame of a mark would consist of invoicing material showing sales to Mexican consumers and advertising material with a circulation within Mexican territory or that has been available to Mexican consumers.

# Mozambique

Márcia Gonçalves

Raul César Ferreira (Herd) SA

## 1 Ownership of marks

### Who may apply?

Any person or legal entity having a legitimate interest, in particular, a manufacturer or trader, may apply for trademark registration.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The following may be registered as a mark: words and devices or a combination thereof.

The following are excluded from protection:

- marks that are contrary or offensive to law or public order or accepted principles of morality;
- marks that are susceptible of misleading the consumer or the public on the specific features of the product or service to which the mark relates, namely, their geographical origin, nature or feature;
- marks that reproduce, imitate or contain elements of arms, flags or emblems, signals, or any other symbol of official use from one state or intergovernmental organisation created by a regional or international convention except if authorised by that state or organisation;
- marks that are identical or similar to a mark or trade name that is well known or highly renowned in Mozambique;
- marks that are identical to a trademark already registered or having a prior date of filing or priority belonging to another holder for the same goods or services similar to the mark, which is sought to be protected and is likely to mislead or create confusion;
- marks that contain official, fiscal or guarantee badges, stamps or seals, or exclusive emblems or the name of the Red Cross or any other body of a similar nature;
- marks that reproduce or imitate the characteristic elements of other commercial distinctive signs registered in Mozambique; and
- marks that constitute a sign of generic, common, ordinary nature or merely descriptive of the products or services to be protected.

Colours may be registrable as a mark only if arranged in an original and distinctive manner.

Collective marks may be registered. Certification marks may also be registered.

## 3 Common law trademarks

### Can trademark rights be established without registration?

A provisional protection is given to the trademark application. The total protection is given as from the grant of the trademark registration. Thus, the trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If the application of the trademark is filed with all the required documents, it usually takes two months to be published. Thus, once no opposition is filed against the trademark application, the granting decision is published in about five months. After proceeding with the payment of the fees regarding the issuance of the certificate of registration, the document takes a few months to be issued.

However, the new IP Law of Mozambique, approved by the Decree No. 47/2015 and published in the Official Gazette of 31 December 2015 foresees that the delivery of the registration titles and certificates of industrial property rights shall be carried out within 15 days from the date of the application submission.

The requirements for filing a trademark application in Mozambique are as follows:

- applicant's full name, nationality, occupation, address or place of business;
- copy of the mark (in the case of a device mark);
- certified copy of the home application, if a priority is claimed;
- list of products and services; and
- power of attorney signed by the applicant and legalised by a Mozambican consulate.

All documents must be translated into Portuguese and duly legalised.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The applicable classification is the 10th edition of the International Classification of Goods and Services under the Nice Agreement.

In Mozambique there is no multi-class registration system.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

If the opposition period lapses without any opposition having been filed or the opposition proceedings have been terminated, the application will be examined as to form, registrability per se and prior conflicting registrations.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

There is an obligation of use of the trademarks in order to maintain the registration.

However, every five years, it is necessary to file a declaration of intent to use. Those marks for which the declaration of intent to use has not been filed may not be invoked against third parties and forfeiture thereof shall be declared by the Director-General of the Institute of Industrial Property upon request of any interested party or whenever there is damage to third-party rights when granting other registrations.

If cancellation of the registration has not been requested or declared, the same shall be deemed again in full force provided that the owner thereof files the declaration of intent to use and produces evidence of use of the mark.

Thus, only where it is necessary to prove the use of a trademark registration.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

There is an administrative appeal for the decisions of the Mozambique Patent and Trade Mark Office (PTMO), which must be filed within 30 days as from the notification of the decision or its publication in the Industrial Property Official Bulletin.

There is also a judicial appeal for the decisions of the PTMO.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Within 30 days of the publication (term extendable for 60 more days), any third party considering itself prejudiced by the possible grant of the registration may file an opposition. The applicant may file a counter statement within 30 days (term also extendable for 30 additional days).

The opposition or the party seeking cancellation of a trademark can request cancellation in the following circumstances:

- the person in whose name the registration of a mark was made was not entitled to acquire it;
- the registration concerns a mark that was not registrable;
- the grant of the registration infringes third-party rights based on priority or other legal title, and, in particular, that the grant infringes upon rights to an earlier mark, provided the use requirement in respect of that mark is complied with. Note, however, that no cancellation on this ground may be requested in the case of acquiescence in the use of the later mark during five years;
- the mark being the subject of the registration wholly or partly is an imitation, translation or reproduction of a mark that is well known in and is used for the same or similar articles and there is danger of confusion. In this case the cancellation is to be requested by the person to whom the well-known mark thus belongs, and such person shall, when requesting cancellation, furnish evidence that he or she has applied for the registration of the mark in Mozambique;
- the mark being the subject of the registration is graphically or phonetically identical or similar to an earlier mark being highly renowned in Mozambique or in the world, irrespective of the goods or services for which it is applied, if use of the later mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark;

- the grant of the registration infringed provisions requiring authorisation or consent and this has not been given; or
- the registration was granted to an agent or representative without consent of the owner provided that the owner resides in Mozambique.

The cancellation procedure may be started before the competent court within 90 days of the date of grant or refusal of the registration of the mark.

A brand owner that does not yet have its trademark protected in Mozambique cannot oppose a bad-faith application.

Costs associated with a third-party opposition or cancellation proceeding are given upon request.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The duration of registration of a trademark is 10 years from the application date and is indefinitely renewable for further 10-year periods.

A declaration of intent to use must be filed every five years in order to maintain a registration.

## 11 The benefits of registration

**What are the benefits of registration?**

Only registration confers exclusive rights on a mark.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

The following acts performed without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Mozambique of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Mozambique of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The following acts done by a person with the intention to cause damages or to obtain illegal benefits, shall be deemed a criminal offence punishable with imprisonment or a fine:

- entirely or partially counterfeiting or in any way reproducing a registered mark without the consent of its owner;
- imitating a registered mark, either entirely or in any of its characteristic elements;
- using counterfeit or imitated marks;
- using, infringing or imitating a well-known mark or a highly renowned mark whose registration has been applied for in Mozambique;
- displaying on his or her products a registered mark belonging to another party; and
- using his or her own registered mark on products belonging to other parties in such way as to deceive the customer with regard to the origin of the products.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The registration holder may sign a licence agreement for the use of the mark, without prejudice to its right to exercise effective control over the specifications, or the nature and quality of their products or services.

The holder may also give the licensee the power to act in defence of the mark, without prejudice to their own rights.

The licence agreement must be recorded at the PTMO to be effective against third parties.



**13 Assignment****What can be assigned?**

The rights to an applied-for or registered mark may be assigned independently of the goodwill of the business. Although not compulsory, however an assignment must be registered in order to be effective as against third parties.

**14 Assignment documentation****What documents are required for assignment and what form must they take?**

The requirements for registration of an assignment are as follows:

- deed of assignment in Portuguese, signed by the assignor and the assignee, and legalised at the Mozambican consulate; and
- power of attorney in Portuguese, signed by the assignee, legalised by the Mozambican consulate.

**15 Validity of assignment****Must the assignment be recorded for purposes of its validity?**

The recordal of the assignment is required in order to be valid.

**16 Security interests****Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are recognised and they must be legalised by the Mozambican consulate. They must be recorded for purposes of its validity in Mozambique.

**17 Markings****What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is optional. Possible markings are MarcaRegistada, ® or, in English, 'Registered Trademark'.

**18 Trademark enforcement proceedings****What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. The civil court has a commercial section that deals with intellectual property matters. The trademark enforcement is previewed in the criminal law.

**19 Procedural format and timing****What is the format of the infringement proceeding?**

Only registration confers exclusive rights to a mark.

The following acts performed without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Mozambique of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Mozambique of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right for the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication concerning the kind, quality,

quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

Not considered as infringement is use of a protected mark for goods that have been brought into the trade under the mark by the owner or with his or her consent in Mozambique, except if there are legitimate grounds that justify that the owner of the mark opposes the further commercialisation of the goods, in particular if the condition of the goods has been altered or deteriorated after they were brought into the trade.

The following acts done by a person with the intention to cause damages or to obtain illegal benefits, shall be deemed a criminal offence punishable with imprisonment of up to three years or a fine:

- entirely or partially counterfeiting or in any way reproducing a registered mark without the consent of its owner;
- imitating a registered mark, either entirely or in any of its characteristic elements;
- using counterfeit or imitated marks;
- using, infringing or imitating a well-known mark or a highly renowned mark whose registration has been applied for in Mozambique;
- displaying on his or her products a registered mark belonging to another party; and
- using his or her own registered mark on products belonging to other parties in such way as to deceive the customer with regard to the origin of the products.

**20 Burden of proof****What is the burden of proof to establish infringement or dilution?**

The burden of proof lies with the plaintiff, who has the burden of proving that its mark has been infringed.

**21 Standing****Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Trademark Office and the licensee can only intervene if the registered user agreement (licence to use) is recorded before the office.

**22 Foreign activities****Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only activities that take place on Mozambican territory may be taken into account. However, this is not applicable to goods made outside the country from the moment that they are imported into Mozambique.

**23 Discovery****What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist, a court order may be sought.

**24 Timing****What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Unfortunately there is no 'typical time frame' for infringement or dilution actions. They are lengthy and can last for years.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no typical range of costs. These depend mainly on the professional fees that are charged.

**26 Appeals**

**What avenues of appeal are available?**

An appeal against a decision of grant or refusal may be lodged with the Administrative Court or Civil Court. An appeal may be lodged by the applicant in the case of refusal, by the opposing party in the case of rejection of opposition or by any interested party in the case of grant.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceedings by responding to the complaint and submitting evidence.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Code contains provisions regarding the penalties imposed on an infringer but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are not available in Mozambique.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The owner of a well-known mark in Mozambique, even if not registered, may oppose the registration of an identical or similar mark for the same or similar goods or services, provided that he or she applies for registration of the mark. Marks having reputation in Mozambique are extra protected in this, that the owners of such mark may oppose the registration of an identical or similar mark even if registration is applied for in respect of different goods or services, if use of the mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the renowned mark.

The evidence that is required include market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies, sales volume and other factors relevant to the reputation of the mark.



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# Nigeria

Fred Onuobia, Solomon Ezike and Blessing Okhiria

G Elias & Co

## 1 Ownership of marks

### Who may apply?

Any natural or artificial person who is a proprietor, joint proprietor, or an assignee or licensee of a mark can apply to the Trademark Registrar for registration of his or her interest in a mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A device, brand, heading, label, ticket, name, signature, word, letter, numeral or any combination thereof can be registered and are protected as trademarks. Non-traditional marks such as sound, smell, taste, texture and moving images, etc, are not registrable in Nigeria as trademarks. Deceptive or scandalous matters or designs or any matter that is likely to cause confusion are prohibited by law from being registered as trademarks. Names of chemical substances and geographical names in their ordinary signification are not registrable. Service marks, though not provided for in the Trademarks Act 1967, are registrable in Nigeria. Registration of service marks is carried out pursuant to a regulation issued by the Minister of Commerce and Industry on 19 April 2007, which extends the classification under the Fourth Schedule of the Trademarks Act 1967, which initially covered 34 classes to cover both goods and services as in the Nice Classification to cover 45 classes of goods and services.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Yes, a trademark right can be established without registration. The owner of the unregistered trademark can maintain a passing off action upon infringement of his or her trademark. The following will have to be established by him or her:

- goodwill or reputation attaching to the goods or service in question and the identifying 'get up' under which the goods and services are offered to consumers;
- a misrepresentation by the defendant who has caused or has the potential of causing the members of the public to believe that goods or service emanate from the claimant; and
- the loss he or she has suffered or is really likely to suffer by the reason of the defendant's misrepresentation as to the source of defendant's goods or services, which seems to suggest that they emanate from the claimant.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

Typically, the entire process of registering a trademark usually takes about 12 to 18 months. In recent times, the process has taken as long as 24 months owing to the repeated personnel changes in the office of

the Trademarks Registrar. At the current exchange rate of 301 naira to US\$1, on average it could cost between US\$900 to US\$1000 to obtain a trademark registration in Nigeria in a single class. Delay by the Trademarks Registry in publishing the Trademarks Journal, repeated changes in the personnel of the Trademarks Registry as well other administrative bottlenecks usually increase the estimated time of registering a trademark. A power of attorney is required to register a trademark in Nigeria with no legalisation or notarisation. A translation document may also be required where the trademark is in a language other than English.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Trademarks are registered in Nigeria in accordance with the Nice Classification of goods and services under the internationally recognised class headings. Trademarks are registered by single-class applications with no cost savings for official fees. In practice, however, attorneys provide discounts for multiple applications.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The Trademarks Office conducts an examination to ascertain (i) that there are no identical or nearly identical trademarks, (ii) whether the mark is distinctive, and (iii) whether the mark is deceptive, scandalous or in any way prohibited by law. If the Trademarks Registrar is satisfied with the application based on the above grounds, a Notice of Acceptance will be issued to the applicant. Otherwise, a Notice of Refusal will be issued to the applicant. Applicants may respond to rejections by applying for a hearing or making a considered reply in writing to the rejection within two months.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use of a trademark is not required before the trademark can be accepted for registration. However, there must be a bona fide intention to use at the time of application. The applicant does not have to submit any proof of use when an application for registration is filed. As of the date of this publication, foreign registrations are not granted any rights of priority in Nigeria even though provision is made for priority

applications in the Trademarks Act 1967. It is instructive to note that the necessary executive order that would specify countries to be recognised in Nigeria as Convention countries for the purpose of claiming priority for trademark registrations is yet to be made. A registered trademark must have been used at least one month before the date of application and within a period of five years of its registration to defeat a third-party challenge on grounds of non-use.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

Yes. An applicant is allowed to apply for a hearing or make a considered reply in writing to the objections raised by the Registrar of Trademarks within two months of the Registrar's objection. Where an applicant does not respond as required above within two months, the application is deemed to be withdrawn. Afterwards, the Registrar may then choose to conditionally accept the application or still reject it. The decision of the Registrar here is subject to a right to appeal to the Federal High Court and thereafter to the Court of Appeal, and finally to the Supreme Court.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

After the application for registration is accepted by the Trademarks Registry, the application is advertised or published in the Trademarks Journal. Any interested party who may have an objection to the registration of the trademark may within a period of two months thereafter file a notice of opposition. This period cannot be extended.

Where a person decides to challenge an application, a notice of opposition stating the grounds of opposition of the registration is filed using the prescribed form. The official cost of filing the notice of opposition is about US\$30, and in total costs US\$500–800. Upon receipt of the notice of opposition, the Registrar sends a copy of such notice to the applicant. The applicant is required to file a counterstatement, enumerating the grounds upon which he or she relies for his application, within one month of receipt of the notice of opposition. An application will be deemed abandoned where an applicant fails to file a counterstatement. The official cost of filing a counterstatement is about US\$30, and in total it costs US\$500–800.

Where the applicant files a counterstatement, the Registrar shall send a copy of the same to the opponent and the opponent shall thereafter file evidence supporting his or her opposition by way of a statutory declaration. The official cost is about US\$30, and in total costs US\$500–1,000. Upon receipt of the opponent's statutory declaration, the applicant is also given the opportunity to file his or her own statutory declaration, adducing evidence upon which he or she relies for his or her application, following which, the opponent may also file a reply by way of statutory declaration within one month of receipt of the same. Thereafter, no further evidence shall be left on either side. However, extensions may be granted at the leave of the Trademarks Registrar to either of the parties to file additional evidence by way of statutory declaration. The Registrar shall subsequently give notice of a hearing and the matter shall be decided. All copies of documents submitted to the Registrar with regard to opposition proceedings must be in duplicate. A third party may institute opposition proceedings.

Cancellation proceedings may be instituted against registered trademarks in the prescribed form. A cancellation proceeding may be commenced either on the ground of non-use or other grounds. These other grounds are that the trademark: (i) is not distinctive; (ii) is misleading, deceptive or scandalous; (iii) consists of a geographical indication; (iv) is against public policy or principles of morality; (v) application was made in bad faith; (vi) is similar to an earlier application or registered mark or (vii) is similar to a famous or well-known trademark.

A brand owner may apply to the Registrar or the Federal High Court for a cancellation of a registered trademark on the ground of bad faith. Cancellation proceedings are charged on a case-by-case basis.

## 10 Duration and maintenance of registration

### How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration is valid for a period of seven years from the filing of the application, and is renewable thereafter for subsequent periods of 14 years. The use of a trademark is not required for its maintenance. However, if the trademark is not used for a continued period of five years (as discussed in question 7), it becomes susceptible to revocation for non-use.

## 11 The benefits of registration

### What are the benefits of registration?

Registration confers an exclusive right to use the trademark in relation to the goods and services for which it was registered and to institute an action for infringement of the trademark.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

Yes, a licence can be registered against a trademark in Nigeria. A licensee is recognised as a registered user under the Trademarks Act 1967. Use of a registered trademark by a licensee is deemed to be use by the proprietor for the purpose of establishing use. Also, the licensee can join the proprietor as a co-claimant in an action for infringement of the registered trademark.

## 13 Assignment

### What can be assigned?

Registered trademarks (including applications) can be assigned or transferred in respect of all the goods and services in respect of which it is registered or in respect of some (but not all) of those goods and services. It may be assigned with or without goodwill. Other business assets need not be assigned to make the assignment of trademark a valid transaction.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

A duly stamped deed of assignment suffices for an assignment of trademark. Notarisation or legalisation is not required to make the assignment valid. The prescribed form is also required to be completed and lodged at the Trademarks Registry. Also, an authorisation of agent (power of attorney), one each from the registered proprietor and the assignee is required for the registration.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

Yes. Where an assignment is not recorded at the Trademarks Registry, an assignee cannot furnish the assignment agreement as proof of its title to the registered trademark.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

There are no provisions for the registration of a security interest on a trademark at the Trademarks Registry and under the Trademarks Act 1967. However, a security interest on a trademark owned by a Nigerian company must be registered at the Corporate Affairs Commission



### Update and trends

An Intellectual Property Commission Bill is before the Nigerian National Assembly. The draft legislation seeks to merge the Trademarks Registry, the Patents and Design Registry and the Nigerian Copyright Commission into one regulatory body for intellectual property in Nigeria.

within 90 days of the creation of the security interest. Registration at the Corporate Affairs Commission ensures the security interest is enforceable against the company by the creditor. Where the security interest on a trademark is not registered at the Corporate Affairs Commission, the security interest will be void against the creditor.

### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Under the Trademarks Act 1967, the use of the word 'registered' or any other word referring expressly or by implication to registration is taken to mean a reference to registration in the Trademarks Register. Marking is, however, not mandatory.

### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The Trademarks Act 1967 confers a civil right of action on the trademark owner to seek redress. The Federal High Court is vested with the exclusive jurisdiction to entertain trademark infringement related issues.

Also, the Merchandise Marks Act, Cap M10, Laws of the Federation of Nigeria 2004, prescribes a prison term of two years or a fine or both imprisonment and a fine for offences established under the Act. On conviction, the offender is liable to forfeit all chattel, articles or instruments by means of or in relation to which offence has been committed. The Counterfeit and Fake Drugs (Miscellaneous Provisions) Act Cap C34, Laws of the Federation of Nigeria 2004 imposes penalties for dealing in counterfeit trademarked goods.

Also the Nigerian Customs Service is empowered to search for, seize, detain and destroy infringing goods brought into Nigeria. A trademark owner may take advantage of this route by a petition to the Comptroller General of the Nigerian Customs Service.

### 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Infringement proceedings are required to be commenced by writ of summons. There is no time limit for commencing an action for the infringement of trademark. Discovery, live (oral) testimony and the use of expert witnesses are allowed. The action is decided by a single judge and it may take up to three years to complete the proceedings.

### 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

As in every other civil proceedings, the burden of proof is on the preponderance of evidence. The onus is on the trademark owner to prove an alleged infringement.

### 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A proprietor (owner) or registered user or licensee of a trademark has the standing to seek remedy for an alleged trademark violation. The applicable conditions to apply arise where a person:

*not being the proprietor of the trade mark or a registered user thereof using it by way of permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion, in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either: (a) as being use as a trade mark; or (b) in a case in which the use is upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.*

Power of prosecution for a criminal complaint lies in the police and the Attorney General of the Federation.

### 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

No. Nigerian trademark law and criminal law do not have extra-territorial effect. The alleged infringement must have been committed in Nigeria.

### 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

A party may be compelled to disclose relevant documents or materials to an adversary through procedures called 'interrogatories' (to provide information) and 'discoveries' (to provide documents). Interrogatories and discoveries are employed.

### 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Obtaining a preliminary injunction could take between four days and two weeks from date of filing of the action; trial to obtention of judgment could take between two to three years and a final appeal to the Supreme Court could take between eight and 10 years.

### 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The usual costs are government filing fees, which are assessed on the amount of claim and lawyer's fees. Costs are usually awarded in favour of a successful party and there are a plethora of decided cases on this. A specific amount may be recovered where specifically proven (eg, filing fees). Otherwise the quantum of costs recoverable is usually at the discretion of the court.

### 26 Appeals

**What avenues of appeal are available?**

Appeal against the decision of the Federal High Court (the trial court) is made to the Court of Appeal at the first instance, and finally to the Supreme Court from the Court of Appeal.

**27 Defences**

**What defences are available to a charge of infringement or dilution, or any related action?**

Fair use, honest concurrent use, proprietor's abandonment of the trademark or non-use, as well as non-renewal, etc, can all be raised as grounds of defence.

**28 Remedies**

**What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

The following remedies are available: orders of injunction restraining current and future acts of infringements; delivery of infringing articles and items; and accounts for profits, costs and damages.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques such as arbitration, mediation, negotiation and conciliation are available. Save for arbitral awards, the outcome of the other ADR techniques are only enforceable if entered as a judgment of court. ADR techniques save costs and time.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Famous and well-known trademarks are allowed to be registered under the Trademarks Act 1967 as defensive trademarks. This affords the proprietor registration without the need to establish use in respect of the goods and services for which the trademark is registered.

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# Pakistan

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## 1 Ownership of marks

### Who may apply?

Any legal person, a national of any country, may apply for the registration of a trademark.

A proprietor or owner of a mark means a person who has been entered in the register at the Trade Marks Registry as having the rights to use the mark in any manner it so deems fit.

A person who is already using the trademark or service mark or has intention to use the trademark or service mark in future may file an application for registration under the Trade Marks Ordinance 2001 as sole proprietor of the trademark or service mark.

In the event that two or more persons are co-proprietors of a trademark or service mark, the said mark would be jointly applied having an equal, undivided share in the trademark or service mark, subject to an agreement to the contrary.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any mark may be protected and registered as a trademark if it is capable of being represented graphically and is for distinguishing goods or services of one undertaking from that of another. A mark in this regard includes a device, brand, label, ticket, name, including personal name, slogan, signature, word, letter, numeral, figurative element or any combination thereof.

In addition to the above, non-traditional marks including colour, sound, three-dimensional designs may also be protected through trademark registration. There is, however, some ambiguity regarding the protection of smells owing to the problems of graphic representation.

A mark may not be protected and registered if it does not satisfy the definition of a trademark as set out in clause xlvii of section 2 of the Ordinance. Moreover, the Ordinance clearly sets out the absolute and relative grounds for refusal of a trademark in sections 14 and 17 of the Ordinance respectively.

A mark shall not be registered and protected as a trademark if the mark:

- is devoid of any distinctive character;
- consists exclusively of indications that may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services or other characteristics of goods or services; and
- consists exclusively of indications that have become customary in the language or in the bona fide and established practices of the trade.

Rights pursuant to registration confer legal right upon the registered proprietor to initiate an action for infringement, passing off and unfair competition. The proprietor of an unregistered trademark on the other hand can only initiate action for passing off.

Broadly speaking, a person has no right to pass off their goods as the goods of somebody else and therefore, an action for passing off is enforceable in respect of registered as well as unregistered trademarks. In this regard, the key element is deception and confusion, therefore if any mark, even one that is not entitled for registration, is used in

manner so as to cause deception or confusion then the prior user may institute proceedings under common law.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Unregistered trademark rights can be protected under the tort of passing off. However, a plaintiff bringing a claim for passing off must produce evidence establishing the following three-part test:

- goodwill and reputation attached to the goods and services supplied in association with the trademark;
- a misrepresentation by the defendant to the public leading, or likely to lead the public to believe that the goods and services supplied by the defendant are those of the plaintiff, whether or not that misrepresentation is intentional; and
- the plaintiff is suffering, or there is a likelihood that it will suffer, damage as a consequence of the misrepresentation by the defendant.

Owing to the level of evidence required to substantiate a claim for passing off, it can be an expensive and lengthy process.

Similarly, as per the section 86 of the Ordinance, well-known trademark can be protected without requiring any registration. Pakistan is a signatory to the Paris Convention and affords protection to an owner of well-known trademark who is domiciled in a Convention country or has a real and effective industrial or commercial establishment in a Convention country, whether or not that person carries on the business or has any goodwill in Pakistan and references to the proprietor of such a mark shall be construed accordingly.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

It takes around two years to obtain a trademark registration, barring an opposition. The official cost for filing one application in one class is approximately US\$10. The total cost including professional fees of a legal practitioner and expenses can range between US\$400 and US\$600, but may increase in the event of office objections.

The estimated time and cost in the registration process may increase due to office action or objections by the Trade Marks Registry.

The costs may further increase if the trademark application is opposed by a third party.

Documents such as power of attorney, trademark representation, namely, product labels or packaging materials are required. The Registry will also require evidence of bona fide use by the applicant if prior use is claimed.

Moreover, as per the section 25 of the Ordinance, where a person has duly made a convention application in respect of a trademark and within six months from the date of such a Convention application that person or his or her 'successor in title' applies to the Registrar in Pakistan for the registration of the same trademark under the Ordinance in respect

of some or all of the same goods or services (or both) in respect of which registration was sought in the Convention country. In such a case the person or his or her 'successor in title' may claim priority for registration of the trademark in Pakistan. The effect of such priority is that the relevant date for the purpose of establishing precedence of right is the date of filing of the first Convention application and the registrability of the trademark shall not be affected by any use of the mark in Pakistan for a period between the date of first application in the Convention country and the date of application for registration in Pakistan.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Pakistan is a convention country and in accordance with section 12 of the Trade Marks Ordinance 2001, both goods and services are comprised in the prescribed classification of goods and services in accordance with the Nice Classification. There are 45 classes for goods and services with 1 to 34 being for goods and 35 to 45 for services.

Multi-class applications are not available for either searches or registration.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The proprietor of a trademark needs to file the form TM-1, on which the registrar would assign an application number. The mark is then examined by the Registry to determine whether it falls within the definition or ambit of a trademark and whether there are any conflicting marks on the register.

In the event that the trademark does not fulfil the requirements, the registrar issues an examination report with his or her objections and the proprietor of the trademark is required to file a written statement contesting the objections within a period of one month. The application is then listed for hearing after which the registrar may either accept the mark to be advertised in the Trademarks Journal or reject the application. In the event that the application is rejected an appeal may be filed with the tribunal of competent territorial jurisdiction. In the event that the application is accepted then the mark is accepted for advertisement and published in the Trademarks Journal.

Once the mark is advertised in the Trademarks Journal, persons who can potentially be affected by the registration of the trademark are invited to file oppositions to which the proprietor of the trademark files a response. The opponent is bound to file evidence to which the proprietor of the trademark responds and is finally heard by the registrar to which the registrar can decide whether to grant registration or not.

Any decision taken by the registrar in the opposition proceedings can be appealed to the tribunal having competent jurisdiction.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

The use of trademark or service mark may be claimed before registration is granted or issued. Proof of bona fide use may have to be submitted on the request of the registrar. However, the proprietor may also express its intention to use the mark in the future by stating that the mark is proposed to be used.

Pakistan is a signatory to the Paris Convention and priority can be claimed if application is filed within six months of the application in the convention country.

If registration is granted without use, the proprietor of the trademark must use the mark within five years from the date of registration to either maintain the registration or to defeat a third-party challenge on grounds of non-use. No bona fide use completing a period of five years from the date of registration can attract the claims of 'trafficking in trademarks', which can be highly prejudicial to the trademark in question.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The decision of the registrar has to be communicated to the applicant in writing. If the applicant intends to appeal the decision, he or she must do so within one month from the date of application in the form as set out in form TM-15 to the registrar requiring him or her to state in writing the grounds of and the materials used by him or her in arriving at his or her decision. An appeal to the tribunal having competent jurisdiction, from any decision of the registrar under the Trade Marks Ordinance 2001 or the Trademark Rules 2004 must be made within two months from the date of such a decision or within such further time as the tribunal may allow. The appeal procedure in the tribunal is the same as that of a civil case.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published and advertised in trademark journal for opposition. As per section 28(2) of the Ordinance, any person may, on application made to the registrar in the prescribed manner and on payment of the prescribed fee, give notice of opposition to the registrar.

A third party may oppose the registration of a trademark after the mark is accepted and advertised in the Trademark Journal.

The primary bases of such challenges or oppositions are prescribed in section 29 of the Ordinance. Upon receiving the notice of opposition from the third party, the applicant would have to file a counter statement within two months as failing to do so would result in the application being abandoned. In the event that the applicant files a counter-statement, the matter is taken up for evidence and subsequently a hearing takes place. Upon completion of the hearing, the registrar passes the orders for grant or denial or refusal of registration.

Moreover, as per section 80(5) of the Trade Marks Rules 2004, a request for the extension of time for filing the opposition after the time has expired can be made to the registrar who at his or her discretion, can extend the period or time if he or she is satisfied with the explanation for delay and he or she is satisfied that extension would not disadvantage any other person or party affected by it.

In accordance with section 73(4), an application for revocation or cancellation may be made by an interested party, including a brand owner, who does not have protection, provided that it is a bad-faith application, either before the tribunal or the registrar. The official cost for filing a notice of opposition for one application is US\$60. The total cost including professional fees of the legal practitioner and expenses can range between US\$1400 and US\$1700.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark shall be registered for a period of 10 years from the date of registration and may be renewed under section 35 of the Ordinance for a further period of 10 years at the request of the proprietor, subject to payment of such a renewal fee as may be prescribed. In order to maintain registration, the proprietor has to show bona fide use of the trademark in Pakistan and pay the prescribed fee for its renewal. Bona



fide use of the trademark is required for its maintenance, which can be evidenced in the form of invoices, packaging and advertising and promotional material.

## 11 The benefits of registration

### What are the benefits of registration?

The registration of trademark provides prima facie certification of ownership allowing the registered proprietor to initiate action for infringement against unauthorised use. The burden of proof lies on the defendant and infringer to prove that he or she has not infringed upon a registered trademark. Infringement may only be claimed if the trademark is registered. Border enforcement measures are also available as the Customs Act protects registered trademark owners by prohibiting the import or export of products bearing infringing trademarks. A complaint may be filed with the customs authorities in this regard.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

A licence to the trademark may be recorded with the Trade Marks Registry, though this is not a requirement. A registered licence establishes the rights of a licensee making it easier for a licensee to protect the trademark against misuse. As per section 77 of the Trade Marks Ordinance 2001, a licensee is entitled to initiate infringement proceedings in respect of any matter that affects his or her interest if the proprietor of the registered trademark refuses to act or fails to act within two months after being called upon to do so by the licensee.

## 13 Assignment

### What can be assigned?

A registered trademark, being personal or moveable property, can be transmitted by assignment. Any mark may be assigned, with or without goodwill. The assignment may be for some or all of the goods and services. The assignment may also be limited in relation to use of the trademark in a particular manner or a particular locality. There is no requirement to include other business assets.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

A registered trademark shall be transmissible by assignment in the same way as other personal or moveable property. An application to register the title of a person who becomes entitled by assignment to a registered trademark is made by way of form TM-23 or TM-24 along with the prescribed fee. The registration certificate may have to be produced at the time of application.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

The assignment of a trademark must be recorded with the registrar of trademarks for the purposes of its validity. Upon being satisfied that all the correct documents have been submitted and no third-party interests shall be affected because of the assignment, the registrar of trademarks issues a certificate of assignment validating the assignment of the trademark in the name of the assignee.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

A trademark is intangible property. The Financial Institutions (Recovery of Finances) Ordinance 2001 regulates the enforcement of security interests for financial institutions and recognises tangible as well as intangible property for the purposes of creating a security interest. Intangible property such as trademarks, patents and such intangible assets can be subjected to a charge. However, it would be

beneficial if the security interest is recorded for purposes of its validity and enforceability.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

™ or SM is used when an application is pending with the registrar of trademarks and ® is used when the mark is registered. Although markings are not mandatory, their use is beneficial as it reduces the risk of the infringer claiming innocence of not being aware of the status or existence of proprietary rights over the mark. Moreover, the marking declares the rights of the proprietor over the registered or pending marks.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The Trade Marks Ordinance 2001 makes provision for civil and criminal remedies against infringement of a trademark for relief in a suit for infringement or passing off, a penalty for falsely representing a trademark as registered, falsification of entries in the Register and applying a false trade description.

Recently, under the Intellectual Property Act 2012, specialised IP Tribunals have been devised at the Provincial as well as Federal level with the exclusive jurisdiction to deal with IP matters. Punjab, the largest province of the country, has set up its IP tribunal, which is now operational and all IP cases from all the courts have been transferred to the tribunal. However, the set-up of tribunals in the other provinces is still under way and until they become operative the cases are being dealt with or instituted at the district courts exercising original jurisdiction or the Sindh High Court at Karachi, Karachi being the country's financial capital.

Moreover, the proprietor of the registered trademark may give notice in writing to the collector of customs to treat the infringing goods, material or articles as prohibited goods. As a result, the collector of customs shall seize and destroy such goods from the customs authorities as per the prescribed procedures.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

A suit for infringement is civil in nature and the format is laid down in the Code of Civil Procedure 1908, while a criminal complaint may be filed in accordance with the Criminal Procedure Code 1898.

### Civil proceedings

The plaintiff must be filed in the tribunal or court possessing territorial and legal jurisdiction. The plaintiff may be accompanied, and usually is accompanied, by applications seeking an urgent hearing and interlocutory relief. After institution of a plaintiff, the tribunal or court conducts a preliminary hearing as to the maintainability of the suit.

If the tribunal or court finds that the plaintiff raises triable issues, the tribunal or court orders the summoning of the defendant on a particular date and also mentions in the order the manner and the mode by which the summons or notices have to be served upon the defendant.

The defendant, upon appearance in the tribunal or court, either personally or through counsel, is usually granted time, which may extend to one month or more, to file its defence to the proceedings, in the form of a written statement as well as defence to any application for an interlocutory injunction. The time granted for filing a defence to an interlocutory injunction application is usually shorter. Once the defence has been filed, the tribunal or court sets a date for the hearing of arguments and a decision on the grant of an interlocutory injunction or orders. Parallel to this, the tribunal or court conducts proceedings on the main suit so that the main defence is filed by the defendant.

Once the main defence has been filed, but usually after the decision on any interlocutory injunction application, the tribunal or court sets down a date for framing the issues. After the issues have been framed, the plaintiff is first required to produce its evidence through witnesses, and thereafter the defendant. The evidence must be submitted by both the parties. Discovery is allowed and testimony as a rule is live. Expert witnesses are also allowed but their evidence must be limited to the matters in which they have expertise. Upon completion of the examination and cross-examination of witnesses of the parties, the case is set down for final arguments and judgment on the main legal proceedings.

The time frame for an injunction in a civil suit is approximately two to six months. Nevertheless, the final hearing of a suit might take around two to six years.

### **Criminal proceedings**

The criminal enforcement mechanism is governed by the Criminal Procedure Code 1898. The complainant may either file a private complaint before the judicial magistrate or a formal complaint with the police.

The private complaint before the judicial magistrate is examined, and on being satisfied over its admissibility, the magistrate issues summons to the accused infringer to appear in front of the magistrate.

The complaint with the police results in the drawing up of the first information report by the police and thereafter the police institute an action and remands the infringer into custody and produces him or her before a judicial magistrate. The police thereafter prepare a final report and file it before the judicial magistrate whereupon trial will commence.

The conclusion of a criminal case cannot be speculated as that depends on the conclusion of various procedural compliances.

## **20 Burden of proof**

### **What is the burden of proof to establish infringement or dilution?**

The certificate of registration is the most substantial proof of title in an action for infringement of trademark or dilution of reputation, and the proprietor of a registered trademark can rely on the certificate of registration to establish their case. However, it is also necessary to show that the unauthorised use of the mark by the defendant constitutes an infringement as laid down in section 40 of the Trade Marks Ordinance 2001.

With regard to passing off proceedings, the burden of proof is upon the claimant to show that there is an equitable interest or right, such interest is being violated and the violation is causing confusion or deception, or both, among consumers.

## **21 Standing**

### **Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A proprietor of the registered trademark, a licensee or registered user, and a proprietor of an unregistered trademark may seek remedy for an alleged trademark violation by way of an infringement or passing-off action.

A licensee may not be able to sue for an action for trademark violation unless the licensor refuses to do so or does not do so within two months of being notified of the infringement as laid down in section 75 of the Ordinance, or unless the licence specifically grants a licensee with the right to initiate infringement proceedings.

The proprietor of the registered trademark and registered user under the registered user agreement may bring a criminal complaint but the proprietor of an unregistered trademark may only bring an action in passing off, which is a common law remedy.

## **22 Foreign activities**

### **Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Activities that take place outside the country of registration can support a charge of infringement or dilution. In the event that infringement is occurring outside Pakistan, factors such as where the goods are being manufactured, sold or advertised need to be taken into account. In

### **Update and trends**

One of the most hyped recent developments related to Intellectual Property Law in Pakistan is undoubtedly the establishment of Intellectual Property Tribunals as there are significant challenges that they face, among others, the large number of IP cases already pending before the courts.

other words, the cause of action needs to be established to bring about a case in Pakistan. If no such evidence can be produced, the proprietor of a trademark may bring about an action in the country where infringement is taking place provided that the country is a signatory to the TRIPS Agreement and the Paris Convention. Pakistan can also implement border enforcement mechanisms allowing the proprietor of the trademark to inform custom authorities of the infringement of the trademark in order to suspend the clearance of counterfeit or infringed goods. The Customs Act empowers the customs officers in Pakistan to take action against import and export of counterfeit goods by seizing or confiscating the goods.

## **23 Discovery**

### **What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Pakistani law on discovery envisages two kinds of discoveries, namely, discovery as to facts and discovery as to documents. The law concerning discoveries as to questions of fact permits the plaintiff or the defendant to deliver, with the leave of the tribunal or court, its interrogatories in writing to the other side and must also specify as to which interrogatories have to be answered by which person. The parties may also seek documents for inspection from the other party that are or have been in the possession of such a party. It is in the tribunal or court's discretion to grant such a request for the production of a document based upon the relevance of the document to the subject of the case.

The law restricts the scope of interrogatories to the extent that such interrogatories must relate to a real matter at issue between the parties in the proceedings, hence, no room is left for any irrelevant interrogatories. All the interrogatories have to be answered through an affidavit and the tribunal or court has the authority to direct a party under interrogation to answer in more detail any of the interrogatories that have either insufficiently been answered or where the answer has been omitted.

Before any document can be directed by the tribunal or court to be produced for inspection by the applicant, the law requires that such a document should either have been referred to in the pleadings of the party or have been relied upon by such a party. In certain cases, the tribunal or court may, in its discretion, direct that a duly verified copy of the document be produced for inspection instead of production of the original record.

Upon failure of any party to answer interrogatories in the manner directed by the tribunal or court or produce the document, the tribunal or court may, in the event of non-compliance of its directions, if the defaulting party is the plaintiff, dismiss its suit or otherwise, if the defaulting party is a defendant, its right to defend the suit may be closed.

Moreover, the party defaulting to comply with the direction of the tribunal or court to produce document shall not be entitled either to rely on such a document in future or otherwise cannot derive any benefit from such a document in the proceedings of the suit.

## **24 Timing**

### **What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

There is no fixed time frame for an infringement or dilution or related actions for cases being dealt at the trial court level as much depends on a case-by-case basis. A preliminary injunction takes approximately two to six months whereas the finality of the lawsuit is attained within two to three years. The time frame for an appeal against an order against the preliminary or permanent injunction is not fixed but may take around the same two- to three-year period.

**25 Litigation costs****What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs associated with an infringement or dilution action, including trial preparation, trial and appeal, depend on the nature of the case and the costs of legal participants involved and may range from US\$5,000 to US\$25,000, or more.

Technically, a successful plaintiff may be able to recover reasonable costs depending on the tribunal or court's assessment of the matter and the losses suffered by the successful plaintiff. However, Pakistani tribunal or courts are extremely reticent in granting costs or pecuniary relief in IP matters; in rare cases where damages or costs have been granted, they are limited to a small fraction of the cost.

**26 Appeals****What avenues of appeal are available?**

As per the Intellectual Property Act 2012, a suit for infringement of a trademark is to be instituted in the tribunal exercising jurisdiction. As aforesaid, if the tribunal is not operative then the suit may be instituted at the district court exercising original jurisdiction.

Any judgment, decree or order passed by the tribunal or district court is appealable before the High Court exercising jurisdiction over the tribunal. If the appeal is filed against an order, the appeal will be heard by a single judge but if the appeal challenges the judgment or decree passed by the district court, it shall be heard by a division bench of the High Court.

Subject to the provisions of the Constitution of Pakistan, any judgment, decree or order passed by the High Court can be appealed before the Supreme Court of Pakistan, provided special leave to appeal is granted by the Supreme Court and any decision on such appeal by the Supreme Court is final.

An important exception to the above is the unique jurisdiction of the High Court of Sindh at Karachi, owing to the status of Karachi as the country's commercial hub. Civil suits valued at over US\$150,000, including trademark infringement proceedings, can be filed directly before the single judge of the High Court of Sindh exercising original jurisdiction. Any order, judgment or decree passed by a single judge shall be appealable before a division bench of the High Court of Sindh comprising two judges. Any order, judgment or decree passed by the division bench of the High Court shall be appealable before the Supreme Court of Pakistan in the same manner as described earlier.

**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

The plaintiff may at any time, but within the limitation period, challenge the defendant's title to the registered mark or the validity of registration of the mark and accuse the defendant of engaging in illegal

activities of infringement, dilution or any related action. In a charge of infringement or dilution or any related action, the Trade Marks Ordinance 2001 provides several defences for the person being accused of such activity to which the defendant may claim prior use and honest concurrent use, that the use of the mark is not an infringement as the use does not fall under the provisions of section 40 of the Trade Marks Ordinance 2001 or that the plaintiff is not entitled to relief by reason of estoppels such as acquiescence or abandonment of the disputed mark. The defendant may also claim that the mark under challenge contains a personal name or the name of the place of business or descriptive words without the use of which the defendant would have faced difficulty in describing their goods or services.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

In an action for infringement or dilution, a successful party can seek preliminary or permanent injunction, damages and account for profit. Damages may be apportioned based on the actual loss, loss of business opportunity, future profits and loss of reputation. Injunctive relief is available, preliminary or permanently, upon the fulfilment of three conditions: the existence of a prima facie case in favour of the applicant, an irreparable loss, damages or injuries, which may occur to the applicant if injunction is not granted, and that the balance of convenience should be in favour of the applicant.

Criminal action may also be taken for applying a false trade description and falsely representing a trademark as registered, which can result in imprisonment or a fine, or both.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques such as mediation and arbitration are available in Pakistan. Although not commonly used by parties, in some cases it is a cheaper and a relatively quicker way than using litigation and is therefore encouraged. The decisions for settlements are binding upon the parties and cannot be challenged. However, enforcement of the settlement is, on some occasions, problematic if one of the parties refuses to accept the decision of the mediator or the arbitrator for settlement. The court would then have to be approached to enforce the decision of the arbitrator, which can sometimes be a lengthy process.

There is no compulsion on the parties to enter into mediation. However, if a pre-existing agreement between the parties in a dispute stipulates that the matter is to be referred to arbitration, then the courts are expected to refer the matter to arbitration rather than allowing civil proceedings to be entertained in the court.

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**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Well-known marks, including famous foreign trademarks, are afforded statutory protection under Pakistani law, even where the trademark is not registered or used in Pakistan. Pakistan is a signatory to the Paris Convention and affords protection to an owner of well-known trademark who is domiciled in a Convention country or has a real and effective industrial or commercial establishment in a Convention country, whether or not that person carries on the business or has any goodwill in Pakistan and references to the proprietor of such a mark shall be construed accordingly.

As per section 86 of the Trade Marks Ordinance, the owner of a trademark that is entitled to protection under the Paris Convention as a well-known trademark shall be entitled to restrain by injunction the use in Pakistan of a trademark, which, or the essential part of which, is identical or deceptively similar to the well-known trademark:

- in relation to identical or similar goods or services, where the use is likely to cause confusion; or
- where such use causes dilution of the distinctive quality of the well-known trademark.

In determining that a trademark is well known, without having to require registration or actual use in the form of sales of goods or services under the trademark in Pakistan, the following factors shall be considered as relevant criteria for establishing the well-known status of the trademark, namely:

- the amount of Pakistani or worldwide recognition of the trademark;
- the degree of inherent or acquired distinctiveness of the trademark;
- the Pakistani or worldwide duration of the use and advertising of the trademark;
- the Pakistani or worldwide commercial value attributed to the trademark;
- the Pakistani or worldwide geographical scope of the use and advertising of the trademark;
- the Pakistani or worldwide quality and image that the trademark has acquired; and
- the Pakistani or worldwide exclusivity of use and registration attained by the trademark and the presence or absence of identical or deceptively similar third-party trademarks validly registered or used in relation to identical or similar goods and services.

Further, it may be noted that Pakistan also provides broad-ranging rights against unfair competition and under common law provisions, which may be used by owners of famous foreign trademarks to protect their interests.



# Peru

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## 1 Ownership of marks

### Who may apply?

Any individual or legal entity, public or private, Peruvian or foreign, may apply for a trademark with the National Institute for the Defence of Competition and Intellectual Property Protection (INDECOPI). An application in the name of more than one person is possible. If the applicant has no domicile in Peru, a Peruvian representative must be appointed.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

According to the Peruvian Trademark Law (Andean Decision 486), a trademark is a distinctive sign capable of graphic representation, so that both are essential requirements for its registration.

In accordance with our current legislation (articles 134 and 135 of Decision 486) and Andean Prejudicial Interpretation (Process 032-IP-2014, page 23) the distinctiveness is the capacity of a sign to individualise, identify and differentiate in the market the goods or services, making possible the consumer to request them. It is the essential characteristic that all signs should meet in order to be registered as a trademark.

The distinctiveness refers to the fact that a trademark cannot be confused with the goods or services it distinguishes, indicate its qualities or be confusingly similar to another registered trademark in the same field. In Peruvian legislation the registration of evocative trademarks is allowed because such trademarks have sufficient distinctiveness.

According to article 134 of Decision 486, the following signs, among others, may constitute a trademark:

- words or combinations of words;
- pictures, figures, symbols, graphic elements, logotypes, monograms, portraits, labels, and emblems;
- sounds and smells;
- letters and numbers;
- a colour with borders to generate a specific shape, or a combination of colours;
- the shape of a product, its packaging or wrappings; and
- any combination of the signs or means indicated in the items above.

In Peru, the following non-traditional trademarks can be protected: olfactory, tactile and taste marks, despite not being expressly mentioned, but since the legislation contains a declarative enumeration of the signs that can constitute marks, such signs could be registered. Sounds and smells are expressly mentioned as being able to constitute trademarks. Three-dimensional trademarks are also protected.

Likewise, the legislation permits the registering of evocative signs as trademarks.

Signs that are constituted by a prefix of common use or usual particles may be also registered as trademarks provided that the other element grants it sufficient distinctiveness.

Signs in other languages that are unknown to the Peruvian consumer may also be registered as trademarks.

Article 50, paragraph (b) of the Legislative Decree 1075 (domestic law), states the requirement of graphic representation for the

non-perceptible marks. In the case of sound marks, graphic representation is required by submitting, in the case of a melody, the stave representing it and when dealing with other sounds, the spectrogram.

Signs that are included in the absolute and relative prohibitions related to third-party rights cannot be registered as trademarks.

Absolute prohibitions are included in article 135 of Decision 486 and are referred to as words of the language that do not fulfil the distinctive function as they mention the goods or services or a characteristic or quality thereof. That is, it is not possible to register as trademark a term of the language that is generic (name of the good), descriptive (mentioning any characteristic of the sign), or usual (in the common business language).

Paragraph (b) mentions the prohibition concerning lack of inherent distinctiveness and paragraphs (i) and (j) signs that may mislead consumers.

Signs cannot be registered as trademarks when they contain a protected appellation of origin for wines and spirits paragraph (k) or consist of a national or foreign geographical reference that is liable to create confusion in respect of its application to products or services paragraph (l).

Likewise, signs reproducing or imitating heraldic elements such as coats of arms, flags and emblems, and official signs and stamps used for the purposes of government control and guarantee and the coats of arms, flags and other emblems, initials or designations of any international organisation, without the permission of the competent authority of the state or international organisation concerned may not be registered as trademarks (paragraph (m)).

Further, signs reproducing or imitating signs denoting conformity with technical standards may not be registered as trademarks unless such signs are applied for with the national body responsible for standards and quality requirements in member countries (paragraph (n)).

Signs reproducing, imitating or including the indication of a plant species protected in an Andean country or any other country when the application to goods or services relating to such species or its use is likely to cause confusion or a mistaken association with that variety, may also not be registered as trademarks (paragraph (o)).

Signs that are contrary to law, morality, public order or good manners may not be registered as trademarks (paragraph (p)).

Relative prohibitions to third-party rights are included in article 136 such as signs that are identical or similar to a trademark filed for registration or registered earlier by a third party, a protected trade name, label or emblem, a registered advertising slogan when use of such signs are likely to lead to confusion or mistaken association.

Signs that are similar or identical to a distinctive sign belonging to a third party may not be registered as trademarks when the applicant has been or is a representative or distributor of the owner of the protected sign and where use of the mark would result in a likelihood of confusion or mistaken association.

Likewise, signs affecting the identity or prestige of legal entities (non-profit or not, or natural persons other than the applicant or identifiable by the general public as being such a different person), particularly with regard to a given name, family name, signature, title, nickname, pseudonym, image, portrait or caricature without consent from that person or, if deceased, the declared heirs of that person, may also not be registered as trademarks.

Further, signs that may violate the intellectual property right or copyright of a third party without consent of that party, signs consisting of the name of indigenous, African American, or local communities not filed by the community itself or without its express consent and signs consisting of a total or partial reproduction, imitation, translation, transliteration or transcription of a well-known sign belonging to a third party may not be registered as trademarks.

Article 137 states that the Trademark Office Authorities may refuse the registration of a trademark when there is sufficient reason to believe that the registration was applied for to engender an act of unfair competition.

### 3 Common law trademarks

#### Can trademark rights be established without registration?

Trademark rights cannot be acquired without registration (with the exception of well-known marks). Notwithstanding, it is possible to protect non-registered signs by other means such as unfair competition.

### 4 Registration time frame and cost

#### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Normal prosecution of a trademark usually takes between six and nine months. The time would increase (by about three more months) in cases where any requirements by the Trademark Office Authorities arise (adaptation, precision of exclusion of some of the originally filed goods or services) or when formal papers are missing (power of attorney, priority document, etc).

If an opposition is filed the processing takes at least 10 more months before the first administrative instance and if the case is kept in abeyance at the request of the interested party or ex officio until a related case is resolved, it will take about nine further months at the appeal stage (second administrative instance) depending on the complexity of the case and because pursuant to the law the Trademark Office Authorities have a term of 180 days to conduct administrative proceedings (article 24 of Legislative Decree 1075).

Costs for obtaining a registration of a trademark without opposition total about US\$700 including official fees and service fees.

A power of attorney is required to file a trademark application. The document only needs to be signed by an authorised officer of the applicant mentioning his or her full name and capacity. Notwithstanding, a signed power could not be used in the case of entering an infringement action or a lawsuit (before the judiciary), in which case, a power of attorney document, duly notarised and apostilled, would be necessary.

### 5 Classification system

#### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Although Peru is not a party to the Nice Agreement, the Andean Community (Bolivia, Colombia, Ecuador and Peru) has adopted and applies the Nice Classification of Goods and Services for the purposes of the registration of marks.

Peru adhered to the Trademarks Law Treaty on 6 August 2009, which came into force on 6 November 2009 wherein the multi-class system is stated. In that sense, the Legislative Decree No. 1075 (our domestic law) in force as from 1 February 2009 has adopted the multi-class application figure. In that sense multi-class applications are available for a single application containing goods or services, or both, belonging to more than one class and said application shall give rise to a single registration. Notwithstanding, if during the processing of the application only some of the classes are granted and the remainder ones are rejected, the applicant can divide its application in order to obtain the registration certificate for those granted classes instead of awaiting the outcome of the rejected classes that are in the appeal

stage. No savings are available since the same official fees are applicable to all the involved classes.

### 6 Examination procedure

#### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

After the 30 day-term from the publication date of the application expires and if no oppositions were filed, the Commission of Distinctive Signs (non-contentious case areas) will proceed to perform the examination of registrability and would cite those registered trademarks that in their opinion are confusingly similar to the sign applied for and that would engender risk of confusion in the market for the consumers.

In cases where opposition is filed, the Commission of Distinctive Signs (contentious case areas) will assess both the arguments of the opponent and the response of the applicants and will issue an opinion on the opposition's merits and will grant or refuse the registration of the trademark and inform the parties of its decision. It may be the case that the opposition is declared groundless and that the application is denied ex officio based on the examination performed by the Trademark Office Authorities in their database.

### 7 Use of a trademark and registration

#### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

No use of a trademark or service mark has to be claimed before registration is granted so no proof of use needs to be submitted during the processing of the application. Likewise, for maintaining or renewing a registration no proof of use is required.

In accordance with article 4 of the Paris Convention it is possible to claim priority of foreign registrations and the corresponding applications should be filed within a six-month period.

Also in accordance with article 9 of the Decision 486 the first application for the registration of a trademark that is validly filed in any other Andean country shall confer on the applicant or the applicant's assignee the right of priority in filing for the registration of the same trademark in Peru.

The registration of a trademark is vulnerable to cancellation action for non-use by third parties after a three-year term following its granting. Therefore it is advisable to use the mark prior to finishing said period in order to defeat a third-party challenge based on grounds of non-use.

### 8 Appealing a denied application

#### Is there an appeal process if the application is denied?

After the issuance of an adverse decision (denial of the application) the applicant would have a term of 15 working days to challenge the decision and in said case the applicant would have two alternatives to challenge the adverse decision issued from the Trademark Office Authorities:

- to file a reconsideration brief (based on new documentary proof), which is processed before the same first administrative instance; and
- to lodge an appeal before the same authority that issued the decision by submitting new documents, with a different interpretation of the proof submitted or with purely legal questions. After the appeal is processed, the first instance authorities will submit the appeal to the second administrative instance.

The final resolution to be issued by the second administrative instance exhausts the administrative channel and could only be impugned before the judiciary via a lawsuit within a three-month term counted from the date on which the loser part has been notified of the adverse resolution.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition purposes and any third party may oppose the application within a 30-day term following the publication date. The opposition may be grounded on a Peruvian-granted registration or an earlier application by alleging the absolute and relative prohibitions stated in articles 135 and 136 (lack of distinctiveness or risk of confusion with regard to third-party rights).

In accordance with article 146 'Within thirty days following such publication, any person having a legitimate interest may, one time only, file a valid objection that could result in invalidation of the trademark registration.'

The competent national office may, at the request of a party and once only, grant an additional 30-day period in which to provide valid reasons for opposing registration of the trademark.

Reckless objections may be sanctioned if provided for by domestic legislation.

No objections based on such trademarks as may have existed at the same time as that being applied for, may be lodged against the application within six months following expiry of the grace period referred to in article 153.

Further, according to article 147 of Decision 486, an Andean opposition may be filed based on a trademark registration granted in a member country of the Andean community (Bolivia, Colombia, Ecuador) and to meet the Andean opposition requirements, it is necessary to apply in Peru for the registration of a trademark, identical to the mark that is the basis of the opposition, otherwise the opposition would not be processed.

Moreover, an opposition may be filed based on article 7 of the General Inter-American Convention for Trademark and Commercial Protection if the opponent is a contracting state or domiciled foreign national who owns a manufacturing or commercial establishment in any of the contracting states. The conditions for the application of the Convention are to prove that the person who is using such mark, or applying to register or deposit it, had knowledge of the existence and continuous use in any of the contracting states of the mark on which opposition is based upon goods of the same class. The opposer may claim for him or herself the preferential right to use such mark in the country where the opposition is made or priority to register or deposit it in such country, upon compliance with the requirements established by domestic legislation in such country and by this Convention.

The applicant should respond to the opposition within a term of 30 working days after being notified of the opposition brief. At the request of the opponent the Trademark Office Authorities will grant an additional 30-day period to ground the opposition and in the same manner the applicant may request a single period of 30 additional days in which to provide valid reasons for the refutation.

Furthermore based on article 137 of Decision 486 an opposition may be filed alleging bad-faith arguments.

In accordance with article 136, paragraph (h) of Decision 486 an opposition may be based on a well-known trademark.

Further, during the opposition proceeding the applicant may institute, as means of defence, a cancellation action for non-use against the mark that is the basis of the opposition.

Moreover, pursuant to article 169 when the owner of a trademark has caused or allowed that its trademark to become a common or generic sign to identify or denote one or several of the goods or services for which it was registered, the authority shall order, ex officio or at the request of an interested party, the cancellation of the trademark or the limitation of its scope.

In this regard, a trademark shall be considered to have become a common or generic sign if, in commercial circles and for the public, it has lost its distinctive character as an indication of the corporate source of the product or service to which it is applied.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration is granted for a term of 10 years from its grant date and is renewed for successive 10-year periods. To maintain the registration it is only necessary to apply for renewal six months prior to its expiration date or six months after the expiration date (grace period). In accordance with current regulations and practice no proof of use is required to renew the registration.

## 11 The benefits of registration

**What are the benefits of registration?**

The benefits of obtaining a trademark registration are to gain the right to its exclusive use, to grant licences, to record assignments, to file oppositions to third-party applications, to reach coexistence agreements, to include the mark as an intangible asset of its owner, to institute infringement actions against non-authorised use of the mark, to accede to border measures, to give it as a pledge or security, to celebrate transactional agreements, to enter complaints or criminal actions, etc.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Since the licence is a private consensual agreement between the parties its validity is not subject to official recordal. However, as licences and other acts affecting industrial property rights shall only take effect in respect of third parties as from its recordal, it would be advisable to record the licence to the purposes of proving use or taking legal actions in the name of the owner based on the registered mark.

## 13 Assignment

**What can be assigned?**

Trademarks can be assigned with or without goodwill for all goods and services covered. However, if the change of ownership does not involve all the goods or services listed in the registration of the owner, a separate registration shall be created in respect of the goods or services for which there has been a change in ownership. The assignment can be made with or without the firm to which it belongs and made in writing. The Trademark Office Authorities can refuse the recordal if the assignment could lead to the risk of confusion.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

A signed power of attorney and a deed of assignment are required from the assignee and duly executed by both the assignor and assignee. In accordance with current practice notarisation and legalisation are not required.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The ownership change must be recorded to take effect in respect of third parties. Failure to register shall render the assignment invalid in respect of such third parties.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are recognised in Peru and the document should be executed by both parties, notarised and legalised by apostille. Security interests must be recorded in the Trade Mark Office records for purposes of validity and enforceability.



## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

In Peru's legislation marking is optional. However, use of the denomination 'registered mark' or symbols such as MR, ® or equivalent, together with signs that are not registered, are prohibited and subject to sanctions (fines).

The benefits of using the above-mentioned identification are to warn possible infringers to abstain from non-authorised use as the mark is duly protected.

There are no risks for not using such words or symbols since it would be possible to take any legal measures based on the protected right.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Border measures are available in Peru through the Customs Authority. The Customs Authority is an autonomous body of control and sanctions within its own Customs Law. With regard to counterfeit trademarks, they are responsible for warning and verifying if the exported and imported goods infringe any intellectual property rights. To this end, they request INDECOPI to verify the registration and validity of the marks that are subject of presumed infringement.

INDECOPI is the official body that grants the registration of a trademark, unlike the Customs Authority which records a trademark already registered for border measure purposes, that is, the Customs Authority only owns a list of records in order to warn the owner of a registered trademark on the entry of goods including their packaging bearing an identical or confusingly similar sign to the validly registered trademark without authorisation so that such goods would infringe the rights granted to the owner of the trademark by the legislation of the import country. In said occasion the owner of the registered trademark may request the Customs Authority to suspend the customs operation and immobilise the goods and should supply the necessary information and a sufficiently detailed and precise description of the goods subject of the alleged infringement so they can be identified.

Any party initiating or who intends to initiate an action for infringement may request the Trademark Office Authorities to order immediate provisional measures for the purpose of preventing an infringement from occurring, avoiding its consequences, obtaining or preserving evidence, or ensuring the effectiveness of the action or compensation for damages.

Pursuant to article 238 of the Decision 486 infringement actions may be entered in the administrative channel (before the Commission of Distinctive Signs of INDECOPI) against any persons infringing rights of a trademark owner or against any persons performing acts that are extremely likely to result in the infringement of that right. In the case of the co-owner of a right, any one of the co-owners may bring action for infringement without the need for consent from the other party.

Article 155 establishes the grounds that may be invoked in an infringement action, which are:

- a) *using or affixing the trademark or a similar or identical distinguishing sign to products in respect of which the trademark is registered; to products connected with the services for which the trademark is registered; or to the packages, wrappings, packing, or outittings of those products;*
- b) *removing or changing the trademark, once it has been placed on or affixed to the products in respect of which the trademark is registered, for commercial purposes; to products connected with the services for which it is registered; or to the packages, wrappings, packing, or outitting of those products;*

- c) *manufacturing labels, packages, wrappings, packing, or such other materials as may reproduce or contain the trademark, and selling or storing such materials;*
- d) *using, in the course of trade, identical or similar signs to the trademark for goods or services, where such use would result in a likelihood of confusion or mistaken association with the registration owner. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed;*
- e) *using in the course of trade identical or similar signs to a well-known trademark with respect to any goods or services, where such use, by weakening the distinctive force or the value of that trademark for commercial or advertising purposes or by taking unfair advantage of the prestige of the trademark or of its owner, could unjustly damage the registration owner's economic or commercial interests;*
- f) *making public use of identical or similar signs to a well-known trademark, even for purposes that are non-commercial, where such use could weaken the distinctive force or value of that trademark for commercial or advertising purposes or take unfair advantage of its prestige.*

Proof of the infringement, such as a sample of the infringing product and voucher for its purchase, should be submitted in support of the alleged infringement.

Civil actions may be entered before specialised courts to obtain compensation for damages after obtaining a final favourable decision in an infringement proceeding and the following criteria shall be used, among others, to calculate the amount of compensation to be paid for damages:

- the consequential damage and lost profits suffered by the right holder as a result of the infringement;
- the amount of profit obtained by the infringer as a result of the acts of infringement; or
- based on the commercial value of the infringed right and such contractual licences as may have already been granted, the price the infringer would have paid for a contractual licence.

Criminal actions may be instituted before the court or the Public Prosecutor against persons committing industrial property offences such as trademark counterfeiting and the objective is that such persons are sanctioned with penalties or punished with imprisonment.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The stages of an infringement proceeding in the administrative channel are:

- formal denouncement in written with proofs of the infringing act;
- inspection visit at the premises of the infringer in order to verify the denounced infringing acts;
- minutes of the inspection;
- reply of the defendant;
- conciliation hearing of the parties;
- resolution;
- appeal (within a five-day term by the losing party);
- reply to the appeal (by the winning party); and
- final administrative resolution issued by the administrative court (second instance).

Discovery is allowed and the Trademark Office Authorities may require from the parties the submission of documentation or exhibition of goods.

Technical reports from experts may be requested by the Trademark Office Authorities to verify the technical features of the original goods compared with the counterfeit goods.

In the first instance the decision is issued by a professional commission made up of three members and a director.

In the second instance (administrative court) the decision is issued by four members and one president.

The infringement proceeding is summary and brief. It typically lasts nine months in the first instance and seven months in the second instance. It is possible to state that in administrative proceedings reconsideration briefs are not available, only appeals.



Criminal enforcement mechanism is also available and the plaintiff may initiate a criminal action before the District's Attorney office that will require a technical report from the Commission of Distinctive Signs. Thereafter the public prosecutor will assess the denouncement and the filed proofs to determine the facts with the support of the police. Then the police's statement will be assessed by the public prosecutor who will decide to formalise the denouncement before the Criminal Court. After the denouncement has been formalised, the case will be taken over by a judge and the plaintiff should constitute a civil party.

As to the destiny of the seized goods either in administrative proceedings or criminal denouncements, the Trademark Office Authorities may order their destruction or donation.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

To establish that an infringement occurs, the following actions should be taken:

- The infringing act or fact should be proven by enclosing as a proof, a sample of the infringing product bearing the infringing trademark, as well as a copy of the invoice or ticket of sales wherein the infringing sign can be clearly seen.
- In accordance with article 136, paragraph h) of Decision 486 to establish that dilution occurs, the following should be proven:
  - that the trademark is well known, to which end it is necessary to submit documents evidencing a wide broadcast and extensive knowledge by the public consumer (advertising and invoices), market studies, balances, sponsor, etc, in accordance with the criteria set forth in article 228 of Decision 486; and
  - it is necessary to prove the act or fact that puts the well-known trademark at risk of dilution, proving that the trademark is unique in the market and that it distinguishes only one sector of products or services and that there is no other equal or similar trademark, either in the same sector or another one; and
  - that it is a unique trademark and strongly distinctive.

Once the above has been proven, the infringing sign or the sign that engenders risk of dilution with the registered or well-known trademark is examined.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The remedy for an alleged trademark infringement must be brought by the trademark owner or by the licensee, if a licence agreement is recorded and the terms of the licence authorise it to take said legal action.

A criminal complaint may be only brought by the trademark owner before the court.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

No infringement action is possible against activities that take place outside the country of registration considering that, in accordance with current legislation, the rights are territorial.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As above, it is not possible to take legal action against third parties outside the country.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

A typical time frame for an infringement or dilution proceeding would be nine months before the Commission of Distinctive Signs (first administrative instance). In the case that the decision is appealed before the second instance a final resolution could be expected within a seven-month term. Typically the final decision is not impugned before the judiciary. If the cautionary measure (preliminary injunction) is accepted by the Trade Mark Office, it will be kept until the issuance of a resolution, which may be appealed. If the final decision declares the infringement action well founded, the preliminary injunction will be final and the plaintiff will decide whether the immobilised goods should be destroyed or donated.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Costs associated with an infringement or dilution action before the two administrative instances range from US\$2,000 to US\$3,000.

## 26 Appeals

### What avenues of appeal are available?

A decision issued by the first administrative instance can be only appealed within a peremptory term of five days counted from the notification date. Reconsideration briefs are not available in these kinds of administrative proceedings.

After the issuance of a second resolution by the administrative court no further appeals are available. Only a lawsuit before the judiciary would be possible, but defendants typically do not resort to the judicial power.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Articles 157 (good-faith use) and 158 (exhaustion of rights) of Decision 486 would be available against a charge of infringement or dilution.

Articles 157 and 158 state the following.

### Article 157

*Provided that it is done in good faith and does not constitute use as a trademark, third parties may, without the consent of the owner of the registered trademark, make use in the market of their own names, addresses, or pseudonyms, a geographical name, or any other precise indication concerning the kind, quality, amount, purpose, value, place of origin or time of production of their goods or of the rendering of their services, or other characteristics thereof, provided that such use is confined to identification or information purposes only and is not likely to create confusion over the source of the goods or services.*

*Trademark registration shall not confer on the owner the right to prevent a third party, where proceeding in good faith, from using the trademark to announce – even in advertising using brand comparisons – offer for sale, or advertise the existence or availability of lawfully trademarked goods or services, or from advertising the compatibility or suitability of spare parts or accessories that may be used with goods bearing the registered trademark, provided that such use is confined to the purpose of informing the public and is unlikely to lead to confusion over the corporate origin or the goods or services concerned.*

In the process 415-IP-2015 of 23 June 2016 referring to the limitation on the exclusive use of the registered trademark, it is interpreted that article 157 allows that third parties, without the consent of the owner of a registered trademark, may perform certain acts in the market with regard to the use of said mark provided that the following use conditions are fulfilled:

- That the use is done in good faith, that is, lack of knowledge of the previous trademark or that the reference to the another's trademark is fair in terms of: the legitimate interests of the owner, the general interest of the consumers and the proper functioning of the. Use cannot take advantage of the registered trademark neither causing dilution of the well-known trademark nor other uses but for identification or information purposes.
- That the use is not performed as a trademark. It cannot be used as a distinctive sign and should be limited to make reference to the characteristics of the product or service and not engendering risk of confusion with the registered trademark. Use cannot be lead the public into error over the actual origin of the goods or services (due diligence).
- That the use is exclusively confined to identification or information purposes of any characteristic of the goods or services, to respect commercial good faith, uses and honest practices.
- That the use does not lead the public into error over the corporate origin of the goods or services. Use should not be done as a distinctive sign nor causing the impression that such goods or services provide from enterprises that are economically linked.

It should be noted that the above-mentioned conditions must be submitted concurrently.

#### Article 158

*Trademark registration shall not confer on the owner the rights to prevent third parties from engaging in trade in a product protected by registration once the owner of the registered trademark or another party with the consent of or economic ties to that owner has introduced that product into the trade of any country, in particular where any such products, packaging or packing as may have been in direct contact with the product concerned have not undergone any change, alteration or deterioration.*

*For the purposes mentioned in the preceding paragraph, two persons shall be considered to have economic ties when one of the persons is able to exercise a decisive influence over the other, either directly or indirectly, with respect to use of the trademark right or when a third party is able to exert that influence over both persons.*

#### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

##### Remedies when an infringement action or dilution is successful

One or more of the measures established in article 241 of Decision 486 can be applied, such as cessation of infringing acts, removal from commercial channels of the infringing products or the materials and means whereby the infringing products are manufactured, confiscation and destruction of infringing products, permanent or temporary closure of the premises where the products bearing the infringing mark are manufactured or marketed, a fine and publication of the resolution declaring it to be well founded, the infringement action, costs and expenses.

##### Remedies when a dilution action is successful

Cessation of the advertising causing the dilution, destruction of the product or products that contribute to dilution, as well as a fine.

##### Existing criminal remedies

In accordance with articles 222 and 223 of the Criminal Code, the offences against industrial property related to trademarks are sanctioned by imprisonment for not less than two years or greater than five years, fines, disqualification to do business and destruction of the seized goods.

#### 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available in Peru either in administrative proceedings or civil actions.

Commonly, amicable agreements can be negotiated between the parties as a result of conciliation hearings, and if the parties reach a

#### Update and trends

At present, the office in charge of trademarks has implemented a system that allows the registration of a trademark that did not have any objection within a term of about three or four months. Also, this system allows the expedition of trademark registration proceedings, modifying acts and renewals in the shortest time possible (about 75 working days). The Commission of Distinctive Signs continues to promote registration of certification and collective trademarks with public and private strategic partners, since it is considered that this adds value to the products or services. This promotion facilitates the commercialisation of products with biological resources of a high nutritional value and which are highly appreciated supplies to gourmet cuisine. With regard to non-traditional trademarks, the requirements for filing a graphic representation of sound trademarks are being reviewed, since the intention is to speed up and simplify registration for applicants of non-traditional trademarks.

Furthermore the public officials have planned to solve cases in less time than required by law (180 days), that is, in about 120 days.

In accordance with the current policy, some municipal and government entities are performing several business activities in order to promote use of the registered trademarks by their legitimate owners.

private agreement in the presence of the authorities, the administrative process will be concluded and the parties are obliged to fulfil the terms of the agreement. Generally the parties to an infringement proceeding do not resort to arbitration.

The benefits of these kinds of agreements are to shorten the process since the authorities would no longer need to issue a decision, to reach a solution satisfying both parties, and to reduce the costs involved for the parties.

There are no risks in resorting to ADR techniques.

#### 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

In the Peruvian system, article 224 of Decision 486 on well-known trademarks offers a special protection to the well-known trademark in any member country of the Andean Community that goes beyond the territoriality, speciality and registration principles.

Current legislation in Peru (Andean Decision 486) grants special protection to a foreign trademark that is recognised as well known in Peru or any other Andean country (Bolivia, Colombia, Ecuador) by the pertinent sector against non-authorised use of the mark or risk of dilution.

The jurisprudence of the Tribunal of the Court of Justice of the Andean Community develops the criteria set forth in article 228 of Decision 486 to determine when a trademark is well known.

In that sense, for a trademark to be considered as well known, it should fulfil at least one of the following criteria, pursuant to the generally accepted doctrinal criteria:

- being widely advertised, ensuring the mark is recognised by a high percentage of the population;
- enjoying extensive use and acceptance by consumers;
- holding significance in the trade or industrial field in which the mark belongs; and
- merely mentioning it should provoke in the public a direct association with the product or service that it identifies.

These criteria have been mentioned by the Justice Court of the Andean Community in the following proceedings: Proceeding 09-IP-2002 published in the Official Gazette No. 777 on 7 March 2003; Proceeding 6-IP-2005 published in the Official Gazette No. 1185 on 12 April 2005; and Proceeding 128-IP-2007 published in Official Gazette No. 1588 on 20 February 2008.

In Proceedings 126-IP-2008 dated 13 March 2009 and 30-IP-2014 dated 10 September 2014, in the fifth conclusion, the connection of two criteria are highlighted: the diffusion among the related public

consumers to which the sign is referred and the intensive use within the concerned sector. It is noted that the person claiming that the trademark is well-known should evidence this quality within the concerned sector and not within the general public consumers.

In Proceedings 470-IP-2015 published in Official Gazette No. XXX of 8 June 2015, on page 15 it states that the special protection granted to the well-known trademark is extended, in case of risk of confusion for similarity with a sign pending of registration, independently of the territory or the class for which the mark was registered, in order to avoid an unfair advantage of the reputation of the well-known trademark and prevent the damage that the similar sign could cause to its distinctiveness or reputation (see Proceedings 107-IP-2015, page 5).

Article 230 of Decision 486 considers as relevant sectors of reference, the determination of the well-known quality of a distinctive sign, among others, not only with potential consumers but actual consumers and also people who are involved with goods or services, either before, during or after their sale.

Peruvian trademark legislation and jurisprudence has set forth that the well-known trademark is exposed to different risks: risk of confusion (direct or indirect), association, dilution or illegal use.

In Proceeding 66-IP-2015, dated 29 April 2015, the Andean Court of Justice reiterated that the risk of confusion is the possibility that when the consumer purchases a product he or she may think that he or she is acquiring another product (direct confusion), or he or she may think that the product has a business origin other than the one it actually has (indirect confusion).

The risk of association is the possibility that the consumer, although being able to differentiate between the trademarks in conflict as well as the business origin of the product, thinks, when purchasing it that the manufacturer of said product and other company have an economic relationship or business connection. (These definitions are found in Proceeding 70-IP-2008, dated 2 July 2008 and other further proceedings.)

The risk of dilution is the possibility that the use of other identical or similar signs causes weakness in the highly distinctive capacity that the well-known sign has gained in the market, even if it is used for dissimilar products that do not have any degree of competitive connection with those protected by the well-known sign (Proceeding 117-IP-2014, dated 1 October 2014 wherein articles 117, 224, 225, 226 and 228 are interpreted).

The risk of illegal use is the possibility that a competitor takes unfair advantage of the prestige of the well-known sign, even when the action is carried out on goods or services that do not have any degree of competitive connection with those protected by the well-known sign (Proceeding 66-IP-2015, dated 29 April 2015).

In the administrative precedent of mandatory compliance of INDECOPI, Resolution 2951-2009/TPI-INDECOPI, dated 9 November 2009, highlighted that the person claiming the 'well-known' quality should evidence the said situation of the trademark in order to enjoy the protection as a well-known trademark. On the other hand, it is also set forth the special protection of the well-known trademark against the risk of dilution that diminishes distinctiveness of the trademark and weakens the relationship between trademark and product. A well-known trademark enjoys special protection and is an exception to the speciality principle as well as to the territoriality principle, because its registration is not necessary.

As per the precedent, the burden of proof is with the party that alleges the notoriety of the mark, which will be the first interested in submitting the evidence to convince the Trademark Office Authorities regarding the invoked notoriety. To that end, the parties may submit any proof admitted in the administrative proceeding, such as commercial invoices for sales, advertising, even by virtual media, results of public consumer opinion polls or in business circles, registration certificates of the mark in foreign countries, inventories, market research, documents evidencing the amounts invested in the advertising and promotion of the mark. In addition to the above-mentioned traditional probatory means, other types of circumstantial notoriety proof are recognised that arise from the development of international commerce and from modern means of transport, communications and promotion in the global market, such as advertising related to tourism (magazines distributed in flight by air carriers), volume of requests from persons interested in obtaining a franchise or licence of the mark in a determined territory, existence of manufacturing activities, purchase or storage by the owner of the mark in the territory wherein protection is sought, residual effects of advertising (understood to be what remains in the mind of the consumer after having received an advertising message) projected from one territory to another, international coverage of sport events and entertainment in which there is advertising content, etc.

In accordance with current practice, the documents evidencing notoriety can be filed as single copies without any notarisation or legalisation.

With regard to the impediments related to third-party rights, article 136, paragraph (h) of Decision 486 prohibits the registration as trademark of a sign that consists of a total or partial reproduction, imitation, translation, transliteration, or transcription of a well-known sign belonging to a third party without regard to the type of product or service to which it shall be applied, the use of which would lead to a likelihood of confusion or mistaken association with that party; taking unfair advantage of the prestige of the sign; or weakening its distinctive force or its use for commercial or advertising purposes.



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# Philippines

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## 1 Ownership of marks

### Who may apply?

A natural or juridical person who is using or intends to use a mark in commerce in connection with goods or services may apply to register that mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any visible word or device or any combination of word or device, any shape or configuration of product or container of a product that is capable of distinguishing the goods or services of one from that of another may be legally protected as a trademark. A 'stamped or marked container of goods' is also defined as a trademark under the Intellectual Property Code (IP Code). Visibility and distinctiveness are the two essential requisites mentioned by the IP Code in its definition of protectable trademark. Non-traditional marks such as sound, smell or scent, taste, touch or motion are not protected as a trademark under the current law.

A trademark will not be protected if it has any of the following attributes:

- it is immoral, deceptive or scandalous, or tends to disparage or falsely suggest a connection with persons (living or dead), institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- it contains a flag or coat of arms or other insignia of the Philippines or any of its political subdivisions, or of any foreign nation, or any simulation thereof;
- it contains a name, signature or portrait of a deceased Philippine president if there is no written consent of a living spouse, or the name, portrait or signature identifying a particular living individual if there is no written consent from the individual;
- it is confusingly similar to a trademark owned by an unrelated party, which has an earlier filing date for its application or an earlier issue date for its registration;
- it is confusingly similar with an earlier well-known trademark;
- it is misleading in terms of the nature, characteristics and geographical origin of the goods or services;
- it is descriptive of the goods or services or of the nature, quality or characteristics of the goods or services, or serves as generic term for the goods or services;
- it is a mere shape that is functional in nature;
- it is a mere colour without any form; and
- it is contrary to public order or morals.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Before 1998 (the effective date of the IP Code), rights to trademarks were acquired by mere use. Those rights are deemed preserved to this date in favour of owners of unregistered trademarks, which were used in commerce prior to 1998. From 1998 onwards, ownership of marks can be acquired only by registration. The exception is with respect to well-known trademarks, which are given full protection

in the Philippines without the need for registration if they qualify as well-known trademarks based on the standards prescribed by the IP Code. Owners of trademarks that are registered in countries that give Philippine citizens reciprocal rights based on treaties but whose trademarks are not currently registered in the Philippines have the ability to oppose the registration of a confusingly similar trademark by an unrelated third party by asserting that the application of the latter has been filed in bad faith. However, this ability to oppose may not continue if their trademarks remain unregistered in the Philippines for a long time. Ultimately, trademarks already registered in other countries must also be registered in the Philippines at some point if the owners are to be successful in preventing others from appropriating and registering confusingly similar trademarks in the Philippines.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If all application requirements are submitted upon filing, and there are no objections raised during substantive examination, an application covering a single class would typically register within eight to 10 months from the filing date. The cost to register is approximately US\$800.

Registration may take longer if objections are raised by the Examiner. Objections may relate to incomplete documentation, lack of distinctiveness, confusing similarity with a third party's trademark having an earlier filing or priority date and failure to submit proof of registration in the home country, if the application is claiming convention priority.

A complete application must submit the following:

- name, address and nationality of the applicant;
- specification of goods or services;
- an image or drawing of the trademark;
- details of foreign application, if the application is claiming convention priority;
- power of attorney designating a local resident agent if the applicant is a foreign entity; and
- correct official fee. For the purpose of obtaining a filing date, the power of attorney is not required and may be submitted later at no cost to the applicant.

An applicant must submit a notarised declaration of actual use (DAU) within three years from filing of the application, failing which, his or her registration will be deemed automatically cancelled. If an application has not registered at the time the DAU is due, and the applicant fails to file the DAU, the application is automatically considered abandoned. The three-year deadline may be extended once for a period of six months. The cost to file a DAU is approximately US\$265.



## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The Philippines follows the Nice Classification of Goods and Services. Multi-class applications are permitted. There is an additional government fee of US\$65 for each additional class.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Applications go through substantive examination. Absolute and relative grounds for rejection are considered during a substantive examination. An application will be rejected if the trademark is confusingly similar to a trademark in an earlier registration or an application with an earlier filing or priority date. See question 2 for a discussion of the absolute and relative grounds for rejecting a trademark application.

An applicant has two months from the mailing date of an office action to respond to the examiner's objections. The response period can be extended for another two months.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use is not a requirement for the grant of the registration. However, for the registration to continue to be valid, the owner must submit a notarised DAU with proof of use within three years from the filing date of the application. A declaration of non-use may be filed in lieu of a DAU if any of the following situations are present:

- where the applicant is prohibited from using the mark in commerce because of a requirement imposed by a government agency;
- where there is a restraining order issued by a court, administrative or quasi-judicial body; or
- where the mark is the subject of an opposition or cancellation.

A trademark application filed in the name of a foreign entity who is a national or a domicile of a country that grants reciprocal rights to Philippine citizens may claim a priority filing date based on the filing date of the corresponding home application. If priority is claimed, the applicant must provide a copy of the home registration without waiting for an order from the Examiner. If the Examiner is able to verify that the home application upon which the priority claim is based has already registered, the application will proceed to allowance even if the applicant has not submitted a copy of the certificate of home registration. If the Examiner is unable to verify the status of the home application because the applicant's home country has no online database system, the Examiner will issue a Notice of Allowance requiring the applicant to submit within six months a copy of the home registration. This period may be extended for one year. An applicant's failure to submit a copy of the certificate of home registration within the prescribed period will result in the waiver of the priority claim. A registration where a priority claim has been granted is not exempt from the requirement of filing a DAU within three years from the filing date. The registration will be considered automatically cancelled if the owner fails to file the DAU in a timely manner or if the application is still pending when the DAU falls due, and the application will be considered as automatically abandoned.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If the Examiner issues a final rejection and the applicant files an appeal contesting the rejection, the following events will take place in the appeal process:

- filing with the Director of the Bureau of Trademarks (BOT) a notice of appeal within two months from receipt of the final rejection and within two months from such filing, submitting an appeal brief;
- the BOT Director issues a formal order requiring the Examiner to submit his or her answer to the applicant's brief within two months from receipt of the copy of the brief;
- the applicant may file a reply brief within one month from receipt of a copy of the examiner's answer;
- the BOT Director renders his or her decision on the appeal;
- the decision of the BOT Director becomes final and executory 15 days from receipt of the decision when the applicant does not lodge a further appeal with the Director-General of the Intellectual Property Office;
- the decision of the Director-General may be further appealed with the Court of Appeals; and
- the decision of the Court of Appeals may be appealed finally to the Supreme Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition in the Philippine E-gazette. A third party may oppose an application or seek the cancellation of a trademark registration.

An opposition may be based on the following grounds:

- lack of distinctiveness;
- confusing similarity with an earlier filed application, or an earlier issued registration, or with a well-known trademark;
- application was filed in bad faith; and
- misrepresentation as to the real ownership of the trademark.

Cancellation may be based on the following grounds:

- the registered mark has become generic, has been abandoned, or was obtained fraudulently or contrary to the provisions of the IP Code;
- the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services; and
- the registered owner, without legitimate reason, fails to use the mark in the Philippines, or to license its use in the Philippines, for an uninterrupted period of three years or longer.

### Procedure

An opposition is initiated by the lodging of a verified notice of opposition with the Bureau of Legal Affairs (BLA) within 30 days from the publication of the application in the Philippine E-gazette. This deadline may be extended twice by filing a motion for extension of the opposition period. Each extension is for a maximum period of 30 days or a total of 90 days from the date of publication. A petition for cancellation, on the other hand, can be filed any time after registration. The petitioner can initiate the cancellation by filing a petition for cancellation with the BLA.

### Notice to answer

If the verified notice of opposition or the petition for cancellation complies with the prescribed formalities, the BLA will issue a notice to answer directing the respondent to file an answer within 30 days from receipt of said notice. The respondent is given 90 days to file its verified answer counted from receipt of the notice to answer, if motions for extension of the answer period are filed twice for 30 days each.

**Referral to mediation**

If the verified answer is filed in a timely manner, the case will be referred to mediation where parties are encouraged to amicably settle the case with the help of a mediator.

**Issuance of order setting preliminary conference**

If the parties fail to arrive at a settlement in mediation, a preliminary conference will be scheduled where parties can stipulate on facts, define the issues and mark or compare documentary evidence.

**Position papers**

Upon the termination of the preliminary conference, the hearing officer will require the parties to submit their respective position papers within 10 days from the termination of the preliminary conference.

**Decision**

After the lapse of the period for submitting the position papers, the case is deemed submitted for decision.

**Appeal**

A decision of the BLA may be appealed by either party to the Office of the Director-General (ODG). A decision of the latter may be appealed to the Court of Appeals, and the decision of the Court of Appeals may be finally appealed to the Supreme Court.

**Bad-faith application**

Foreign trademarks are protected, especially if the third party's trademark application is identical to the foreign trademark. The rule often followed by the deciding authority in disputes involving identical trademarks is that there can be no coincidence. One must have copied from the other. The one who cannot explain the origin of the mark, or cannot demonstrate long and prior use or adoption of the mark, will be considered the infringer. Such party will be deemed to have copied the foreign trademark deliberately and in bad faith. This is true even if the foreign trademark owner does not conduct business in the Philippines. As long as the applicant had the opportunity to encounter the foreign trademark, such as in a posting or advertising in the internet, the applicant will be deemed to have a bad faith prior knowledge of the foreign owner's mark. (See question 3 for a discussion on common law marks.)

**10 Duration and maintenance of registration**

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A registration is valid for a term of 10 years and may be renewed every 10 years. However, for a registration to remain valid, the owner must file a DAU within one year following the fifth year from the registration date. A declaration of non-use may be filed in lieu of a DAU provided that the owner is able to present valid reasons for non-use. A DAU must be accompanied by proofs of use of the trademark, which can be any of the following:

- labels of the mark as these are used;
- downloaded pages from the website of the applicant or registrant clearly showing that the goods are being sold or the services are being rendered in the Philippines;
- photographs (including digital photographs printed on ordinary paper) of goods bearing the marks as these are actually used or of the stamped or marked container of goods and of the establishments where the services are being rendered;
- brochures or advertising materials showing the actual use of the mark on the goods being sold or services being rendered in the Philippines;
- for online sale, receipts of sale of the goods or services rendered or other similar evidence of use, showing that the goods are placed on the market or the services are available in the Philippines or that the transaction took place in the Philippines; or
- copies of contracts for services showing the use of the mark. Computer printouts of the drawing or reproduction of marks will not be accepted as evidence of use.

**11 The benefits of registration**

**What are the benefits of registration?**

Registration gives the owner the exclusive right to use the mark and prevent third parties from using confusingly similar marks. A certificate of registration is a prima facie evidence of the validity of registration, the registrant's ownership of the mark and of the registrant's exclusive right to use the same in connection with the goods or services covered by the registration or those that are related thereto. The owner can initiate an action for trademark infringement against unauthorised users, ask for a temporary restraining order, injunction and damages. Through criminal enforcement proceedings and on complaint initiated by the owner, counterfeit goods may be seized and destroyed. The owner may also request border control authorities to prevent the entry or importation of counterfeit products into the Philippines.

**12 Licences**

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence agreement may be recorded with the Documentation, Information and Technology Transfer Bureau of the Intellectual Property Office. If not recorded, the same may not bind third parties who had no notice of the existence of the licence agreement. The recordal of a trademark licence agreement provides the following advantages:

- it serves as a public notice of the existence and enforceability of the agreement;
- if royalty payment is stipulated in the agreement, registration gives the licensor the ability to avail of tax incentives under applicable tax treaties and may facilitate sourcing from local banks of foreign currencies for remittance of royalties abroad;
- recordal insures that the terms and conditions of the agreement are enforceable between the parties;
- commercial use of the licensed trademark can serve as evidence supporting the filing of the DAU, which is a mandatory requirement to keep the registration valid; and
- in the case of enforcement, the recorded licence agreement can serve as evidence of the existence of a cause of action and standing to bring suit on the part of the licensee.

**13 Assignment**

**What can be assigned?**

A trademark application or registration may be assigned or transferred with or without the transfer of the business or assets.

**14 Assignment documentation**

**What documents are required for assignment and what form must they take?**

To have a valid assignment, there must be a notarised deed of assignment. When recording the assignment, the local agent must submit a power of attorney signed by the assignee.

**15 Validity of assignment**

**Must the assignment be recorded for purposes of its validity?**

Recordal of the assignment is not required for the validity of the assignment of the mark. But an unrecorded assignment shall have no effect against third parties.

**16 Security interests**

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Recordal is not required for the validity or enforceability of a security instrument. The IP Code is silent on security interest even while it expressly mentions assignment and transfers by mergers or other forms of succession to ownership or title of trademarks. In actual practice, however, the initial public offering does accept requests to record

security interests or other types of documents affecting title or ownership of trademark or other transactions involving trademarks.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The registrant can indicate that its mark is registered by displaying with the mark the words 'Registered Mark' or the ® symbol. By the use of such marking, the public is deemed to have knowledge of the status of the trademark as being registered. Knowledge on the part of the offender about the fact that the trademark is registered can lead to an award of damages where the trademark owner prevails in an infringement action. Knowledge is presumed if the mark is displayed with the words 'Registered Mark' or with the ® symbol.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

### Enforcement through the Bureau of Customs

Registration and enforcement of intellectual property rights through the Bureau of Customs (BOC) is possible at the Intellectual Property Unit of the BOC. A trademark that is registered with the Bureau of Trademarks may also be registered with the BOC. Once registered, the BOC will send an alert to the trademark owner's local representative if there are suspected counterfeit products that are being imported into the Philippines. Before processing the release of suspicious importations, the BOC will conduct an investigation in the presence of the trademark owner's representative and a representative of the owner or consignee of the products to determine if the goods are counterfeit or genuine. If they are counterfeit, the BOC will seize the goods and forfeit them in favour of the government. Forfeited goods are eventually destroyed or disposed under the direction of the BOC.

### Enforcement through the Intellectual Property Office

A trademark owner can enforce its rights administratively by filing a complaint with the intellectual property rights (IPR) enforcement office of the Intellectual Property Office. This type of enforcement is directed against any unauthorised manufacturing, production, importation, exportation, distribution, trading and offering for sale, including other preparatory steps necessary to carry out the sale of counterfeit or pirated goods. If warranted after investigation, the IPR enforcement office can issue a warning letter to the offender. It may visit the premises where the alleged counterfeiting activity is occurring, or refer the case to law enforcement agencies who handle the investigation and seize the goods by virtue of a search warrant issued by a judge. When counterfeit goods are seized by virtue of validly issued search warrants, the office of the prosecutor or the Department of Justice will conduct an investigation to determine if there is probable cause that will justify the filing of criminal information in court. Once a criminal information is filed in court, the offender will be arrested and tried criminally by a court of proper jurisdiction.

In cases of trademark infringement or unfair competition, the trademark owner may also file a complaint with the Bureau of Legal Affairs or with the regular courts. Criminal and civil actions are assigned to courts designated as special commercial courts.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The format of proceedings is uniform for administrative, criminal and civil actions, which involves the presentation of evidence through trial, direct examination, cross-examination, redirect and re-cross-examinations. Testimonial evidence will be in an affidavit form with

supporting documents clearly marked and identified. The affidavit will be in a question-and-answer format. In administrative actions, the affidavit can be in a normal narrative format. The affidavit will contain the direct testimony of the witness and the same will be submitted with the witness affirming under oath the contents of the same. The adverse party may cross-examine the witness on his or her affidavit. Alternatively, instead of a witness testifying on the stand, his or her testimony can be presented through deposition upon oral examination or written interrogatories before a Philippine consul in the country where he or she resides. The witness can be cross-examined also by oral deposition or written interrogatories.

Discovery is allowed. Either party may be served with written interrogatories and requests for admissions. Assuming each party has two witnesses, a trial can take as long as one-and-a-half years. More witnesses mean a longer trial period. The case is decided by a judge or in the case of an administrative complaint, by a hearing officer.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

In administrative action, the burden of proof is substantial evidence. In a criminal action, proof of guilt beyond reasonable doubt is required. And in a civil action, preponderance of the evidence is sufficient.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A civil complaint for trademark violation (infringement or unfair competition) may be brought in the name of the owner of an unregistered or a registered trademark. If the trademark is not yet registered, the complaint may be brought in the name of the party who in good faith claims to be the first to file an application for registration, or who claims to have used in good faith the trademark subject of the litigation. The case may also be brought in the name of the licensee, distributor or agent who is authorised to bring an action for the owner of the trademark.

In a criminal action, the real party-in-interest are the people of the Philippines. The injured trademark owner participates as the people's witness. For purposes of recovery of damages arising from the criminal liability of the infringer, the trademark owner is deemed as private complainant.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only acts of infringement committed within the territory of the Philippines are covered. Infringing goods intercepted at the customs border are acts within the Philippines and the infringing goods intercepted will support a charge of trademark infringement. Infringing goods entering a tax-free or economic zone for the purpose of preparing them for export to other countries are still goods within the Philippines and may be seized on warrants issued by the courts.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

The following modes of discovery are available:

- written interrogatories where the party upon whom the same was served is required to submit a sworn answer within 15 days;
- requests for admissions, where the party upon whom the same is served must, within 15 days, admit or deny the authenticity of documents or the truth of material and relevant matter of fact; and
- requests for production or inspection of documents or items, where the party upon whom the same is served must produce and permit the copying or taking photographs of documents in his or her custody, possession or control. He or she must permit the



### Update and trends

It was previously announced that there is a planned increase of all official fees for trademarks, including an increase of 20 per cent for fees relating to filing, prosecuting and maintaining trademark applications and registrations. The Intellectual Property Office of the Philippines (IPOPHIL) has already held public consultations with regard to the fee increase. However, to date, there has been no announcement of when the new fees will be effective, but the increase is expected to take effect some time in 2016 or early 2017.

IPOPHIL has recently released a new set of proposed amendments to the existing Rules and Regulations on Inter Partes Proceedings. IPOPHIL is seeking to amend the general provisions, as well as the provisions governing the filing of oppositions and appeals before the Bureau of Legal Affairs and the ODG, respectively. The proposed amendments are currently published on the IPOPHIL website and stakeholders are given the opportunity to submit comments regarding the amendments. Thereafter, the amendments, together with the comments submitted by the public, will be forwarded to the Director of

the Bureau of Legal Affairs (BLA) for review and consideration. Upon approval by the BLA Director, the amendments are submitted to the Office of the Director General for final approval.

Finally, the Supreme Court recently upheld the Philippines' accession to the Madrid Protocol. In a decision promulgated on 20 July 2016, the Supreme Court Ruled that the Madrid Protocol is in the nature of an 'executive agreement', not a 'treaty', and therefore does not require Senate concurrence for implementation. As to the perceived conflict between the Madrid Protocol and the Intellectual Property Code of the Philippines, the Court stated that the 'difficulty, which the IPAP illustrates, is minimal, if not altogether inexistent'. The Supreme Court clarified that the Madrid Protocol does not do away with the examination of foreign applications on the basis of the relevant national law. The Madrid Protocol was previously ratified by former President Aquino on 27 March 2012. It entered into force in the Philippines on 25 July 2012.

entry to the premises owned or under his or her control for inspection, survey or taking photographs of things or activities within the premises.

Discovery is useful, but the party served has the right to object and to wait for a resolution on his or her objection before complying with such requests. This can delay the proceedings. The party serving discovery is better gathering his or her own evidence to avoid delay.

### 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

On average, an application for a temporary restraining order or preliminary injunction can take about two weeks to two months, appeals not included. For the main action of infringement, unfair competition and false designation of goods, it can take about 10 months to one-and-a-half years. Criminal actions take one to two years.

An appeal to the Court of Appeals can take about a year before it is resolved. Appeals before the Supreme Court can take about one-and-a-half years before a decision is issued.

### 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

Recording of the IPR with the BOC costs approximately US\$350 per mark covering one product inclusive of disbursements.

Seizure and condemnation proceedings under the supervision of the BOC cost approximately US\$ 1,500 to US\$ 2,000 from receipt of alert up to seizure.

Enforcement through IPR enforcement of the IPO costs approximately anywhere from US\$2,500 to US\$12,500 depending on the circumstances surrounding the counterfeiting activity that is the target of the enforcement. Some situations may call for the participation of more police enforcement agencies.

Raid action or enforcement of a search warrant will cost approximately US\$8,000 to US\$12,500.

Criminal, civil and administrative action for infringement, unfair competition and false designation of goods will cost approximately US\$7,000 to US\$12,500.

### 26 Appeals

**What avenues of appeal are available?**

For administrative cases of infringement, unfair competition and false designation, the decision of the BLA is appealable to the ODG. Decisions of the ODG are appealable to the Court of Appeals. Decisions of the Court of Appeals may be appealed to the Supreme Court.

For civil and criminal actions, decisions of the Regional Trial Courts are appealable to the Court of Appeals. Decisions of the Court of Appeals may be appealed with finality to the Supreme Court.

### 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The available defences for a charge of infringement or dilution are as follows:

- the registered owner is not the true owner, or that he or she secured his or her registration in bad faith, which means he or she had prior knowledge that the mark belongs to another at the time that he or she applied for registration;
- the trademark is generic;
- the registered owner has no actual commercial use of the mark in the Philippines;
- the goods of defendant are not related or similar to, or not competing with the goods of plaintiff; or
- the goods involved are not everyday consumer goods and therefore purchasers are deemed to be familiar with the brand of their choice or intelligent enough not to be confused.

The defendant may also defend by proving any of the following:

- he or she is the first one in the world to use and register the mark and plaintiff cannot offer any reasonable explanation for his or her coinage of the mark;
- the plaintiff is a mere distributor of the defendant;
- the plaintiff actually transacted with the defendant using the mark;
- the plaintiff's business is such that plaintiff should be familiar with the mark as belonging to another; and
- the defendant's mark is well known.

### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The successful trademark owner is entitled to the recovery of damages consisting of:

- reasonable profit that he or she would have made, had the defendant not infringed his or her rights;
- the profit that the defendant actually made out of the infringement; or
- in the event such measure of damages cannot be readily ascertained with reasonable certainty, a reasonable percentage based upon the amount of gross sales of the defendant or the value of the services.

In cases where actual intent to mislead the public or to defraud the complainant is shown, the court in its discretion can double the amount of damages.

On application of the plaintiff, the court may, while the case is still pending, impound sales invoices and other documents evidencing use



of the trademark in dispute. The preliminary injunction in favour of the plaintiff may be made permanent.

The infringing goods can be ordered to be destroyed or disposed of outside the channels of commerce in such a manner as to avoid causing any harm to the trademark owner. The court may also order the destruction of labels, signs, prints, packages and other paraphernalia used by the infringer and order their destruction.

A temporary restraining order and preliminary injunction may be granted. Some courts will require presentation of proof of substantial injury being suffered by the registrant such that injunction becomes urgent. In such a case, there is a need to argue in court that one of the trademark rights arising from the fact of registration that are expressly granted by law is the right to exclude others from using the mark, and that the substantial injury or damage is the copying of the registered mark.

If there is a cloud on the certificate, such as when a cancellation action had been filed prior to the filing of the infringement suit, then an injunctive writ will not be issued.

Criminal remedies will refer to the application for search warrant, to effect the seizure of the infringing goods, and to use the seized items as evidence for the filing of criminal case against the infringer.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Parties are encouraged to go through mediation in order to settle the dispute amicably. Mediation is conducted in all actions of infringement, unfair competition and false designation of goods. Discussions during mediation conferences are confidential. Arbitration is also available but seldom used by the parties.

## 30 Famous foreign trademarks

### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

It is possible for a foreign trademark, which has been declared as well-known internationally and in the Philippines, to be afforded protection in the Philippines even if not yet used commercially in the Philippines. The scope of protection is as follows: if the well-known mark is not registered in the Philippines, then it is protected only on goods similar or related to the goods under the well-known mark; and if already registered in the Philippines, its protection extends even to unrelated goods.

The well-known trademark must be famous both outside the Philippines and in the Philippines. The proof required for a well-known status includes one or a combination of the following criteria:

- the duration, extent and geographical area of any use of the mark, particularly, the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation at fairs or exhibitions of the goods or services to which the mark applies;
- the market share, in the Philippines and in other countries, of the goods or services to which the mark applies;
- the degree of the inherent or acquired distinction of the mark;
- the quality-image or reputation acquired by the mark;
- the extent to which the mark has been registered in the world;
- the exclusivity of registration attained by the mark in the world;
- the extent to which the mark has been used in the world;
- the exclusivity of use attained by the mark in the world;
- the commercial value attributed to the mark in the world;
- the record of successful protection of the rights in the mark;
- the outcome of litigations dealing with the issue of whether the mark is a well-known mark; and
- the presence or absence of identical or similar marks validly registered for or used on identical or similar goods or services owned by persons other than the person claiming that his or her mark is a well-known mark.



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# Poland

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## 1 Ownership of marks

### Who may apply?

Any natural or legal person or an organisational unit without legal personality (certain types of companies) can file an application for registration of a trademark. Foreign parties have the same rights as Polish nationals on the basis of international agreements to which Poland is a party, or on the basis of reciprocity. Applicants residing abroad must be represented by an admitted patent attorney permanently residing in Poland.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The law provides that any sign capable of being represented graphically may be regarded as a trademark, provided that it is capable of distinguishing the goods or services of one enterprise from those of other enterprises. Three-dimensional marks may be registered; however, signs constituting the form or another feature of the goods or their packaging, which is exclusively dictated by their nature, is required to obtain a technical result, or gives substantial value to the goods, cannot be registered as a mark.

Sound marks may be registered as trademarks. It is also possible to register a colour per se as a trademark; however, it will only be registered if before the filing date it had acquired distinctiveness through intensive use and it is well known in Poland.

Service marks, jointly owned marks, collective marks and certification marks (collective guarantee marks) can also be registered as trademarks.

The rights of protection cannot be granted on absolute grounds for the following:

- (i) signs that cannot constitute a mark;
- (ii) signs that are not capable of distinguishing in trade the goods or services concerned;
- (iii) signs that consist exclusively or mainly of elements that may serve, in trade, to designate the kind, origin, quality, quantity, value, intended purpose, mode of manufacture, composition, function or usefulness of the goods;
- (iv) signs that have become customary in the current language and are used in fair and established business practices;
- (v) signs constituting the form or another feature of the goods or their packaging, which is dictated exclusively by their nature or which is required to obtain a technical result or which gives substantial value to the goods;
- (vi) signs that were filed in bad faith;
- (vii) signs that are contrary to law, public order or morality;
- (viii) signs incorporating elements, such as, in particular, symbols of a religious, patriotic or cultural nature, insofar as these could offend religious feelings, a sense of patriotism or national tradition;
- (ix) signs incorporating the symbol of Poland (emblem, national colours or national anthem), insignia of the forces, paramilitary organisation or security services, reproduction of Polish decorations, honorary distinctions or medals, military medals or military or other official or generally used distinctions and medals, in particular those of the government administration, local

self-administration or social organisations performing activities in the vital public interest where the activities of these organisations extend to the entire territory of the state or a substantial part of that territory, except if the applicant for registration can furnish evidence of his or her right to use the sign in the course of trade, in particular in the form of an authorisation issued by the competent state agency or a permission given by the organisation concerned;

- (x) signs incorporating the symbol (emblem, flag, armorial bearings) of other country, name, abbreviated name or symbol (emblem, flag, armorial bearings) of international organisations, and official signs or hallmarks indicating control and warranty adopted in other countries, if the prohibition of registration of these follows from international agreements, except if the applicant can furnish an authorisation issued by the competent authority and allowing him or her to use the sign concerned in the course of trade;
- (xi) signs incorporating officially recognised signs accepted for use in trade, such as safety marks, quality marks, hallmarks of legalisation, insofar as this could mislead the public with regard to the nature of such signs, unless the applicant can prove his or her right to use the sign; and
- (xii) signs that may mislead the public, in particular with regard to the nature, characteristics and geographical origin of the goods.

Grounds mentioned under numbers (ii)–(iv) do not apply if the trademark acquired distinctiveness through its use prior to the filing date.

Protection cannot be granted either for the following:

- signs that are protected names of plant varieties and refer to the plant varieties of identical or related plant species;
- signs intended for alcohol products, containing a geographical indication, where the alcohol product does not originate in the place indicated by that indication;
- signs containing geographical elements that, although being literally true as to the territory, region or locality in which the goods originate, are of such a nature as to mislead the public because they falsely imply that the goods originate in another territory famous for certain goods (in the case of homonymous geographical indications for wines and beers, protection may be accorded provided that the subsequent applicant who has later filed its application modifies its mark at the Patent Office's invitation so as to make it distinguishable from the mark earlier registered or applied for); and
- marks identical or similar to a registered geographical indication, designation of origin, traditional expression for wine or geographical indication for spirits, if they are protected by law, if the marks are filed in respect of identical or similar goods.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The Polish legal system does not recognise a notion of 'common law trademarks'. In general, trademark rights are established by registration. The exception from this rule refers to 'well-known trademarks'. Such trademarks acquire protection not by means of being registered but through the actual use of a given trademark. In order to claim the right deriving from a well-known trademark, it is necessary to prove that a trademark has become well known among the public in the

territory of Poland, which appears very often to be a complicated, time-consuming and expensive process. Hence it is recommended that a trademark registration be obtained even for well-known trademarks.

#### 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

It typically takes eight to 12 months from the date of application before a trademark becomes registered.

The official fee for filing a trademark application in up to three classes is 550 zlotys. The fee for electronic filing of trademark application in up to three classes is 500 zlotys. Where a trademark application covers more than three classes, there is an additional fee of 120 zlotys for each class. The official fee for trademark registration in one class of goods is 490 zlotys. The fee for additional second and third classes is 400 zlotys each, and the fee for each class over three is 450 zlotys. To sum up, the official fee for obtaining trademark registration in one class is 1,040 zlotys.

In addition to the above, to calculate the full cost of obtaining a trademark registration, it is necessary to add the costs of a patent attorney representing the owner of the mark before the Polish Patent Office (the Patent Office).

It is also required to file a power of attorney signed by a person duly authorised to represent the applicant in the application procedure. The Patent Office also requires the applicant to present documents indicating that the person who signed the power of attorney was entitled to sign on behalf of the applicant at the date of signing power of attorney. This could be an extract from Court Register or Companies Register. Foreign entities that do not have such registers, must provide other documents that show the correct representation. It can be a written declaration of the person who signed the power of attorney of possessing execution abilities to sign on behalf of the company. Such declaration should be notarised by a notary public.

#### 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The applicable classification system is the International Classification under the Nice Agreement. Poland has been a party to the Nice Agreement concerning the international classification of goods and services for the purposes of the registration of marks (1957) since 4 March 1997. Since 2012 the 10th edition of the Nice Classification has been effective in Poland. Multi-class applications are available.

#### 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Once the application has been filed, filing date and application number are accorded and fulfilment of formal requirements for filing trademark application are checked. Trademark application is disclosed on the Patent Office website within two months from filing date. The following is disclosed to the public: trademark, priority date, application date and number, list of goods, applicant and place of applicant's residence.

At the next stage the Patent Office examines classification and the list of goods or services, and absolute grounds for refusal, for example, whether the trademark is capable of distinguishing in trade the goods or services concerned, whether it is descriptive, but also if it was not filed in bad faith. If the Patent Office finds that an absolute ground for refusal exists, informs the applicant accordingly and invites to submit comments within one month (Polish parties) or within two months

(foreign parties). This period may be extended once by two months upon a written request of the applicant, filed before the end of the fixed period. If the objection is not overcome by the applicant's comments, the Patent Office refuses the application.

Also third parties are allowed to file observations relating to the existence of an absolute ground for refusal. Observations can be made by third parties as long as the application is pending. The Patent Office issues a receipt to the party that submitted the observations, confirming that the observations have been received and have been forwarded to the applicant; however, the observer does not become a party to the proceedings before the Patent Office and has to inspect the Patent Office website in order to check the status of the application. All observations are forwarded to the applicant, who is invited to submit comments within one month (for Polish applicants) or within two months (for foreign applicants). This period may be extended once by two months upon the applicant's written request filed before the end of the fixed period. The Patent Office considers whether the observations are well founded, that is, whether an absolute ground for refusal exists. If so, the Patent Office issues an objection and may refuse the application if the objection is not overcome by the applicant's comments.

Applications are not examined for potential conflicts with other trademarks; however, the Patent Office sends to the applicant a report identifying earlier trademarks, protected in the territory of Poland, that could conflict with the application. The results of the search report are for information purposes only. Any surveillance letters informing holders of earlier trademarks about new, similar trademark applications, are not sent.

If the trademark is found registrable on absolute grounds, the application is published for opposition purposes. If any opposition is not filed within three months from publication date, or all oppositions filed are dismissed, the Patent Office issues a decision granting the right of protection for the trademark and sets a three-month deadline for payment of the fee for trademark registration and for the first 10-year protection period. If the fee is paid on time, a certificate of protection is issued and trademark registration is published.

#### 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use of a trademark is not required to obtain a right of protection in Poland. However, once the mark has been registered it has to be used within five years of the registration date. Trademark use is not required to maintain the registration, but if the mark is not used within five years of the registration date, it will become vulnerable to cancellation on the ground of non-use upon request of a third party.

As of 15 April 2016 the party filing a request for declaring lapse of a trademark registration owing to non-use no longer has to present a legitimate reason for filing such request.

#### 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

The motion for reconsideration of the matter can be filed with the Patent Office against a decision refusing to grant the right of protection. The time limit for filing the motion is two months from the date of receiving the decision.

In the course of reconsideration, the Patent Office issues a decision, by which it either maintains the appealed decision, or reverts it in whole or in part, deciding the matter on its merits.

A final decision issued by the Patent Office is subject to a complaint with the district administrative court within 30 days of receiving the decision in writing.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition and third parties may oppose the application prior to registration. Oppositions are filed on relative grounds and must be based on earlier rights held by the opponent – the owner of the earlier mark or owner of earlier personal or economic rights. The primary bases of such challenges are:

- identity both between goods or services and between marks (likelihood of confusion is presumed and need not be proved);
- identity or similarity between marks and identity or similarity between goods or services (there must be a likelihood of confusion);
- identity or similarity of the mark to earlier reputed trademark registered for any goods or services, if use of the filed mark, without due cause, would bring unfair advantage to the applicant or be detrimental to the distinctive character or the repute of the earlier (likelihood of confusion is not a condition for the application of this base);
- identity or similarity of the mark to a trademark that, before the priority date of the filed mark, has been well known in Poland and used as a trademark in respect of the identical or similar goods or services of another party (there must be a likelihood of confusion); and
- collision with earlier personal or economic rights (eg, company name).

Opposition has to be filed in the Patent Office in written form within the opposition period, namely within three months from the publication of the contested trademark application. Absolute admissibility requirements are:

- identification of the contested trademark (name and application number);
- identification of the parties to the proceeding (opponent and applicant);
- identification of grounds;
- identification of the earlier marks or rights;
- signature of the opponent or its representative; and
- payment of the fee for opposition.

The Patent Office checks admissibility of the opposition and once the opposition has been found admissible, the Patent Office sends a notification to the parties informing them about the possibility of settling the case amicably within two months of receipt of the communication. If both parties submit requests for an extension before the period expires, the Patent Office grants an extension of six months at maximum. The parties must inform the Patent Office about the outcome of negotiations before the expiry of the time limit for settlement.

After ineffective expiry of the time for settlement, the Polish Patent Office invites the applicant to submit a response to the opposition within one month (Polish applicants) or within two months (foreign applicants). This period may be extended once by up to three months upon the applicant's written request filed before the end of the fixed period. At this stage the applicant may demand that the opponent presents evidence of use of the earlier trademark on which the opposition is based.

Response filed by the applicant is sent by the Patent Office to the opponent, who is invited to submit comments and to complete evidence supporting arguments raised in the opposition, including evidence on trademark use, if non-use claim was raised by the applicant. The opponent's comments are sent to the applicant, who is invited to submit last comments. The Patent Office takes decision basing on submissions and materials filed.

The motion for reconsideration of the matter can be filed with the Patent Office by any of the parties to the opposition procedure within two months of receipt of the decision in writing. In the course of reconsideration, the Patent Office issues a decision by which it either

maintains the appealed decision, or reverts it in whole or in part, deciding the matter on its merits. A final decision issued by the Patent Office is subject to a complaint with the district administrative court within 30 days of receiving the decision in writing.

A brand owner may oppose a bad-faith application in the way of filing observations against pending trademark application (see question 6) or a cancellation action against registered trademark.

The official fee for filing opposition is 1,000 zlotys. It is necessary to add the costs of a patent attorney representing the owner of the mark before the Patent Office.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Protection of a registered trademark begins on the date on which the application is filed and it lasts for 10 years from the date of application. The registration may be renewed for further 10-year periods. Use of the trademark is not required for its maintenance.

Applications for renewal must be accompanied by payment of the official fee and must be made no earlier than 12 months before, and no later than six months after, the expiration of the registration period (it is necessary to pay an additional fee for late renewal during the six-month period after the expiration of the renewal period). The Patent Office issues decisions on renewal of the right of protection for another 10-year protection period.

## 11 The benefits of registration

**What are the benefits of registration?**

Registration gives the exclusive right to use the mark in commerce for goods and services covered by registration in Poland. The owner of a registered mark may enforce its claims against infringers in proceedings before the Patent Office (opposition or cancellation action), the court (preliminary injunction, filing the statement of claim, civil or criminal proceedings, etc), or Customs Authorities (request for granting customs authority protection enabling the authorities to seize counterfeit goods on the border).

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence agreement may be recorded against a registered trademark. Recordation of a licence in the Trademarks Register is optional. Pursuant to provisions of the Industrial Property Law, the proper use of a registered trademark is also the use of a trademark by a third party with the right holder's consent. In case of cancellation action owing to non-use, a non-registered licence agreement between the trademark owner and the party using the mark on the Polish market, should be sufficient evidence that the registered trademark is in use in Poland upon the registered owner's consent, so the trademark is properly used. The advantage of having the licence contract recorded in the Register is that the licensee of the exclusive licence may, to the same extent as the trademark owner, sue an infringer, unless the licence contract stipulates otherwise. The licence agreement must be in writing to be valid.

## 13 Assignment

**What can be assigned?**

Assignment of a trademark (whether registered or being applied for registration) is possible with or without transfer of the entire business. Assignment of a mark for part of the goods or services for which it is registered is also possible. After partial assignment the right of assignee will be treated as independent of the right of the assignor. Assignment agreement must be in writing to be valid. Any assignment must be recorded in the Register of the Patent Office to be effective against third parties.



## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

The documents required for recording assignment of a trademark registration or pending trademark application are:

- deed of assignment, signed by both parties; and
- power of attorney, signed by the assignee.

The deed of assignment must be signed by persons duly authorised to represent the parties to the agreement. The Patent Office requires that documents be presented indicating that the persons who signed the assignment agreement were entitled to sign on behalf of the parties at the date of concluding the agreement. This could be an extract from the Court Register or Companies Register. Foreign entities that do not have such registers must provide other documents that show the correct representation. These can be a written declaration of the person who signed the deed of assignment of possessing execution abilities to sign on behalf of the company. Such declaration should be notarised by a notary public.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

The trademark assignment agreement must be in writing to be valid. It becomes effective against third parties from the date of being recorded in the Trademark Register. If it is not recorded in the Register, it is exclusively binding upon the parties to the agreement.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

The right of protection for a trademark may be the subject of a security interest agreement. Security interests are recorded in the Register of Pledges run by district courts. The request for recording a security interest in the register should be filed within a month of the date of signing the security interest agreement or the request may be annulled. It is required to record a security interest in the Trademark Register of the Patent Office in the part regarding the trademark being the subject of the security interest as a limitation to the right deriving from registration of that trademark. To record a security interest in the relevant part of the Trademark Register regarding the subject trademark, it is necessary to file a security interest agreement or a notarised copy; however, such recordal does not affect validity or enforceability of security interest agreement.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Marking is not compulsory. The owner of the protection right may use the symbol ‘®’ near the mark to indicate that the mark is registered. Using the symbol ‘®’ for an unregistered mark to give a false impression that it obtained protection is an offence subject to a fine. There is no risk if the symbol ‘®’ is not used. The benefit can be infringement prevention because of the indication that the trademark is registered. It also eliminates potential arguments on the lack of knowledge that the trademark is protected in the case of trademark infringement.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The Polish legal system provides the necessary instruments for the effective protection and enforcement of IP rights, including trademarks.

Rights holders mainly protect their rights through civil and criminal proceedings. Such proceedings can be taken in relation to actions raised in the marketplace, including online. Moreover, in order to extend the scope of protection against an alleged infringer rights holders may rely on administrative proceedings before the customs authorities and can use the border enforcement mechanism in accordance with Regulation (EU) 608/2013 of the European parliament and of the Council of 12 June 2013 concerning customs enforcement of IP rights. Customs protection is granted for one year, with a possibility of renewal.

Referring to marks registered before the Patent Office – national trademarks, it should be stated that there are no specialised courts for enforcing such trademark rights and cases concerning trademark infringement are handled by common civil courts. Regional courts are regarded as the courts of first instance for handling civil trademark cases. As to the European Union trademarks, based on the relevant EU Trademark Regulation, the specialised court, the Community Trademark Court in Warsaw, was established and deals with infringement cases as well as with invalidation counterclaims for infringement. This court examines cases on the basis of the EU Trademark Regulation and the relevant Polish law provisions (eg, the Code of Civil Proceedings). In these civil proceedings the motion for interim injunction may be filed to the court.

Regarding the criminal instruments of trademark protection, the Law provides a legal definition of a ‘trademark’ and a ‘counterfeit trademark’, and sets forth the criminal provisions on counterfeiting.

The owner of an infringed trademark is entitled to commence criminal action.

A party that either affixes a counterfeit trademark to goods with the intention of introducing them onto the market or commits acts resulting in the turnover of such goods may be subject to a fine, restriction of liberty or imprisonment for a maximum of two years.

The criminal regulations do not apply in situations where infringement has taken place in respect of an unregistered trademark, including unregistered famous and commonly known trademarks.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

In infringement proceedings, the plaintiff submits all the relevant evidentiary materials to prove that the infringement has taken place. As a rule, the court does not consider any evidence ex officio. In a lawsuit or statement of claim the plaintiff should produce all the relevant evidence along with the statement of claim. As a general rule the parties may indicate facts, evidences to prove the claims or to defend the claims, requests or statements of the opposite party till the end of a trial. However, the court may disregard late statements or evidences, unless the party proves that he or she failed to indicate them due to no fault of his or her own or that filing the late statements and evidence into consideration will not delay examination of the case, the parties may also refer to other exceptional circumstances. The court also disregards statements and evidence if they are only filed for the purpose of delay in examination of the case or disputable circumstances of the case have already been sufficiently clarified.

It should also be noted that the court may oblige the plaintiff and the defendant to file further pretrial pleadings, determine the time and order for filing them, and the circumstances and facts that should be clarified. In such situation the court may also disregard late statements or evidence, unless the party proves he or she failed to indicate them in the statement of claims, statement of defence or further pretrial pleadings due to no fault of his or her own, or that filing the late statements and evidence will not delay the examination of the case. The parties may also refer to other exceptional circumstances.

Documents, depositions of witnesses or depositions of the parties can be used as evidentiary materials. The court is allowed to appoint independent experts to submit written or oral opinions when specialist knowledge is necessary. The expert may be appointed from among the registered Polish patent attorneys or other highly qualified specialists in the relevant field. The opinions of private experts instructed by the parties will not be regarded as official documents.

As to the criminal proceedings only after filing a motion for prosecution an investigation can be started; it can then be continued ex officio. The exception is when ongoing profits are obtained from criminal activity against a registered trademark, or when criminal acts result in

the turnover of counterfeit goods bearing a trademark with significant value. In such case, the infringer is subject to more serious criminal penalties and an investigation may be started by the police or the public prosecutor *ex officio*. However, the party committing such criminal acts will be punished only if it is proved that the action was intentional.

A 'standard' infringement case is now usually handled before the court of first instance less than one year from the date of filing the statement of claim. The appeal proceedings are usually handled within six to nine months of filing the appeal. In any event the timing of the case depends on the complexity of the matter, the strategy taken by the parties and the number of pending cases at the court.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof of establishing infringement rests on the plaintiff. As a rule, the plaintiff has to prove his or her rights to the trademark and that infringement has taken place, as well as other necessary circumstances, depending on the kind of enforced claims. Additionally, as far as trademarks with reputation are concerned, it has to be proven that the use of the infringing mark may result in taking unfair advantage of the reputation of the mark in question, or may be detrimental to its reputation or distinctive character. The fact that a trademark is a mark with reputation, or it is well known, has to be proven by the plaintiff.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark holder or an exclusive licensee recorded in the Trademark Register are lawfully entitled, unless it is stipulated otherwise in the licence agreement, to institute infringement proceedings. Criminal proceedings may generally be commenced upon a motion filed by the party suffering from infringement, usually the trademark owner.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Generally, only the acts performed in the territory of Poland will be regarded as significant in infringement or dilution proceedings. However, when the goods or packaging are marked with the infringing trademark, and are subsequently exported from, or imported to, Poland, that kind of use is deemed to be the use of the trademark in Poland and may infringe the rights to that trademark. The issue of exporting or importing the goods bearing confusingly similar designation to a given trademark is connected with the customs protection of trademarks.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Pursuant to the Polish Code of the Civil Proceedings, there are some special means of obtaining evidence, in particular:

- the court may order any person (an adverse party or a third party) to submit any documents relevant to the proceedings that are in that person's possession, unless the document contains state secrets;
- if any party refers to trade books, the court may require them to be surrendered to the court; or
- security of evidence is possible if there is a risk that producing the evidence may be impracticable, may be impeded, or if it is necessary to ascertain the relevant facts for any other reasons.

The trademark owners have been able, in separate proceedings (apart from the main civil proceedings), to ask the court to impose on the defendant or a third party an obligation of delivering information, in particular the following:

- the origin of counterfeit goods;
- the distribution network of counterfeit goods;

- names and addresses of manufacturers and suppliers; and
- the amount of goods that were manufactured, sold and put in trade, etc.

With regard to collecting evidence from parties outside Poland, the Hague Convention of 18 March 1970 on the taking of evidence abroad in civil and commercial matters will apply. In relation to EU member states, Council Regulation (EC) No. 1206/2001 of 28 May 2001 on cooperation between the courts of the member states in the taking of evidence in civil or commercial matters will apply.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Court proceedings last between two and three years (including proceedings before the Court of Appeal), depending on the complexity of the matter, the strategy taken by the parties and the number of pending cases at the court. There is no general rule, however, and in some cases it can take longer to complete the proceedings.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

It is difficult to anticipate the range of costs associated with infringement proceedings. The potential costs depend on the complexity of the matter and the value of the object of litigation. The costs of representation, or the costs connected with entering and handling the court proceedings, and the costs of preparing and filing the relevant documents, also have to be taken into account. As a rule, the losing party bears the costs of the court proceedings, but only to a certain extent. In practice the losing party will recover only a part of the costs actually incurred. Recoverable costs are the costs necessary for the purposeful enforcement of rights and purposeful defence: incurred by the legal costs – such as the payment of a fee to the lawsuit, appeal or complaints as well as the costs of participation in the court case especially connected with the court representation by the professional lawyer. But in any case the amount cannot be higher than the remuneration resulting from the Regulation of the Minister of Justice on fees for lawyers (legal counsel).

## 26 Appeals

### What avenues of appeal are available?

A decision of the court of first instance is subject to appeal before the court of second instance. The appeal should be filed with the court of first instance that issued the appealed decision within two weeks of the date of delivery of that decision, along with the reasons in writing to the interested party. From there it will be passed on to the court of second instance. The court of appeal reviews the case within the limits of appeal. Only nullity of the appealed decision is considered *ex officio*. In some circumstances, explicitly set out by law, a decision of the court of second instance may be subject to further appeal (cassation) at the Supreme Court. The cassation should be filed within two months of the date of delivery of the decision of the second instance court to the interested party along with the reasons in writing.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Different defences are available depending on the particulars of the case. The usual step is to begin litigation before the Patent Office, where one can claim cancellation of the opposite party's trademark or its lapse due to non-use. Pending action before the Patent Office may be used as a protective measure against an action before the court. As the actions are handled by two different institutions (trademark infringement by civil courts; trademark cancellation or lapse by the Patent Office), often starting the proceedings before the Patent Office triggers suspension of the proceedings before the court until the Patent Office issues a decision on the cancellation or lapse of the mark in question. Another way is to

prove to the court that the alleged infringer has its own rights to exploit the trademark, for example, as a prior user, or that the sign is not identical or similar to the registered trademark and neither are the goods or services, and there is no likelihood of confusion. Using a sign to indicate the kind, quality, quantity, intended purpose, value, geographic origin or date of production of the goods is not deemed to be infringement of another party's trademark. Thus, such circumstances may challenge the infringement claims. The alleged infringer can also set forth a claim for exhaustion of rights. It can be raised objection of limitation claims. In dilution cases, the alleged infringer additionally contests the reputation of the subject trademark.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

The trademark holder (or any other person entitled by law) whose rights have been infringed – the trademark right will be deemed to have been infringed when the infringer has used the trademark unlawfully in the course of trade – may demand from the infringer:

- cessation of the infringement;
- surrender of the unlawfully obtained profits; and
- if the infringement was deliberate, compensation for damages:
  - in accordance with the general principles of the Civil Code; or
  - by payment of a lump sum equivalent to a licence fee, or any other remuneration, which would have been due to the patent holder at the date of the demand if the infringer had been authorised by the patent holder to use the invention.

At the request of the plaintiff, the court may decide on the infringing products or other means and materials that were used for manufacturing the infringing products. In particular, the court may decide on withdrawing them from the market.

When judging on the infringement of a trademark the court may also, at the holder's request, decide to publish the judgment in full or in part, or the mention of the judgment, in a manner and at the scope as specified by the court.

Compensation for damages includes actual lost earnings as well as any profits that the trademark holder would have achieved if the infringement had not occurred. A readily applicable method of measuring damages is licence analogy. Thus, lost profits can result in possible lost royalties or in a decline in sales. It is worth emphasising that the plaintiff has to prove a direct causal relationship between the damage that he or she has suffered and the infringing activities.

At the request of the infringer and in case of non-deliberate infringement, and provided that cessation of the infringement and a sentence regarding the unlawfully obtained products or the means used in their production would be unsuitably and excessively painful to the infringer, or both, the court may sentence the infringer to pay a duly suitable amount of money on behalf of the trademark owner.

The monetary remedies are of a compensatory rather than punitive character.

A request for a preliminary injunction may be filed before the commencement of infringement proceedings, at the moment of filing the statement of claim or once the court proceedings have begun. If the request for a preliminary injunction is filed before starting of the proceedings before the court, upon issuing a decision to grant the preliminary injunction, will set a two-week deadline for the filing of the statement of claim. If the plaintiff misses the deadline, the court will reverse the preliminary injunction. To obtain a preliminary injunction it is necessary to prove the legal interest in requesting such injunction, justify the grounds for filing the request for an injunction and indicate the way in which the injunction should take place (seizure of goods in the infringer's warehouse, ban on further sale, etc).

An important consequence resulting from claiming a preliminary injunction is that if the plaintiff loses the lawsuit or decides to withdraw the court action before the judgment, the alleged infringer is entitled to demand compensation for the damages arising from the preliminary injunction order.

As a result of criminal proceedings, the party committing a crime in the form of introducing goods onto the market bearing a counterfeit trademark may be sentenced to a fine, limitation of liberty or up to two years' imprisonment. The court will also decide on the forfeiture, for the benefit of the State Treasury, of the goods which have been the subject of crime, or any materials, instruments and technical means that were used or were intended for the commission of the crime, even if they are not the perpetrator's property.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

ADR techniques for resolving of trademark disputes (arbitration and mediation) are available, but they are not so commonly used in Poland. But this is changing. The institution of mediation in civil proceedings has been significantly strengthened in 2016. Mediation gives the parties greater than arbitration discretion in determining the rules of procedure and the shaping of mutual relations. Not to be underestimated is also the fact that in the context of the mediation procedure the parties manage existing conflict between themselves and must decide between them whether the conflict can be resolved. The role of the mediator here is not of a judge but a kind of impartial adviser, not that of a party and judge, but to create a situation in which the parties find common ground. In addition, mediation is not public and the mediator is obliged to keep secret everything he or she has learned in the course of the mediation. When assessing the benefits of mediation generally it is the case that sides reconciled through mediation more often voluntarily perform the obligations needed for co-settlement than is the case in court judgments.

The arbitration court verdict or settlement is equally as binding as the judgment or settlement concluded before a common court. The informal character of those proceedings enables the parties to avoid lengthy and time-consuming court proceedings and helps the parties reach a satisfactory and amicable settlement.

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**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Under the Polish regulations, protection of unregistered trademarks is possible. The Polish regulations do not provide for a separate category of famous marks, yet the provisions relating to renowned trademarks may also be applied to these marks. Their protection is broader than protection deriving from a regular trademark registration as it is not limited to the goods or services covered by the registration, but covers any goods or services, if trademark use could bring undue profit or be detrimental to the distinctive character or renown of a trademark.

In the case of renowned marks, it is necessary to prove the renown of the trademark in Poland, namely to submit the materials demonstrating the duration, methods, range of use in Poland, promotion expenditures, public opinion polls showing the brand awareness and indicating which positive associations the mark evokes, trademark value assessments, market share in terms of quantity and value of the goods sold, etc.

The protection of famous marks not used in Poland may be enforced on the basis of the provisions of Law on Combatting Unfair Competition, which defines an act of unfair competition as 'any activity in violation of the law or good practice if it threatens or impairs the interest of another entrepreneur or customer'.



# Portugal

Patricia Rodrigues

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## 1 Ownership of marks

### Who may apply?

Any individual or legal entity that has a lawful interest, in particular, traders or manufacturers, may apply.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

#### Registrable signs

Any sign or group of signs capable of being graphically represented, namely, words, including personal names, designs, letters, figures, sounds, the shape of a product or the packaging thereof, slogans, combination of colours, which are capable of distinguishing the goods or services of an undertaking from those of another undertaking.

#### Kinds of trademarks

Trade and service marks, and collective marks (which may be made up of signs or indications used in trade to designate the geographical origin of products or services). Collective marks encompass certification marks (a particular sign owned by a legal person who controls goods or services or sets the rules by which those should abide) and association marks (which consist of particular signs owned by an association of natural or legal persons whose members use or intend to use the same for goods or services).

#### Not registrable

Marks likely to cause confusion with others previously registered or involving a 'risk of association' therewith; marks consisting exclusively of signs or indications used in commerce for designating kind, quality, quantity, purpose, value, place of origin of the products or time of production, as well as expressions considered of common use except where they have acquired a distinctive character in the commercial practice (secondary meaning); marks in which are included:

- flags, arms or other emblems of any states, without the consent of the competent authorities;
- official signs, seals and stamps, without authorisation;
- coats of arms, decorations and distinctions of honour not belonging to the applicant;
- medals likely to cause confusion with official decorations;
- business names, company names, insignia not belonging to the applicant, if not authorised by the owner;
- names or portraits other than those of the applicant;
- illicit reproduction of literary or artistic works;
- expressions or designs contrary to public order or morals; and
- false indications of source, nature, characteristics and utility of the products.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Provisional protection is given to a trademark application. Total protection is given as from the grant of the trademark registration. Thus, the trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

If no opposition is filed against the trademark application and if the application is filed with all the required documents, it usually takes five months to obtain a trademark registration plus another five months to obtain the registration certificate. The official fees amounts to €101.40 (for the first class) plus €30.42 for each additional class.

In order to proceed with a trademark application, we need the applicant's full data, that is, name, address and nationality, as well as the sign of the trademark in question in .jpg format, in the case of a device trademark. Industrial property attorneys also do not need a power of attorney.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The applicable classification is the 10th edition of the International Classification of Goods and Services under the Nice Agreement.

Multi-class applications are available.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

After the time limit fixed for oppositions has elapsed (provided no oppositions have been made), or when the dispute has ended, examination is made as to form, inherent registrability and availability over prior marks.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

A registered mark should be used. If the mark is not subject to genuine use during five consecutive years, except for justified reasons, the registration may be declared as forfeited upon request by a third party. The computation of the first non-use period starts with the registration of the mark, which for international marks shall be taken as the date of

registration of the same at the International Bureau (World Intellectual Property Organization).

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

An appeal may be lodged at the Intellectual Property Court against the decision of the Patent Office. Any of the interested parties may appeal against the sentence to the court of second instance.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Within two months after the publication (term extendable for one month), any third party considering itself prejudiced by the possible grant of the registration may file an opposition. The applicant may file a counterstatement within two months (term also extendable for one month).

The opposition or the cancellation of a trademark can be requested in the following circumstances:

- that the person in whose name the registration of a mark was made was not entitled to acquire it;
- that the registration concerns a mark that was not registrable;
- that the grant of the registration infringes third-party rights based on priority or other legal title, and, in particular, that the grant infringes upon rights to an earlier mark, provided the use requirement in respect of that mark is complied with. Note, however, that no cancellation on this ground may be requested in the case of acquiescence in the use of the latter mark for five years;
- that the mark being the subject of the registration wholly or partly is an imitation, translation or reproduction of a mark that is well known in Portugal, and is used for the same or similar articles and there is danger of confusion;
- that the mark being the subject of the registration is graphically or phonetically identical or similar to an earlier mark being highly renowned in Portugal, irrespective of the goods or services for which it is applied, if use of the later mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark; or
- that the grant of the registration infringed provisions requiring authorisation or consent and this has not been given.

The cancellation procedure may be started before the competent court within one year from the date of grant of the registration of the mark.

A brand owner that does not yet have its trademark protected in Portugal can oppose a bad-faith application.

The official fees of the present National Institute of Industrial Property (PTMO) associated with a third-party opposition are €52.25 and for a cancellation proceeding are €10.45.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The duration of registration of a trademark is 10 years from the granting date and is indefinitely renewable for further 10-year periods. See question 7.

## 11 The benefits of registration

### What are the benefits of registration?

Only registration confers exclusive rights to a mark. Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

Legal action against infringement of a trademark can be brought before the courts and it is thus possible to include claims for damages. The proceedings may be initiated by seizing the infringing goods namely at the customs houses if they are imported. Criminal penalties are set by the court (within the limits fixed in the Industrial Property Code) as well as compensation for damages. An action for infringement may also be initiated by means of a complaint filed with the General Inspection of Economic Activities requesting the preliminary seizure of the infringing goods, subject to the discretion of the public prosecutor who may subsequently bring a criminal action against the infringer.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

The property of a trademark can be totally or partially licensed, free of charge or in return for payment, in a certain area or throughout the country for the whole of the mark's duration or for a shorter time. The licence must be recorded in order to have an effect towards third parties.

Licence contracts must be drawn up in writing. Unless otherwise expressly stipulated, for legal purposes a licensee enjoys the faculties belonging to the holder of the right to which the licence applies, with the exception of the provisions of the following paragraphs.

The licence shall be understood to be non-exclusive. An exclusive licence is one in which the holder of the right renounces the faculty to grant other licences for the rights covered by the licence while it remains in effect.

The grant of an exclusive exploitation licence does not prevent the holder from also directly exploiting the right in the licence, unless otherwise stipulated.

Also, unless otherwise stipulated, a right obtained in an exploitation licence cannot be transferred without the written consent of the holder of the right.

If the grant of sub-licences is not provided for in the licence contract, then they may only be granted with the written authorisation of the holder of the right.

## 13 Assignment

### What can be assigned?

The property of a trademark can be totally or partially assigned. The assignment must be recorded in order to have an effect towards third parties. If recordal of the assignment is requested by the assignor, the assignee should also be a signatory of the assignment document, or issue an express statement that he or she accepts the assignment.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The requirements for registration of an assignment are a deed of assignment in Portuguese signed by the assignor and the assignee and certified by a notary public.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The recordal of the assignment is required in order to be valid.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are recognised and they must be certified by a notary public. They must be recorded for purposes of their validity in Portugal.

**17 Markings**

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is optional. Possible markings are Marca Registada, MR or ®.

**18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. There are no specialised courts for this matter, and the criminal law of Portugal does not establish the trademark enforcement proceedings. However, in this case the Civil Procedure Code is applicable.

Regarding Community trademarks, there is a specific law on enforcement.

**19 Procedural format and timing**

**What is the format of the infringement proceeding?**

Only registration confers exclusive rights to a mark.

The following acts performed without the consent of the owner of a registered mark are deemed infringement:

- use in the course of trade in Portugal of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and
- use in the course of trade in Portugal of any sign that, due to the identity or similarity of that sign and the mark or the affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right of the owner to prevent a third party from using, in the course of trade, his or her own name or address, or any indication concerning the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

**20 Burden of proof**

**What is the burden of proof to establish infringement or dilution?**

The burden of proof lies with the plaintiff, who has the burden of proving that its mark has been infringed.

**21 Standing**

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Trademarks Office and the licensee can only intervene if the registered user agreement (licence to use) is recorded before said Office.

**22 Foreign activities**

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only activities that take place in Portuguese territory and in EU territory may be taken into account.

**23 Discovery**

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist, a court order may be sought.

**24 Timing**

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Unfortunately, there is no typical time frame for infringement or dilution actions. They are lengthy and can last for years.

**25 Litigation costs**

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no typical range of costs. These depend mainly on the professional fees that are charged.



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**26 Appeals****What avenues of appeal are available?**

An appeal can be lodged at the court of first instance against the decision of the Patent Office. Any of the parties can appeal against the sentence to the court of second instance.

**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceeding by responding to the complaint and submitting evidence.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Code contains provisions regarding the penalties imposed on an infringer, but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are not available in Portugal.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Protection of well-known marks: registration is refused for marks that are entirely or partly a reproduction, imitation or translation of a mark well known in Portugal as being the property of a national of any European Community country if applied to identical or similar goods or services, and that may lead the consumer into error or confusion, provided the owner of the well-known mark applies for its registration in Portugal.

Regarding protection of widely known mark, the application for registration of a mark is likewise refused if the mark, although intended for goods or services that are not similar, is graphically or phonetically identical or similar to an earlier mark that enjoys a wide reputation in Portugal or in the European Union and wherever the later mark, without due cause, aims at achieving an unfair advantage over or being detrimental to the distinctive character or the reputation of the earlier mark.

The evidences that are required include market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies, sales volume, and other factors relevant to the reputation of the mark.



# Russia

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## 1 Ownership of marks

### Who may apply?

The Russian Civil Code says that a trademark may belong to a legal entity or an individual entrepreneur. Thus an application may be filed only by a legal entity or an individual entrepreneur. The legislation does not foresee the possibility of applying a trademark in the name of several entities unless a collective mark is filed. Collective marks are defined as trademarks owned by an amalgamation of entities used to designate goods that are produced or sold by the members of this amalgamation, provided those goods possess common characteristics of their quality or other common characteristics.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

According to the Civil Code a trademark is 'a designation serving for individualising goods of legal entities or individual entrepreneurs' (article 1,477 of the Civil Code). Any protectable word, design, slogan, sound, symbol etc could serve as a trademark that identifies goods or services. The list of signs that may function as trademarks is open, which allows for registration of non-traditional marks. Article 1,482 of the Civil Code provides that verbal, pictorial, three-dimensional and other indications or their combinations may be registered as trademarks. A trademark may be registered in any colour or colour combination. The wording 'other indications' confirms that the law is quite liberal in this regard.

In Russia registration of marks that are lacking in distinctiveness is not allowed. In spite of the fact that the legislation lists the designations that should be recognised as lacking in distinctiveness, in some situations the criteria of distinctiveness are arguable and remain at the discretion of the trademark office. Furthermore, the Russian legislation provides for the possibility of the registration of marks based on their acquired distinctiveness.

Colour marks (either colours per se or colour combinations), sound marks, texture marks, olfactory marks, position marks, hologram marks, motion marks, taste marks etc may be registered in Russia but their inherent registrability depends on distinctiveness: either distinctive features of the mark per se or acquired distinctiveness through intensive use.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Russia is a first-to-file jurisdiction. Legal entities or entrepreneurs who first apply for registration of a trademark enjoy priority right to obtain trademark registration. Russian trademark legislation does not recognise prior use rights (as a general rule the exclusive right to use a trademark in our country arises as a result of state registration).

According to Russian legislation, rights for a trademark appear from the moment of its state registration and no rights derive from the use of an unregistered trademark. However, since January 2008, when Part IV of the Russian Civil Code came into force, a new subject matter of intellectual property appeared; namely the 'commercial designation'. It is rather close to a trademark by its nature but the right for

this subject matter arose based on use of the commercial designation within a particular territory without its obligatory registration before an administrative body, such as the Russian Patent and Trademark Office (RPTO).

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

Approximate time frames for trademark prosecution in Russia are as follows:

- the official filing receipt is issued within one month of the date of filing an application or sooner;
- the official action is issued within 12 to 14 months of the date of filing the application (possible examiner's objections may increase the prosecution terms to two to three years, depending on the circumstances of the case, number of appeal stages, etc); and
- where the trademark is successfully registered, the registration certificate is issued within two months of the date of payment of the official fee for registration.

There are no specific additional documents that should be filed with the trademark application except power of attorney. Filing power of attorney is optional but if it is absent in the application materials, the examiner may request submission of this document and that may have a negative impact on the prosecution terms. It should be issued by the applicant and signed by the authorised person with an indication of that person's name and position in the company. The date and place of the signature should be indicated as well. Neither notarisation nor legalisation is required. The power of attorney can be submitted after filing the application.

In cases of a priority claim under the Paris Convention, it is necessary to submit a certified copy of the first (home) application. The filing particulars should correspond to those in the home application. The home application can be submitted after filing an application under the Convention, but within three months from the date of filing the Convention application with the RPTO. This term cannot be extended. Split priority is not foreseen in Russia.

The official fee for filing and examination of a trademark application (in one class) is 14,200 roubles. The official fee for filing and examining in each additional class is 2,050 roubles. Discounted official filing fees are available in case of electronic filing. The official fee for registration and issuance of the certificate is 16,200 roubles independent of the number of classes.

Foreign applicants (with some exceptions) are not allowed to file applications with the RPTO directly and must engage a registered Russian trademark attorney. Thus the total prosecution costs would depend on that attorney's fees for matters of this kind.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

When filing an application to register a trademark it is necessary to claim for the list of goods and services for which the trademark protection is sought. The goods and services are to be identified using precise and clear-cut wordings reflecting their nature. The wordings must be classified using the Nice Classification requirements, depending on the nature of goods and services and their purpose. Several classes can be claimed in one trademark application or additional classes added during the examination of the application. The goods applied for can be transferred to new classes provided such changes to the list and re-classification do not widen the scope of the protection that was initially requested. The official fee for an additional class increases the filing costs by 2,050 roubles. The possibility of filing multi-class applications allows filing costs to be saved.

In Russia the scope of trademark protection is defined by the trademark name itself and the list of goods and services covered by the trademark. It should be kept in mind that under the current Russian practice the class heading simply designates the fields to which the applied goods and services may relate in general and does not cover all the goods and services listed in a given class. When filing an application it is possible to claim class heading, the list of specific goods or both class heading and specific goods. The latter is a more preferable option because it allows the applicant to obtain broader protection and to seek registration for those goods that are most important.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The examination in Russia consists of the formal and substantial stages. A formal examination of a trademark application is carried out within one month of the application being filed. During the formal expert examination the presence of the necessary application documents and their compliance with established requirements is verified. According to the results of the formal examination, either the application shall be accepted for consideration or a decision shall be taken to refuse to accept it for consideration.

The substantial examination stage is carried out to establish whether the claimed designation conforms to the registrability requirements. A trademark application may be rejected either on absolute or relative grounds, or both on absolute and relative grounds.

Absolute grounds are those that concern the substance of the mark itself and include: lack of distinctiveness, risk of misleading and capability of confusing, confusing similarity to or identity with state symbols and marks, reproduction of full or abbreviated names of international or intergovernmental organisations or their symbols, reproduction of the official names or images of the most valuable objects of Russia's and worldwide cultural heritage.

The relative grounds for refusal include:

- identity or similarity to the extent of confusion with prior trademarks (both registrations or applications) owned by third parties in relation to similar goods or services;
- identity or similarity to the extent of confusion with well-known marks; and
- identity or similarity to the extent of confusion with third parties' industrial designs, appellations of origin, company names, commercial designations.

A trademark may also be refused protection if it incorporates protected means of individualisation of other persons (and confusingly similar signs) as well as copyrighted objects owned by third parties, names, pseudonyms (or derivatives thereof), pictures, facsimiles of famous persons, industrial designs owned by third parties as elements of the trademark.

Before taking a decision on the results of the examination of an application, a notification of those results is sent to the applicant with a proposal to the applicant to provide arguments concerning the reasons mentioned in the notification. The applicant's arguments shall be taken into account when a decision is taken on the results of the examination if they are submitted within six months after the dispatch of the said notification to the applicant.

The substantial examination is followed by the examiner's decision, which may be in form of a registration decision in full, a registration decision for a part of the applied goods (and consequently, refusal for the rest of the goods) or a refusal decision affecting all the applied goods.

The registration decision for all the applied goods necessitates payment of the registration fee to have the mark registered. In the situation where the mark has been partially accepted for registration there are then two options for the applicant: either to pay the registration fee to have the mark registered for the accepted goods or to appeal against this decision with the senior division of the RPTO (the Chamber of Patent Disputes). An appeal against the rejection may be filed with the RPTO within four months of the date of dispatch of the decision to the applicant. The decision that results from consideration of the appeal at the Chamber of Patent Disputes may be further disputed with the IP Court.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Unlike many other jurisdictions there is no need in Russia to file a declaration of use or intention to use along with filing an application.

Foreign registrations are not granted any right of priority over domestic applicants but applicants residing in the member states of the Paris Convention enjoy the right to file applications based on conventional priority. The priority of a trademark may be established by the filing date of the first trademark application in a member state of the Paris Convention for the Protection of Industrial Property (Convention priority) if the trademark application is filed with the RPTO within six months of the said date.

Moreover, it is possible to claim the priority of a trademark placed on exhibits of the official or officially recognised international exhibitions organised on the territory of a member state of the Paris Convention, if the trademark application is filed with the RPTO within six months after the said date.

The priority of a trademark may also be established by the date of its international registration in accordance with the international treaties of the Russian Federation.

Article 1,486 of the Civil Code by its implication provides for mandatory use of a registered trademark as a condition of keeping the right for such a trademark, even though the Code does not directly point out that an owner of a trademark must use the trademark. The legal protection of a trademark may be terminated in respect of all the goods and services or part of the goods and services for which the trademark has been registered due to continuous non-use for any three years after its state registration. A lawsuit for early termination of the legal protection of a trademark due to its non-use may be filed with the IP Court by an interested person upon the expiry of the said three years.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

There is an administrative appeal process if an application is denied. The Civil Code foresees the possibility of appealing against a rejection with the senior division of the RPTO (the Chamber of Patent Disputes). An appeal may be filed within four months of the date of dispatch of the decision to the applicant. The RPTO's decision that results from consideration of the appeal at the Chamber of Patent Disputes may be further disputed with the IP Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

The recent amendments to the Civil Code provide that:

- the RPTO should publish information on the filed trademark applications;
- third persons have the right to review all trademark documents on file and not only those comprising the original trademark application's filing; and
- third persons have the right to submit to the RPTO their observations against pending trademark applications before official action is taken. Such written observations may be taken into account by the examiner during the examination but this 'quasi' opposition process is not competitive.

Russian legislation foresees another instrument for raising objections against a trademark. Within five years after information on registration is published in the official bulletin of the RPTO (after a trademark is registered), the owners of the prior trademark rights have an opportunity to file an invalidation action against the trademark registration with the RPTO. In case of such an invalidation action, the trademark owner is notified accordingly and both parties are invited for consideration of the matter at the hearing. As a result of this consideration the RPTO makes a decision on the matter (either rejecting the invalidation action and leaving the trademark in force, invalidating the mark in full or invalidating the mark partially).

An invalidation action or a cancellation action against a trademark registration on other grounds foreseen by the legislation may be filed during the entire term of trademark validity.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration remains in force for 10 years from the date of filing the trademark application. It may be renewed every 10 years without any limitations on the number of renewals. No evidence of use is required for maintenance of a trademark registration.

## 11 The benefits of registration

**What are the benefits of registration?**

As Russia is a first-to-register jurisdiction, trademark registration is of the utmost importance for its owner and provides the registrant with the ability of trademark enforcement. In addition, trademark registration makes it possible to record the same in the IP Customs Register, thus preventing unauthorised import of the branded goods into Russia.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Under Russian law the granting of the right to use a trademark under the licence agreement must be recorded at the RPTO. Without such registration the licence is not considered granted and the parties cannot refer to the licence in relations with third parties. The registration can be done through filing the licence agreement or excerpt from the same with the RPTO, or by filing a 'notification' form ('statement of licence') that must be signed by the parties as a separate document containing a minimal piece of information, including the names of the parties, type of licence (exclusive/non-exclusive/sub-licence) and subject of the licence with indication of number of the trademark certificate. No

financial or other sensitive confidential contractual data must be disclosed in such notification.

## 13 Assignment

**What can be assigned?**

The trademark can be assigned with respect to all or some of the goods and services for which it has been registered. Partial assignment is allowed provided it will not lead to misunderstanding (it is not possible to assign a trademark for some of the goods or services while similar goods or services remain owned by the assignor). No assignment of goodwill or other business agreements are required to make the assignment transaction valid.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

In order to register an assignment the following documents are generally required:

- the original assignment deed, or notarised excerpt therefrom, containing all essential elements set out by Russian law;
- the Russian translation of the agreement or excerpt, if these documents are not bilingual; and
- the power of attorney from either of the contractual parties (notarisation or legalisation is not necessary).

Importantly, instead of the above-referenced documents (agreement or excerpt), it is possible to submit the 'notification' form (that is, the statement of licence or pledge) that must be signed by the parties as a separate document containing the following information:

- type of deed (assignment);
- parties (assignor and assignee); and
- subject of the assignment with indication of number of the trademark certificate.

No financial or other sensitive confidential contractual data must be disclosed.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The assignment must be recorded at the RPTO to be valid in Russia.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The security interests are recognised in Russia and shall be enforceable subject to their being recorded at the RPTO. No notarisation is required for the purpose of the record and simple signing by the authorised representatives of the parties (such as the CEO) is sufficient.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Under article 1,485 of the Russian Civil Code the trademark owner, for giving notice of his or her exclusive right to a trademark, shall have the right to use the symbol of protection, which shall be placed alongside the trademark and consist of the Latin letter 'R', or the Latin letter R in a circle '®', or the verbal indication 'trademark' or 'registered trademark', and which shall indicate that the sign used is the registered trademark protected on the territory of the Russian Federation.

Hence, the owner of a trademark is allowed to use the trademark precautionary marking. But the trademark owner is not restricted from omitting such marking. Should the owner be interested in notifying the public that his or her sign is registered as the trademark he or she may use the symbol stated above. Note that Russian legislation does not include the use of '™'.



## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The measures listed below are those that can be undertaken against an alleged infringer in Russian law.

Sending a cease-and-desist letter. Enforcement of rights by a rights holder must begin with the sending of a cease-and-desist letter to the alleged infringer and this pretrial order is mandatory in this jurisdiction. This remedy is optional.

A civil route of action is the most commonly used option by rights holders since it allows them to claim the following, but it usually takes four to six months to obtain a decision in the first instance:

- cessation of trademark infringement;
- recovery of losses (damages) or payment of a statutory compensation;
- publication of the court's decision with the aim of restoring goodwill of the injured party; or
- removal from the goods or packaging of the illegally used trademark or sign confusingly similar to it, or destruction of the counterfeited goods, labels, packages at the expense of an infringer.

Criminal proceedings: in accordance with the Criminal Code, the illegal use of a trademark shall entail criminal liability for the infringer only if it was committed repeatedly or caused damage in excess of 250,000 roubles. The total duration of criminal proceedings is usually about one to two years.

Administrative proceedings: these start from the filing of a petition with the police. Based on the petition the police conduct a raid on the infringer's premises (offices, warehouses, shops) and seize all the counterfeit goods discovered therein. As soon as the police have all the evidence of the infringement they issue an administrative violation report and send all the materials of the case to the court. There a final decision is made, according to which the court may refuse to satisfy the application of the police or bring the infringer to the administrative responsibility that includes imposing a fine and confiscating all the seized goods for their subsequent destruction. Usually this procedure takes three to four months.

Special administrative procedure: trademark infringement is one of the cases of unfair competition. The Russian Antimonopoly Service (RAS) is empowered to consider disputes related to unfair competition through a special administrative procedure. This procedure starts on the basis of an application filed by the trademark holder and terminates with the decision taken by the RAS. The latter may be appealed with the commercial court. The procedure lasts about four to nine months.

Border protection: a trademark can be recorded in the special IP Customs Register to prevent unauthorised importation of the branded goods into Russia. Where the trademarks are entered into the Customs Register the customs authorities monitor every consignment of the goods marked with the trademarks in question and if they discover unauthorised importation they detain the goods (the term for detaining is 10+10 days) and inform the rights holder. Upon examination, in a case of counterfeit goods the rights holder may, within the term of detention (20 days) initiate administrative, civil or criminal proceedings in order to bring the infringer to responsibility. Including the trademarks in the Russian Customs Register may be a wise precautionary measure to avoid penetration of counterfeit products into Russia.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

The civil infringement proceedings start from collecting evidence by the rights holder, drafting and sending a cease-and-desist letter which is a mandatory requirement of the Russian law. After 30 days from sending a cease-and-desist letter a lawsuit may be filed with a court. No discovery proceedings are provided by Russian law. The decision on the case is issued by a court on the basis of evidence submitted by the parties. In cases where issues require special knowledge an independent

expert may be ordered by the court. Live testimony is allowed but not commonly used as the judges prefer to rely on material evidence and written submissions. The civil proceedings typically take four to six months to obtain a decision from the initial court.

Russian law also provides an administrative and criminal enforcement mechanism that starts from filing a complaint with the police (or public prosecutor). During the proceedings an independent expert may be called by the police investigator. The final decision on the administrative or criminal case is issued by a court. The administrative procedure usually takes about three to four months, whereas criminal procedure is about one to two years.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

Under Russian law each party to the dispute must prove their statements and legal arguments by the use of relevant evidence.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

The trademark owner or his or her registered exclusive licensee shall be entitled to sue for the trademark infringement only. Administrative or criminal proceedings may be initiated on the basis of a complaint filed by any person or on the basis of information received by the police (or public prosecutor) themselves. In such cases the trademark owner can be involved as an injured party.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Russian law enforcement authorities can deal with infringements committed within the territory of the Russian Federation only. However, the existing border protection mechanisms, such as the IP Customs Register, allow for prevention of the unauthorised importation of goods into Russia. Note that there is also the Eurasian Economic Union between Russia, Kazakhstan, Belarus, Armenia and Kyrgyzstan within which no customs borders exist and the goods may flow from one country of the Union to another without customs control. With this in mind, registration (obtaining a legal protection) of the trademark and its recording in the local IP Customs Registers is advisable.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Russian law does not provide discovery proceedings and the parties to the dispute should collect evidence themselves. In the meantime, a person participating in the case and lacking the opportunity to obtain the necessary evidence from the person possessing it may file a motion for the court to order the presentation of this evidence. The evidence must be specified in the motion along with the circumstances significant to the case, which may be established by this evidence, as well as the reasons impeding the obtainment of this evidence, and its location. If the motion is satisfied, the court orders the person possessing the appropriate evidence to present it.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Russian law provides for two types of security measures: preliminary and interim. The motion for preliminary injunctions can be filed before filing the lawsuit. In this case the judge must consider the motion and if the security measures are granted, gives to a plaintiff a term not exceeding 15 days for filing the lawsuit. The motion for interim injunctions can be filed along with the lawsuit or at any stage of the court proceedings



### Update and trends

As of 1 June 2016 a new provision of the Russian procedural law entered into force. The amendments introduced a mandatory pretrial order, according to which a civil lawsuit may be filed with a court upon expiration of a 30-day period from sending a cease-and-desist letter to the defendant only. This requirement does not concern some kinds of corporate disputes as well as non-use cancellation actions. In all other cases (including IP rights infringements) a pretrial order is mandatory.

As of 5 January 2016 amendments to the Law on Protection of Competition (fourth round of amendments) entered into force. Those amendments, *inter alia*, regulate in detail unfair competition issues and totally replace the existing provisions. For example, the new chapter consists of eight articles that specify different types of unfair competition, namely: discredit; misrepresentation; incorrect comparison; misuse and the acquisition of intellectual property; mixing of products on the market; illegal acquisition, use and disclosure of information that constitutes commercial or other secret protected by law. The list of unfair competition is not exhaustive.

Also, on 23 September 2015 the Supreme Court of the Russian Federation issued a review of court practice on the cases on protection of IP rights. In this review the Supreme Court summarised the main

issues that arise in courts during consideration IP cases. However, points of the review show that on some issues the Supreme Court suggested a new approach, for instance:

- illegal use of several different trademarks on the same product shall constitute an infringement of each trademark;
- illegal use of several trademarks with the same or similar element (group of trademarks) on the same product shall constitute a single infringement;
- in non-use cancellation actions only the actions connected with the actual introduction of the goods into the civil turnover can be taken into account;
- in non-use cancellation actions the trademark owner must prove the use of the trademark with respect to each of the goods and services for which the trademark has been registered. The use of the trademark with respect to similar goods shall not be considered as sufficient proof of the use; and
- in non-use cancellation actions the plaintiff must prove his or her legitimate interest in termination of the trademark protection. In this case evidence of his or her interest with respect to similar goods or services can be taken into account.

before the judgement is issued. The motion for security measures must be considered by the court no later than the next day from the filing date.

The typical time frame for a civil litigation is four to six months to have the decision of the first instance court issued. The decision enters into force in a month if no appeal is filed. The resolution of the Court of Appeals enters into force as of the date it is issued in writing and may be appealed to the Intellectual Property Rights (IPR) Court within two months. The resolution of the IPR Court can be appealed to the Economic Collegium of the Supreme Court within two months and its judicial act can be further appealed within three months. The last instance is the Presidium of the Supreme Court.

### 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The typical range for handling a trademark infringement case in the first instance court is about US\$20,000–25,000. This amount may vary, however, depending on the complexity of the case. The costs for handling the case at the appeal instances could be within the range of US\$7,000–15,000 per appeal instance.

### 26 Appeals

**What avenues of appeal are available?**

The decision of the first instance court can be appealed to the Court of Appeals. The resolution of the Court of Appeals can be appealed to the IPR Court. The resolution of the IPR Court can be appealed to the Economic Collegium of the Supreme Court of the Russian Federation. The resolution of the Economic Collegium of the Supreme Court of the Russian Federation can be appealed to the Presidium of the Supreme Court of the Russian Federation.

### 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant may try to prove the absence of the infringement (such as challenging the evidence) or initiate an invalidation action against the trademark. Note, however, that an invalidation action is considered by the administrative authority (the RPTO) and this is not grounds for the court to postpone or suspend the infringement proceedings. Both trademark infringement litigation and invalidation cases will be independent from each other. Also, the defendant may initiate an unfair competition action claiming that obtaining a trademark registration and suing for an infringement are acts of unfair competition (such as in the case of a trademark being registered by a distributor or other third party preventing the producer of genuine goods from distributing the goods on the Russian market). Finally, the defendant may claim the abuse of

rights from the side of the trademark owner, which is legal ground for the court to dismiss the infringement action (such as in cases where the trademark owner does not use the trademark and the only purpose of filing the lawsuit is to inflict harm on the competitor).

Of course, the defendant can also file a non-use cancellation action with the IPR Court. However, in cases of cancellation of the trademark the legal protection shall be terminated from the date that the decision enters into force and shall not release the defendant from monetary claims (damages or statutory compensation).

### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

Russian law provides for two types of security measure: preliminary and interim. The motion for preliminary injunctions can be filed before filing the lawsuit. In this case the judge must consider the motion and if granting the security measures must give to the plaintiff a term not exceeding 15 days for filing the lawsuit. The motion for interim injunctions can be filed along with the lawsuit or at any stage of the court proceedings before the judgement is issued. The motion for security measures must be considered by a court no later than the next day from the filing date.

The court grants the security measures if the following conditions are observed:

- if failure to take these measures may impede or make the enforcement of a judicial act impossible, and likewise if the enforcement of a judicial act is expected to take place outside of the Russian Federation;
- the security measures are required for the purpose of preventing the infliction of extensive damages to the applicant;
- the claims for security measures do not repeat the claims stated in the lawsuit; or
- the claims for security measures are adequate to the claims stated in the lawsuit.

According to Russian law, the trademark owner shall be entitled to claim:

- cessation of trademark infringement (permanent injunction);
- recovery of losses (damages) or payment of statutory compensation: within the range of 10,000 to 5 million roubles (determined by the court on the basis of evidence provided and circumstances of the case), or double the cost of counterfeit goods, or double the cost of a licence (royalties);
- publication of the court's decision with the aim of restoring goodwill of the injured party; and
- removal from the goods or their packages of the illegally used trademark or sign confusingly similar to it, or destruction of the counterfeited goods, labels, packages at the expense of an infringer.

**Criminal liability**

In the case of illegal use of a trademark or service mark, name of the place of origin of goods, or similar designations for homogeneous goods, if this deed has been committed repeatedly or has caused substantial damage it shall be punishable by:

- a fine of 100,000 to 300,000 roubles, or the amount of the wage or salary, or any other income of the convicted person for up to two years;
- compulsory works for up to 480 hours;
- corrective labour work for up to two years;
- imprisonment for up to two years with a fine of up to 180,000 roubles; or
- a fine in the amount of a wage, salary or other income of the convicted person for up to six months.

The actions specified above, committed by a group of persons by previous concert or by an organised group shall be punishable by:

- a fine of 500,000 to 1 million roubles or the amount of the wage, salary or other income of the convicted person for three to five years;
- compulsory labour work for up to five years; or
- imprisonment for up to six years with a fine of up to 500,000 roubles or a fine in the amount of a wage, salary or other income of the convicted person for up to three years or without a fine.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

In essence commercial disputes are considered by state courts. However, Russian law provides a possibility to entrust the resolution of a dispute to a private arbitration tribunal or mediator if both parties agree to this. While the Law on Arbitration Courts in the Russian Federation regulates respective procedures and is indeed a good alternative to the state court, the main idea of the Law on Alternative Dispute Resolution with the Participation of an Intermediary (Mediation) is to keep people out of the courts and help them to solve the dispute without litigation. If the mediator fails to help the parties to find a solution the dispute may be solved by a state court or an arbitration tribunal. The decisions of both state courts and arbitration tribunals are obligatory for the parties and must be enforced. Where the party fails to enforce the decision the other party in whose favour the decision is issued shall be entitled to file an application with the Bailiff Service to force the enforcement of the judicial act.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

In Russia a trademark can enjoy protection as a well-known mark that may not necessarily be a registered designation. Russian legislation foresees the procedure of recognition of a well-known trademark.

As well as the usual trademark filing procedures through the RPTO or through the Madrid Agreement/Protocol registration, legal protection for a well-known trademark can also be obtained through a special recognition procedure. In Russia, unlike in many other countries, a trademark is not granted well-known status as a result of court proceedings or litigation. According to Russian trademark legislation, in order for a trademark to be recognised as well known, the appropriate request should be filed with the RPTO.

A well-known trademark shall be granted the same legal protection as is provided for an ordinary trademark. Nonetheless, a well-known trademark provides its owner with certain important advantages:

- the legal protection of a well-known trademark is not time-limited;
- protection extends to goods or services of a different kind from those for which it is recognised as well-known, if use of the mark by another person is likely to be associated by consumers with the owner of the well-known trademark and may impair its lawful interests;
- protection of a well-known mark may start at the period that precedes the filing date of the respective request to recognise the trademark as well-known; and
- the commercial value of a well-known trademark is higher than that of an ordinary trademark.

The well-known status should be evidenced by numerous documents and materials confirming the intensive use of the mark and its reputation among consumers in association with the goods or services for which it is requested to be recognised as well known, and in association with the trademark owner. In seeking to have its trademark recognised as well-known, the applicant should indicate the goods or services for which the mark has become well known, and the date from which the trademark became well known.

Along with a petition for the recognition of a well-known trademark the following information may be submitted:

- the results of a consumer survey regarding the goods at issue, revealing consumer knowledge of the trademark and performed by a specialist organisation;
- examples of intensive use of the trademark, especially in Russia;
- a list of countries where the trademark has acquired a well-known reputation;
- examples of advertising costs incurred relating to the trademark and examples of advertising;
- details of the value of the trademark;

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- publications in Russian periodicals; and
- documents containing information about supplies of goods to Russia, etc.

It is not compulsory to submit all of the above-listed evidence. Trademark legislation does not contain a list of obligatory documents that must be submitted along with a petition for the recognition of a trademark as well known.

Practice shows that it is recommended that evidence of use of the trademark in Russia be submitted in support of the petition recognising a trademark as well known. Special attention should be paid to the opinion poll results. Such polls must be carried out in at least six of Russia's largest cities, including Moscow and St Petersburg. Other cities may be chosen by the applicant, depending on the sphere of activity and the regions of trademark use.

Determining the date from when the trademark became well known is also crucial, and careful review of all available materials is

required. The date from which the trademark became well-known should be indicated precisely.

The RPTO takes a strict approach towards petitions to recognise marks as well known and these are denied quite often. The main difficulty encountered during proceedings is demonstrating that consumers have a strong association between the trademark and the goods or services for which the trademark is used, and with the trademark owner. Often consumers recognise the trademark, but have little knowledge about its owner. Formally a trademark may belong to an IP-rights holding company, the name of which is not known to consumers. Furthermore, if the date from which the applicant would like to have its trademark recognised as well known refers to a period in the past, the supporting evidence should predate the date mentioned in the request.

As of July 2016 there are 168 well-known trademarks published in Russia, including Nike, Coca-Cola, Disney, Tiffany, Intel, Gallup Institute, Adidas, Gillette, Nikon, Elle, Heinz and Casio.

# São Tomé and Príncipe

Márcia Gonçalves

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## 1 Ownership of marks

### Who may apply?

Any person (individual, firm or corporate body) with a legitimate interest may apply for the registration of a mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The law defines a trademark as any visible sign used to distinguish the products or services of one person from the products or services of another person. The following may be a mark: a surname, a geographical name, a 'fancy' word or fancy words, monograms, emblems, figures, digits, labels, combinations of colours, drawings, photographs, stamps and in general all material visible signs. Service marks may be registered.

The following are not registrable:

- marks containing false indications or being apt to deceive the public with regard to the nature, characteristics or utility of the products or services for which the mark is to be used;
- marks containing false indications as to the geographic, manufacturing plant, workshop or business origin of the goods or services concerned;
- insignia, flags, coats of arms, official seals adopted by the state, an international organisation or any other public body, whether national or foreign, without the consent of the competent authorities;
- firm names, business names or insignia not owned by the applicant for registration or for the use of which the applicant is not authorised;
- marks being an entire or partial reproduction or imitation of a mark previously registered in the name of another party for the same or similar goods or services if this may lead to confusion or error in the market;
- expressions and designs being contrary to good morals, law or public policy; and
- the name or portrait of a person without such person's consent.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Provisional protection is given to a trademark application. Total protection is given upon granting of the trademark registration. Thus, the trademark rights are not established without registration.

Only registration confers proprietary rights. The effect of registration, therefore, is attributive of ownership.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

If no opposition is filed against the trademark application and if the application is filed with all the required documents, it usually takes

eight months to obtain a trademark registration, plus another eight months to obtain the registration certificate.

The requirements for filing a trademark application in São Tomé and Príncipe are as follows:

- the applicant's full name, nationality, occupation, address or place of business; and
- a list of products or services.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The applicable classification is the 10th edition of the International Classification of Goods and Services under the Nice Agreement.

In São Tomé and Príncipe there is a multi-class registration system.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Applications are examined only with regard to compliance with formal requirements. There is no examination with regard to anticipations.

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

Any interested person may request from the director of industries the cancellation of a trademark registration for a product or service for which it was registered, owing to the fact that the trademark was not used by the holder of a registration or by a licensee during an uninterrupted period of five years.

However, the trademark registration will not be cancelled if it is proved that its non-use was due to particular circumstances and that there was no intention to abandon or not use the products or services that the registration covers.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

An appeal can be lodged at the court of first instance against the decision of the Patent Office. Any of the parties can appeal against the sentence to the court of second instance.



## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

The IP Law of São Tomé and Príncipe does not preview the proceedings of oppositions against trademark application.

Cancellation of a trademark can be sought in the following circumstances:

- the person in whose name the registration of a mark was made was not entitled to acquire it;
- the registration concerns a mark that was not registrable;
- the grant of the registration infringes third-party rights based on priority or other legal title;
- the mark being the subject of the registration wholly or partly is an imitation, translation or reproduction of a mark that is well known in São Tomé and Príncipe and is used for the same or similar articles, and there is danger of confusion;
- the mark being the subject of the registration is graphically or phonetically identical or similar to an earlier mark being highly renowned in São Tomé and Príncipe, irrespective of the goods or services for which it is applied, if use of the later mark without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the earlier mark; or
- the grant of the registration infringed provisions requiring authorisation or consent, and this has not been given.

A brand owner that does not yet have its trademark protected in São Tomé and Príncipe cannot oppose a bad-faith application.

Costs associated with a third-party opposition or cancellation proceeding is given upon request.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The duration of registration of a trademark is 10 years from the application date. Marks are indefinitely renewable for further 10-year periods.

## 11 The benefits of registration

**What are the benefits of registration?**

Only registration confers exclusive rights to a mark.

Only registration confers proprietary rights. The effect of registration therefore is attributive of ownership.

Legal action against infringement of a trademark can be brought before the courts and it is possible to include claims for damages. The proceedings may be initiated by seizing the infringing goods at the customs houses if they are imported. Criminal penalties are set by the court (within the limits fixed in the Industrial Property Code), as is compensation for damages. An action for infringement may also be initiated by means of a complaint filed with the General Inspectorate of Economic Activities requesting the preliminary seizure of the infringing goods, subject to the discretion of the public prosecutor, who may subsequently bring a criminal action against the infringer.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Any change in ownership of a mark must be in writing and registered in the application submitted to the director of industries. This change is only effective against third parties after registration.

However, a change in ownership of a trademark registration is not valid if it is likely to deceive or cause confusion, particularly with regard to the nature, origin, method of manufacture, adaptation, the

characteristics of the product or the use intended, or the products or services for which the mark is intended to be used.

Any licence contract concerning the registration of a mark or a trade-mark application must provide effective control of the licensor on the quality of products or services for which the mark is used, otherwise it will not be considered valid.

## 13 Assignment

**What can be assigned?**

The property of a trademark can be totally or partially assigned. The assignment must be recorded in order to have an effect towards third parties. If recordal of the assignment is requested by the assignor, the assignee should also be a signatory of the assignment document, or should issue an express statement that he or she accepts the assignment.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The requirement for registration of an assignment is a deed of assignment in Portuguese, signed by the assignor and the assignee and certified by a notary public.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

The recordal of the assignment is required for it to be valid.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

The IP Law of São Tomé and Príncipe does not have a provision for security interests, but nevertheless they are recognised and they must be certified by a notary public. They must be recorded for purposes of validity in São Tomé and Príncipe.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is optional. Possible marking is 'MarcaRegistada', MR or ®.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

The owner of a trademark can ask for its trademark rights to be enforced against an alleged infringer. The owner of a trademark can ask for enforcement of the rights of its trademark against an alleged infringer. There are no specialised courts for this matter and there are no trademark enforcement proceedings established in the criminal law of São Tomé and Príncipe. However, the Civil Procedure Code is applicable.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Only registration confers exclusive rights to a mark.

The following acts, performed without the consent of the owner of a registered mark, are deemed to be infringements:

- use in the course of trade in São Tomé and Príncipe of any sign that is identical or confusingly similar to the registered mark for goods or services being identical or similar to those for which the mark is registered; and

- use in the course of trade in São Tomé and Príncipe of any sign that, owing to the identity or similarity of that sign and the mark or affinity between the goods or services, creates in the consumer's mind a risk of confusion, including the risk of association of the sign with the mark.

The exclusive right to a mark does not include the right of the owner to prevent a third party from using in the course of trade his or her own name or address, or any indication of the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering of the services, or any other characteristics of goods or services, or even the mark itself if this is necessary to indicate the intended purpose of a product or service, in particular as an accessory or spare part, provided that in any such case such use is in accordance with honest practices and good customs in industrial and commercial matters.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

The burden of proof lies with the plaintiff, who must prove that its mark has been infringed.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Both the trademark owner and the licensee may seek remedies. The trademark owner must have the mark registered before the Trademarks Office and the licensee can only intervene if the registered user agreement (licence to use) is recorded before said office.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Only activities that take place in the São Tomé and Príncipe territory may be taken into account.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

Adverse or third parties (including state entities) may be required to submit documents or exhibit goods. If they resist, a court order may be sought.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Unfortunately, there is no typical time frame for infringement or dilution actions. They are lengthy and can last for years.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

There is no typical range of costs. They depend mainly on the professional fees that are charged.

## 26 Appeals

**What avenues of appeal are available?**

An appeal against the decision of the Patent Office can be lodged at the court of first instance. Any of the parties can appeal against the sentence to the court of second instance.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The defendant or alleged infringer has the legal right to participate in the proceedings by responding to the complaint and submitting evidence.

## 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

The IP Code contains provisions regarding penalties imposed on an infringer but is silent regarding the apportionment of monetary relief. Injunctive relief is available permanently if there is an immediate danger to the complainant.

## 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are not available in São Tomé and Príncipe.



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**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The Paris Convention applies to this matter.

The owner of a mark that is well known in São Tomé and Príncipe, even if not registered, may oppose the registration of an identical or similar mark for the same or similar goods or services, provided that he or she applies for registration of the mark. Marks with a reputation in São Tomé and Príncipe have extra protection: the owners of such a mark may oppose the registration of an identical or similar mark even if registration is applied for in respect of different goods or services, if use of the mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the renowned mark.

The evidences that are required include market studies that reveal the reputation of the mark to the relevant public, costs with marketing companies, sales volume and other factors relevant to the reputation of the mark.

# Serbia

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## 1 Ownership of marks

### Who may apply?

Natural persons and legal entities, Serbian or foreign, may apply for registration of a trademark in Serbia. If the applicant is a foreign natural person or foreign legal entity, with no residency or registered seat in Serbia, he or she must be represented by a Serbian lawyer or by a person registered with the IP Office as a trademark representative.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

According to the Trademark Act, different types of signs can be registered as a trademark. Examples include signs consisting of words, slogans, letters, numerals, images, colour combinations, three-dimensional shapes, and sounds (if represented by musical notation). The IP Office does not grant protection to signs consisting of scent or taste. The IP Office holds that these signs may not be represented graphically and reproduced in the Trademark Registry.

A provision in the Trade Act (2010) serves as a statutory basis for protection of unregistered marks. The Act identifies as a mode of unfair competition the sale of goods with a mark, information or shape that reasonably create confusion among consumers as to the origin, quality and other features of the goods.

## 3 Common law trademarks

### Can trademark rights be established without registration?

With the exception of well-known trademarks (within the meaning of article 6-bis of the Paris Convention), trademarks rights can be established only with registration. Unregistered marks can be protected under a distinct legislation that prohibits unfair competition. The Trade Act (2010) considers it a form of unfair competition to sell goods with a mark, information or shape that reasonably creates confusion among consumers as to the origin, quality and other features of the goods.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

The average time frame for smooth trademark registration at the Serbian IP Office has recently risen to nine months, from six months in preceding years. The duration of the proceedings increases if the applicant must submit evidence for acquired distinctiveness or otherwise respond to provisional refusal by the Office.

The official fee for obtaining a trademark registration for a word mark in up to three classes is approximately €380. The attorney fees for registration of the mark vary from €200 to €400.

If a legal representative files the application on behalf of the client, the representative must enclose a power of attorney with the application.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The Serbian Intellectual Property Office follows the Nice Classification System. Applicants can request registration of a trademark in up to three classes of goods and services for a fee payable to application for registration in one class (approximately €120). In a multi-class application for registration in four or more classes, the application fee for each additional class after the third class is approximately €25.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The IP Office first checks whether the trademark application meets the formal requirements and then moves to the stage of substantive examination. Serbia does not use opposition proceedings, so the IP Office conducts examination on both relative and absolute grounds for refusal of registration.

A mark cannot enjoy trademark protection if it is identical to an earlier registered trademark (or applied-for mark) or a well-known mark for identical goods and services, or if owing to the similarity of the marks and goods or services there exists a likelihood of confusion, including the likelihood of association with the earlier trademark (or applied-for mark) on the part of the relevant public.

Marks with reputation, if registered, are protected regardless of the goods or services if the use of the later mark would result in taking unfair advantage from the reputation of the earlier trademark with reputation, or be detrimental to its distinctive character or the repute.

If the IP Office initially determines that there are grounds for refusal of registration, it notifies the applicant of the provisional refusal. The applicant may then submit counter-arguments to the Office in writing.

If the IP Office finds that the application meets the requirements for registration, the Office requests from the applicant to pay a fee for the initial 10-year period as well as the costs of publication of the trademark in the IP Office's Gazette. Following the receipt of a proof of the payment from the applicant, the IP Office enters the trademark in the Trademark Registry and issues a registration certificate to the trademark owner.

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

It is not necessary to use a mark in commerce in order to obtain trademark registration. After the registration, and before the expiry of a



five-year period, the trademark owner must put the trademark to genuine use in relation to the goods or services for which the mark is registered. If not, any interested party may obtain revocation of the registration from the IP Office.

Application for a registration in a member state of the Paris Union or the World Trade Organisation may be granted the right of priority in Serbia if the applicant files an application within six months for an identical mark for identical goods or services. The applicant must submit a certificate of priority in the foreign country within three months of filing the request for national registration in Serbia.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

If the IP Office refuses the registration by a final decision, the applicant may submit an appeal to the Administrative Commission of the Government of the Republic of Serbia, within 15 days from the receipt of the decision by the IP Office. If the Administrative Commission rules against the applicant, the latter may initiate judicial proceedings before the Administrative Court within 30 days from the receipt of the decision of the Administrative Commission.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

There is no opposition procedure under the framework of the Trademark Act. Instead, the IP Office examines ex officio both the relative and the absolute grounds for refusal of the trademark protection. The owner of the earlier trademark application or registration may, however, submit written observations in order to alert the IP Office that the trademark applied-for does not meet requirements for registration.

A brand owner who does not have registration of the mark in Serbia may prevent registration of a trademark applied-for in bad faith, by filing a lawsuit before a competent court. The owner may request the court to declare him or her as the applicant.

After the trademark has been registered, a third party may obtain cancellation (invalidity or revocation) in administrative proceedings before the IP Office.

In proceedings for invalidity, the third party must prove that at the time of the registration the requirements for registration had not been met. This means that the trademark may be declared invalid if:

- it is contrary to public policy or to accepted principles of morality;
- it is not distinctive;
- it is functional (ie, represents a shape determined exclusively by the nature of the product or a shape indispensable to obtain a given technical result);
- it is descriptive (ie, it designates exclusively the type, purpose, time or method of production, quality, price, quantity, weight or geographical origin of the goods or services);
- it is generic (ie, it is customary for designating a given type of goods or service);
- it is misleading with regard to the geographical origin, type, quality, or other features of the goods or services;
- it contains or imitates official marks or hallmarks of quality control or warranty;
- it conflicts with prior industrial property rights (including registered trademark right as well as a well-known mark not registered in Serbia), copyright or the right in a personal name;
- it comprises of state or other public coat of arms, flag or other emblem, name or abbreviation of the name of a country or of an international organisation, unless the competent authority of the country or organisation has given its authorisation for such use; or
- it represents or imitates a national or religious symbol.

A trademark registration may be revoked and removed from the Trademark Registry for any of the following reasons:

- if the trademark owner (or a person authorised by him or her) did not use the trademark for five years from the date of trademark registration or for any uninterrupted period of five years from the date of the last use;
- the trademark has become a common name for the product or service for which it is registered;
- the trademark is of such a nature that it may deceive the public as to the nature, quality, geographical origin, or other characteristics of the goods or services; or
- the trademark has become contrary to public policy or to accepted principles of morality.

Where grounds for revocation or declaration of invalidity exist in respect of only some of the goods or services, the trademark is to be revoked or declared invalid only in part.

The fee for cancellation proceedings is approximately €240.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

The term of protection is 10 years from the date of filing the application. Trademark registration can be renewed for an unlimited number of successive 10-year periods. In order to renew the registration, the trademark owner has to pay an office fee.

The owner does not need to present any proof of use to the IP Office in order to obtain renewal of a registration. However, the IP Office can revoke the trademark at the request of an interested party if the owner, or a person authorised by him or her, has not put the trademark to genuine use within a period of five years following registration or for any uninterrupted period of five years from the date of its last use. Exceptionally, non-use does not lead to revocation if there have been proper reasons for non-use. Such proper reasons, according to the Trademark Act, include a decision by government authority, an import ban, or any other prohibition affecting goods or services or both protected by the mark.

Only genuine, commercial use qualifies as the use for the purpose of maintaining trademark rights. The quantity of goods or services for which the mark is used must be such to indicate a serious rather than fictitious economic activity. The payment of registration renewal fees, or mere advertising of a trademark without the possibility of buying advertised goods or services, do not amount to genuine use.

## 11 The benefits of registration

**What are the benefits of registration?**

Registration enables the trademark owner to obtain protection from courts or customs authorities from unauthorised third-party use of identical or similar mark used in connection with similar or identical goods or services. Compared with the protection granted under unfair competition law, registration offers a broader scope of remedies for infringement and leaves the trademark owner with a longer statute of limitations for bringing the lawsuit. Registration also entitles the trademark owner to prevent others from registering a confusingly similar mark and to seek cancellation of such subsequent registration. Trademark registration also provides a defence to infringement.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

If a licence is not recorded, it is nonetheless effective between the parties to the licence agreement. However, an exclusive licensee may not oppose a licence subsequently granted by the licensor to an unwitting third party. Also, in the absence of recordation, the licensee may not make use of the Trademark Act's provision authorising a trademark licensee to launch court proceedings against a third-party infringer.

### 13 Assignment

#### What can be assigned?

Trademark can be assigned both with and without goodwill. The assignment may be for some or all of the goods (ie, services) encompassed by the registration. Trademarks can be transferred separately and independently from other business assets.

### 14 Assignment documentation

#### What documents are required for assignment and what form must they take?

Assignment of a trademark or an applied-for mark can be based on an assignment agreement, a change of the legal status of the trademark owner (if a legal entity), or on a court or administrative decision. An assignment agreement has to be in writing. It need not be notarised. The agreement has to include the following information:

- the date of the execution;
- the names or business names of the parties;
- the domicile or residence or the registered seat, of the parties;
- the trademark registration number or the number of the trademark application; and
- the fee.

### 15 Validity of assignment

#### Must the assignment be recorded for purposes of its validity?

For assignment to be enforceable as between the parties, no approval from the IP Office is necessary. However, recordation of the trademark assignment in the Trademark Registry is necessary for the assignment to have effect against third parties. Without a recordation, the assignee may not bring proceedings for infringement of the trademark against a third party.

### 16 Security interests

#### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

A trademark owner may create a pledge on the trademark in order to secure the rights of his creditor. The pledge is valid and enforceable only upon the recordation in the Trademark Registry. The pledge agreement does not have to be notarised.

### 17 Markings

#### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

A trademark owner may use symbols such as <sup>TM</sup> or <sup>®</sup> to indicate trademark use or registration. The benefit of using such symbols would be raising awareness of consumers and competitors that the sign enjoys trademark protection. The risks of not using such words or symbols are small, because the use is not mandatory and third parties using an identical or confusingly similar mark could not rely on the absence of such sign as a defence against trademark infringement.

### 18 Trademark enforcement proceedings

#### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

The owner of a registered trademark and trademark applicant may file a lawsuit against the alleged infringing party, within three years of learning about the infringement and the infringer, but not after the expiration of a five-year period after the first occurrence of infringement.

The plaintiff may request the court to declare that the defendant was responsible for trademark infringement and to order cessation of the infringing activities. In addition, the lawsuit may include the

requests for seizure, definitive removal or destruction or alteration of the infringing goods, destruction or alteration of the tools and equipment used to manufacture the infringing goods, compensation of damages and reimbursement of costs and publication of the judgment at the expense of the defendant. Finally, the plaintiff may request via the lawsuit that the defendant furnish information about third parties involved in the infringement.

The holder of an unregistered trademark can launch court proceedings pursuant to the unfair competition provision in the Trade Act. The statute of limitations is six months after learning about the infringement and the infringer, but in no event longer than three years after the unlawful activity has ended. The plaintiff may request a declaration of unfair competition, an injunctive relief, rectification of the consequences of the unfair competition, compensation of damages, and publication of the judgment at the expense of the defendant.

The trademark owner may submit a request to the Customs Authority for implementation of protective measures against counterfeited goods. The request may refer to a single shipment or the shipments in general. The Customs Authority may grant the request for an initial period of one year. When the Customs Authority suspects that the goods held at the customs might infringe intellectual property rights, the Authority suspends the release of the goods and notifies the trademark owner. The trademark owner may request destruction of the goods at his or her expense or commence infringement proceedings before the competent court.

Jurisdiction of a particular type of court in a trademark case depends on the legal nature of the parties to the proceedings. The Organisation of Courts Act (2008) provides that commercial courts decide in trademark cases if both parties are commercial entities. If one or both parties are natural persons, the jurisdiction belongs to regular courts. There are no specialised courts or other tribunals dealing with trademarks. However, the Appellate Commercial Court has specialised chambers with judges whose primary field of expertise is trademark law.

Trademark infringement may be prosecuted as a criminal offence if the defendant, acting with the intent to deceive, used the mark or included elements of the mark in its own trade name, designation of geographical origin, trademark or other sign. Criminal prosecution may also encompass those who acquire, manufacture, process, place into commerce, lease or store the counterfeited goods with intent to sell such goods in substantial quantities or value.

### 19 Procedural format and timing

#### What is the format of the infringement proceeding?

The trademark owner or the licensee initiates infringement proceedings by filing a lawsuit with the competent court. If a commercial court has the jurisdiction to hear a trademark case, the jurisdiction to try the case in the first instance belongs to the Commercial Court in Belgrade. If, exceptionally, a court of general jurisdiction decides in the trademark case, the High Court in Belgrade hears the case in the first instance. The plaintiff often accompanies the lawsuit with a motion for a preliminary injunction.

Serbian civil procedure does not provide for discovery as a pretrial procedure enabling each party to obtain evidence from the other party. However, the parties may make use during the trial of various disclosure devices for obtaining evidence from the adverse party or from third parties (see question 23).

At the trial stage, the court regularly hears witnesses and examines documentary evidence received from the parties. The courts do not look favourably on the use of expert opinions in the infringement proceedings, because the likelihood of confusion and other issues central to an infringement case require legal or factual determinations which the courts are qualified to make by taking into consideration the viewpoint and experience of the average consumer of the goods or services. The use of surveys is permitted, but occurs extremely rarely owing to the high costs involved.

### 20 Burden of proof

#### What is the burden of proof to establish infringement or dilution?

The trademark owner has to prove that the defendant has carried out unlawful activities which amount to infringement or dilution of the

owner's right. In the preliminary injunction proceedings, the trademark proprietor needs only to prove that infringement probably occurred (ie, in a dilution case, that the court will probably find a likelihood of dilution at the end of the trial).

## 21 Standing

### **Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

Apart from the trademark owner, the trademark licensee may also file an action for infringement or bring a criminal complaint, irrespective of whether the licence is exclusive or non-exclusive. The parties to the licence agreement may stipulate in the agreement that only the trademark owner may initiate the court proceedings.

An applicant for trademark registration is also authorised to lodge an action for infringement.

## 22 Foreign activities

### **Can activities that take place outside the country of registration support a charge of infringement or dilution?**

As trademark is a territorial right, only the activities carried out in the country of registration are generally relevant for the assessment of an infringement or dilution. However, the trademark owner may submit a request for implementation of protective measures against counterfeited goods to the Customs Authority. The proceedings before the customs authority may result in the filing of a lawsuit by the trademark owner against the importer or freight-forwarder.

There is still no significant body of jurisprudence from which one might infer the criteria the courts use in order to determine whether an online infringement of trademark occurred in Serbia or abroad.

## 23 Discovery

### **What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

According to the Civil Procedure Act, a party to the proceedings may request and obtain the inspection of premises, vehicles, books and documents, as well as the seizure of items.

Under the Trademark Act, the court may secure the evidence by issuing a preliminary injunction at the request of the plaintiff whose trademark has likely been infringed or is likely to be infringed. If there is a risk that the plaintiff will suffer non-repairable damage, the court may issue the injunction without hearing the defendant.

In criminal cases, the trial court may order the seizure of infringing goods where there is a risk that evidence might be destroyed.

## 24 Timing

### **What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

It typically takes up to one month to decide on a motion for the preliminary injunction.

Depending on the complexity of the case and the expediency of the parties to the proceedings, the trial at the first instance may take any time between six months and one year, and in exceptional cases even two years or more. The procedure before the appellate court is shorter, so the Appellate Commercial Court tends to issue its decision within a few months after the losing party lodged an appeal. When the Appellate Commercial Court sets aside the first-instance judgment, it sends the case to retrial, so the proceedings overall may take two or more years.

## 25 Litigation costs

### **What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs for bringing an infringement to conclusion in the first instance, including the attorney fees, in a case of standard complexity and duration range from €800 to €2,000.

The losing party is required, under the general rules of the Civil Procedure Act governing adversary proceedings, to reimburse the prevailing party for the costs of litigation, including court fees and minimum attorney fees.

## 26 Appeals

### **What avenues of appeal are available?**

The Appellate Commercial Court, located in the capital Belgrade, decides on the appeals against the first-instance judgment rendered by a commercial court. If, exceptionally, a court of general jurisdiction decides in the trademark case, the appeals are heard by the Appellate Court in Belgrade. The Supreme Court of Cassation may hear a trademark case if the party that lost on the appeal proves that conditions are in place for filing an extraordinary legal remedy (revision, application for review of the final and binding judgment, or application for reopening of the proceedings).

## 27 Defences

### **What defences are available to a charge of infringement or dilution, or any related action?**

The alleged infringer may, apart from denying a likelihood of confusion or dilution, rely on several defences against the infringement claim. If the allegedly infringing sign is a prior trademark, this fact would negate an infringement. Also, the alleged infringer may object that the plaintiff has abandoned the trademark by not using it for five years from the date of registration or for any uninterrupted period of five years from the date of its last use.

Furthermore, the Trademark Act provides for a number of limitations which the alleged infringer may use as the defence. Thus, the trademark owner cannot prevent a third party from placing in the line of commerce the goods or services under a sign identical or similar to the trademark, if that sign represents the third party's company name or a designation acquired in good faith before the priority date of the trademark. Also, the trademark holder cannot prohibit a third party from using in the course of trade and in accordance with honest business practices his or her own name or address, or indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production or other characteristics of the goods or services. Finally, the trademark holder cannot prevent a third party from using the trademark when it is necessary to indicate the intended purpose of a product or services, in particular as accessories or spare parts.

## 28 Remedies

### **What remedies are available to a successful party in an action for infringement or dilution, etc?**

The remedies available to the trademark owner include declaration of infringement, cessation of infringing activities, seizure, definitive removal or destruction or alteration of the infringing goods and the means for manufacturing such goods, compensation of damages and reimbursement of costs, publication of the judgment at the expense of the defendant, and provision of information on the other who took part in the infringement.

In the case of wilful infringement or infringement caused by gross negligence the trademark owner may claim damages in the amount three times that of the licence fee the trademark owner would reasonably obtain.

Both preliminary and interim injunctions are available to the plaintiff. An injunction in a trademark case is easier to obtain than in other types of cases. Under the Trademark Act, it suffices for the plaintiff to show that infringement has likely occurred or is likely to occur. In other types of disputes the identity in kind between the injunctive relief and the final relief sought is an obstacle to obtaining the injunction. Also, the party seeking the injunction in a non-trademark case has to demonstrate the risk that, absent an injunction, the other party is likely to frustrate or substantially hamper recovery of damages.

The Criminal Code provides for the criminal offence of non-authorised use of another's business name or of other indication of goods or services. The penalty is a monetary fine or up to three years' imprisonment.

**29 ADR**

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Alternative dispute resolution is not a common way of settling a trademark case in Serbia. By far the largest number of trademark cases are resolved by courts.

**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The IP Office has taken a position that a foreign trademark with reputation (famous trademark) may enjoy protection in Serbia even if it is not used in the country. The Methodology of the Serbian IP Office specifies that the use of the mark in Serbia is not a condition for determining that the sign is famous. According to the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted in 1999 by the World Intellectual Property Organization, member states should not require as a condition for determining whether a mark is famous that the mark has been used in the member state (article 2(3)(i)).



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# Singapore

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## 1 Ownership of marks

### Who may apply?

Any natural or legal person may apply for and own a registered trademark under the Trade Marks Act (the Act). In addition, joint ownership of a trademark registration is also possible under the Act, subject to any agreement to the contrary, with each co-owner being entitled to an equal undivided share in the mark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Under the Act, a trademark is defined as any sign capable of being represented graphically and that is capable of distinguishing goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person. The requirement of being capable of being represented graphically does not mean that the mark must be visually perceptible. Instead, it must be possible for the mark to be precisely identified and presented on the trademark register. Hence, it is possible for 'non-traditional' marks that can be represented graphically, such as sounds, to be registrable.

## 3 Common law trademarks

### Can trademark rights be established without registration?

In the absence of trademark registrations, a trader may still rely on the tort of passing off at common law to prevent others from using the trader's marks or other aspects of the trade get-up to represent that their goods or business are those of the trader's. This tort is independent of, and can co-exist, with protection under the Act. To succeed in an action for passing off, three elements must be proven, namely, goodwill; misrepresentation; and damage. The claimant has to show that his or her business has goodwill by proving that the mark adopted by the claimant has become associated or identified exclusively with his or her goods or services. Reputation per se may not constitute goodwill in that the element of goodwill requires the claimant to prove that there is a business within Singapore to which goodwill can attach. Second, the claimant must establish a false representation by the defendant that led to, or is likely to lead, to deception or confusion among the public that the trade source or quality of the goods or services offered by the defendant are the same as that of the claimant. Third, the claimant must show that he or she has suffered, or is likely to suffer, damage to his or her goodwill as a result of the defendant's misrepresentation.

Under the Act, well-known trademarks are entitled to certain protection even if such marks are not registered.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

In general, a straightforward national trademark application in Singapore (for which no objections are raised during the examination

and no opposition proceedings arise) will take between six to eight months to reach registration. In the event that any objections are raised or oppositions are commenced by third parties, the application process may be delayed. Powers of attorney or certificates of corporate good standing are not required for the filing of trademark applications in Singapore.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

From 1 January 2017, Singapore will adopt the 11th edition of the Nice Classification of Goods and Services. Multi-class applications are available and there are no cost savings for multi-class applications in terms of official filing fees.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The trademark office will examine trademark applications for registrability on absolute grounds (eg, the mark is devoid of distinctive character, the mark consists exclusively of signs or indications that may serve in trade to designate the characteristics of the goods or services) and also on relative grounds (ie, conflicts with other trademarks). The objections are communicated by letter with stipulated deadlines by which the applicant must respond, failing which the application will be deemed withdrawn. If the applicant successfully overcomes the objections and the registrar accepts the application for registration, the application will proceed to publication in the Trade Marks Journal.

## 7 Use of a trademark and registration

### Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

While a trademark or service mark generally does not have to be in use before it can be registered, the examiner may request for evidence of use during the course of examination, for example, to demonstrate acquired distinctiveness for the purposes of overcoming absolute objections.

If the registration is granted without use, the registered owner (or its licensee) must put that mark to genuine use in the course of trade within the period of five years following the date of completion of the registration or run the risk of having the registration revoked. Further,

a registration may also be revoked if the use of a mark ceases or is suspended for an uninterrupted period of five years.

It is possible to file priority claims based on corresponding applications filed under the Paris Convention or in World Trade Organization member countries within six months of the first application in any such country for the registration of the same trademark and in respect of the same goods or services.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

Any appeals against a decision of the Registrar (in relation to the registrability of the mark or the outcome of opposition proceedings) are to be made to the High Court. The appeal procedures are mainly governed by the rules in the Rules of Court. Further appeals from the High Court to the Court of Appeal, the highest appellate court in Singapore, are only possible with leave of court.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

After an application has been accepted by the Registrar for registration, the application will proceed to publication in the Trade Marks Journal. During the two-month period following the publication of the application, any person may oppose the registration of the mark by lodging a notice of opposition. The grounds of opposition available under the Act include the mark's lack of inherent distinctiveness, bad faith, confusing similarity to an earlier trademark and where use of the mark is liable to be prevented by virtue of any laws protecting an unregistered trademark (such as the law of passing off). A person can oppose a bad-faith application without having first obtained the registration of its mark in Singapore.

After registration, a mark may also be cancelled, revoked or invalidated. The cancellation of a trademark can only be made by the registered proprietor by application to the Registry. In contrast, applications for revocation and invalidation may be made by any person to the Registry or to the court. Applications for revocation may be made on grounds such as non-use, deception or loss of distinctiveness, while applications for invalidation are typically made on the basis that the registrability requirements have not been met.

## 10 Duration and maintenance of registration

### How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The registration of a trademark remains in effect for an initial period of 10 years from the date of registration. Thereafter, the registration may be renewed for further periods of 10 years. While evidence of use of the mark does not need to be filed to maintain the registration, a registration may be revoked for non-use. Where required, proof of use should consist of evidence of genuine use of the mark in the course of trade in Singapore. The Act provides that use of a trademark includes use in a form differing in elements that do not alter the distinctive character of the mark in the manner in which it was registered. The Act further provides that use in Singapore includes applying the trademark to goods or to materials for the labelling or packaging of goods in Singapore solely for export purposes.

## 11 The benefits of registration

### What are the benefits of registration?

The proprietor of a registered trademark has the exclusive right to use the trademark and to authorise other persons to use the trademark in relation to the goods or services for which the trademark is registered.

Registration also provides the proprietor with the right to obtain relief under the Act for infringement of his or her registered trademark. Unlike passing-off claims, an action for trademark infringement does not require the claimant to prove goodwill associated with the mark. Further, border enforcement measures against infringing goods are also available under the Act in relation to registered trademarks.

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

The grant of a licence under a registered trademark may be recorded, but such a recordal is not mandatory. The main benefit of recording the licence is that it provides notice of the licensee's interests under the registered mark to third parties.

## 13 Assignment

### What can be assigned?

A registered trademark or a trademark application may be assigned with or without the goodwill of a business. In addition, an assignment of a registered trademark or trademark application may be for all or only some of the goods or services covered by the registration or application.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

An assignment of a registered trademark or an application for the registration of a trademark is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

Until an application has been made for the registration of the assignment of a registered trademark or any right in it, the assignment is ineffective as against a person acquiring a conflicting interest in or under the registered trademark in ignorance of the assignment. In addition, a person who becomes the proprietor of a registered trademark through such an assignment is not entitled to damages, an account of profits or statutory damages in respect of infringement of the mark occurring after the date of the assignment and before the date of the application for the registration of the assignment.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

A registered trademark may be the subject of a charge in the same way as other personal or moveable property. An assignment by way of security of a registered trademark is not effective unless it is in writing signed by or on behalf of the assignor or, as the case may be, a personal representative. Until an application has been made for the registration of the granting of a security interest over a registered trademark or any right in or under it, it is ineffective as against a person acquiring a conflicting interest in or under the registered trademark in ignorance of the transaction. A person who becomes the proprietor of a registered trademark through the grant of a security interest over a registered trademark, or any right in or under it, is not entitled to damages, an account of profits or statutory damages in respect of infringement of the mark occurring after the date of the assignment and before the date of the application for the registration of the granting of the security interest.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

The symbol ® can be used to indicate that a trademark is registered while the symbol ™ may be used to indicate that a sign is used as a

trademark. It is not mandatory for such symbols to be used. A person who falsely represents that a mark is a registered trademark and knows or has reason to believe that the representation is false shall be guilty of an offence under the Act and shall be liable on conviction to a fine not exceeding S\$10,000. In this regard, the use of the word 'registered' or any other word or symbol importing a reference (express or implied) to registration shall be deemed to be a representation as to registration under the Act unless it is shown that the reference is to a registration elsewhere than in Singapore and that the trademark is in fact so registered for the goods or services in question.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

A proprietor must bring any claims for infringement of his or her registered trademark in the High Court. The Act contains provisions on offences that include counterfeiting a trademark, falsely applying a registered trademark to goods or services, importing or selling goods with falsely applied trademark and making or possessing of an article specifically designed for making copies of a registered trademark. Border enforcement measures are also available in Singapore.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

In general, civil actions for trademark infringement are commenced by writ actions and will involve the filing of pleadings, discovery, the exchange of evidence via affidavits and eventually trial in open court. The trial would involve the cross-examination of witnesses and the filing of submissions. As there are no jury trials in Singapore, the judge at first instance will decide the case based on the facts and applicable law. It may take around 12 to 18 months for the proceedings to be concluded, depending on the complexity of the matter and the interlocutory applications taken out.

## 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

In Singapore, the claimant in civil cases generally has the legal burden of proving its case and the relevant standard is on 'the balance of probabilities'.

## 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

A trademark owner may bring proceedings in his or her own name. A licensee is generally entitled to call on the proprietor of the registered trademark to take infringement proceedings in respect of any matter that affects his or her interests. If the proprietor refuses to do so or fails to do so within two months after being called upon, the licensee may bring proceedings in his or her own name as if he or she were the proprietor. Where infringement proceedings are brought by a licensee, the licensee may not, without the leave of the High Court, proceed with the action unless the proprietor is either joined as a plaintiff or added as a defendant. Notwithstanding the above, an exclusive licence may provide that the licensee shall have, to such extent as may be provided by the licence, the same rights and remedies in respect of matters occurring after the grant of the licence as if the licence had been an assignment. In such circumstances, the exclusive licensee is entitled, unless subject to the provisions of the licence or the Act, to bring infringement proceedings against any person other than the proprietor in his or her own name. There is no requirement in relation to standing for bringing a criminal complaint.

## 22 Foreign activities

**Can activities that take place outside the country of registration support a charge of infringement or dilution?**

Activities that take place outside of Singapore may amount to infringement to the extent that such leads to the use of a registered trademark in Singapore, for instance through the import of infringing goods into Singapore or export of infringing goods out of Singapore.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

In a trial, parties have to give discovery of evidence that is relevant to the issues in the case and which are in their possession, custody or power. If one party believes that the other has given inadequate discovery, it may apply to the court for specific discovery of evidence. There are some exceptions, which are mainly for evidence covered by legal privilege. It is also possible to apply for pre-action discovery to compel a party to provide evidence prior to the commencement of an action.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

Such proceedings may last between 12 to 18 months. It is possible for an application for an interim injunction to be heard by the court within a few days. In certain cases where there is no arguable defence to the claims at issue, it may be possible to seek summary judgment, without the need for a full trial. Appeals for infringement or dilution proceedings are to the Court of Appeal and the appeal process can range from a few months to a year.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs would vary depending on the complexity of the issues and evidence involved, as well as the nature of the proceedings. In general, a successful party may recover at least part of its costs from the losing party but the award of costs is ultimately at the discretion of the court.

## 26 Appeals

**What avenues of appeal are available?**

Appeals against the decisions of a Registrar are to the High Court, and the leave of court must be obtained for any further appeal to the Court of Appeal. Infringement proceedings are heard in the High Court at first instance, and appeals from such proceedings are to the Court of Appeal. Claims for passing off may be brought in the state courts or the High Court depending on the quantum of the claim. Appeals from the state courts are to the High Court and any further appeals would be to the Court of Appeal.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

The defences available under the Act include the following, namely that the infringing use:

- involves the use by the defendant of his or her name or name of his or her place of business if such use is in accordance with honest practices;
- is descriptive of the characteristics or intended purpose of the goods or services;
- is use that first began before the earlier of the registration of the mark or the first use by the registered owner of the mark and has been continuously used since then;
- is use of the defendant's registered mark;

### Update and trends

The Singapore Court of Appeal recently made a number of important clarifications in relation to the law of passing off in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* (trading as L S Electrical Trading) [2016] SGCA 33, particularly with respect to the doctrine of instruments of deception and the application of the law of passing off in the context of a trader producing and supplying goods to middlemen for sale to end users in foreign jurisdictions. The Court of Appeal also notably held that deliberate copying and evidence of an intention to misrepresent or deceive consumers will together be strong prima facie evidence of both the distinctiveness of the indicia that have been copied, and also the fact of misrepresentation and the likelihood of confusion.

Another notable development in case law is the Singapore High Court decision in *Caesarstone Sdot-Yam Ltd v Ceramiche Caesar SpA* [2016] SGHC 45. The High Court heard an appeal for a trademark opposition and reversed the decision of the Registrar of Trade Marks that the application mark was confusingly similar to an existing registered well-known trademark, by finding that the opponent had not shown that its trademark was well known in Singapore. The High Court cautioned that the threshold for a trade mark to be considered well-known in Singapore is not minimal and must be applied with caution to maintain the balance of rights. In this regard, the High Court held that the mere fact that the same mark had been registered, used and promoted overseas did not mean that it is to be treated as a well-known mark in Singapore. Further, the High Court found that

while the opponent's sales figures in Singapore were not insubstantial, they did not constitute a significant percentage of its global sales.

At the Registry level, an interesting decision was issued in *Chritrs Auction Pte Limited v Christie Manson & Woods Limited* [2016] SGIPOS 1, where a trademark opposition failed on the grounds of confusing similarity with prior registered marks, well-known mark and passing off, but succeeded on the ground of bad faith. The Registrar found that the opponent had established a prima facie case of bad faith and had sufficiently supported this by evidence, including that it did not make sense for the applicant to come up with an unpronounceable name (Chritrs) for their business, the substantial visual similarity between the application mark CHRITRS and the opponent's mark CHRISTIE'S and the fact that the applicant's initial Chinese name is phonetically identical to the opponent's Chinese name, with the first two characters in the names being identical, especially given that the opponent's Chinese name is neither a translation or transliteration of CHRISTIE'S.

On the legislative front, the Trade Marks Act has been amended such that, with effect from 10 June 2016, it is now possible for a party in interlocutory proceedings between two or more parties to appeal to the High Court against an interlocutory decision issued by the Registrar of Trade Marks if the decision terminates any matter concerning a trademark or an application for a trademark, and the party is adversely affected by the termination of the matter. There was previously no means of appealing against interlocutory decisions issued during contentious proceedings before the Registrar of Trade Marks.

- constitutes fair use in comparative commercial advertising or promotion; and
- is in relation to parallel imports.

Other defences may be available, depending on the facts, such as arguments relating to the owner's trademark registration being subject to a limitation or disclaimer.

### 28 Remedies

#### What remedies are available to a successful party in an action for infringement or dilution, etc?

The remedies available under the Act for infringement of a registered trademark include:

- an injunction;
- damages;
- an account of profits;
- statutory damages;
- an order for erasure of the offending sign; and
- an order for delivery up and disposal of the infringing goods.

Monetary awards are generally assessed on a compensatory basis and the claimant must prove the losses claimed. Preliminary and final injunctions may be available. Preliminary injunctions are generally granted when the balance of convenience lies in favour of granting

the injunction. A preliminary injunction may be granted subject to the plaintiff's undertaking to pay damages to the defendant in the event that the defendant is absolved, or the court subsequently decides that the injunction should not have been granted. A final injunction is granted after a trial on the merits of the case.

Criminal remedies are typically in the form of fines, imprisonment, orders for forfeiture and destruction of goods or articles.

### 29 ADR

#### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

ADR techniques are available subject to the parties' consent or agreement to submit their dispute to such procedures. In addition, the Intellectual Property Office of Singapore (IPOS) and the WIPO Arbitration and Mediation Centre have established a joint mediation procedure. This mediation option applies to all trademark proceedings before IPOS with effect from 3 January 2012.

Arbitration is also another option for the resolution of trademark disputes that offers confidentiality. However, as a result of the consensual nature of arbitration, any award rendered will only be binding on the parties involved and will not affect third parties. Hence, an arbitral tribunal cannot make findings in relation to matters such as the validity of intellectual property rights.



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**30 Famous foreign trademarks**

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A well-known trademark can be protected under the Act, regardless of whether the mark has been registered in Singapore and whether the trademark owner has any business or goodwill in Singapore. Further, the Act provides for two different types of well-known marks:

- well-known marks (namely marks that are well known to a relevant segment of the public in Singapore); and
- marks that are well known to the 'public at large in Singapore'.

A trademark that is well known to the public at large enjoys broader protection than a trademark that is only well known to a particular segment of the public. The standard of proof in relation to proving that a mark is well known is high and relevant factors include the duration and extent of use, publicity or advertising as well as independent public recognition of the fame of the mark. The protection granted to well-known marks under the Act is limited to injunctions.

# South Africa

Debbie Marriott, Eugene Honey and Reinhardt Biermann

Adams & Adams

## 1 Ownership of marks

### Who may apply?

Any legal or natural person who can claim to be the bona fide proprietor of a trademark may apply for the registration of the trademark.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any sign capable of being represented graphically, including a device, name, signature, word, letter, numeral, shape, configuration, pattern, ornamentation, colour, sound, container for goods or any combination of the above may be registered as a trademark.

The following cannot be registered as a trademark:

- a mark that does not conform with the definition of a trademark;
- a mark that is not capable of distinguishing, or that is a descriptive term, or that has become customary or commonplace in respect of the relevant goods or services;
- any mark where the applicant has no bona fide claim to proprietorship;
- any mark where there is no bona fide intention to use the mark;
- a mark that consists of a shape, configuration or colour dictated by the nature of the product;
- a mark that is essentially a reproduction or imitation of a well-known trademark and that is used in relation to the same or similar goods;
- a mark where the application for registration is in bad faith; a coat of arms, seal or flag of the Republic of South Africa, or of other countries;
- any word, letter or device indicating state patronage;
- a mark that contains matter declared in published regulations as being prohibited;
- a container for goods or the shape, configuration, colour or patterns of goods where such registration will be likely to limit the development of any art or industry;
- matter that is inherently deceptive or would be likely to deceive or cause confusion or would be otherwise against the law or morality or would give offence;
- a mark that, as a result of the manner in which it has been used, would be likely to cause deception or confusion;
- any mark that is similar to a trademark already applied for, registered, or in use; and
- any mark that would take unfair advantage of a registered and well-known trademark or that would be likely to cause deception or confusion with a registered or unregistered well-known trademark.

## 3 Common law trademarks

### Can trademark rights be established without registration?

What are known as 'common law' trademark rights can be established, but only where trademarks have been used, promoted and exposed to the extent that they have acquired a reputation and goodwill in South Africa.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

It can take up to 30 months to obtain registration of a trademark. Once the application has been filed the registrar will begin their examination of the application, both from formal and substantive points of view. This usually takes between 10 and 12 months. Should any conditions for acceptance or unfavourable points be raised by the registrar it may lead to a delay in the prosecution period as well as an increase in costs. Once the trademark has been accepted, it is then advertised in the monthly Patent and Trademark Journal, whereafter third parties may oppose the application for a three-month period. Should any oppositions be encountered it will necessarily have an effect on the costs and the time taken to prosecute the application. After the opposition stage, if no opposing third party is successful in its objection, the registration certificate will be issued, which can take a further 12 months.

The cost of filing a trademark application in one class is approximately US\$768. Further trademark prosecution costs would depend upon the registrar's official action and his or her conditions for acceptance of the application. Conditions could include endorsements such as associations, disclaimers, admissions and the like. The additional costs for prosecuting the application would be around a half to two-thirds of the filing costs.

It is necessary to file an original power of attorney, simply signed by the applicant.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

South Africa follows the tenth edition of the Nice classification system. Multi-class applications are not permitted and it is necessary to file a separate application in each class. It is permissible to use broad specifications, including class headings.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The registrar examines the application, both from formal and substantive points of view. It is at this stage that the registrar may raise objections based on exclusions provided in the Trade Marks Act (see question 2) or on the basis of an earlier existing registration or application. The registrar may require certain endorsements to be entered against the application. These often have the effect of limiting the goods in respect

of which the trademark is to be registered or the manner in which the trademark may be used. Alternatively, they may make it clear that registration of the trademark does not provide the owner with exclusivity in respect of certain parts or words contained in the mark.

The applicant may respond to the registrar formally in writing and if still aggrieved may refer the matter to an informal hearing before the registrar.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

An applicant for the registration of trademark is not required to claim or prove use at any stage of the application process, including application, registration and renewal. However, the applicant for registration must have the bona fide intention to use the mark at the date of filing the application for registration of the mark or the mark may be vulnerable to cancellation. Further, if no use of the mark has been made for a continuous period of five years after the date of issuance of the registration certificate, the mark may be vulnerable to cancellation by way of third-party application proceedings.

Any person who has made an application for registration of a trademark in a Convention country shall be entitled to registration of the trademark in priority to other applicants and the registration will have the same date as the date of the first application in the Convention country. The priority application must be filed within six months of the date on which the application was made in the Convention country.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If on examination an application is provisionally refused registration, or if it is accepted subject to conditions that are not acceptable to the applicant, then the applicant may lodge written submissions in order to try overcome the objection or conditions raised. In practice, he or she may in addition or alternatively request an informal hearing with the registrar in order to try persuade the registrar to accept the application.

If either or both options are not successful or are not exercised, then the applicant may apply for the issuance of written reasons for the refusal or imposition of conditions within three months from the date of the examination report. The applicant may then appeal the registrar's ruling on application to the High Court within three months from the date of issue of the registrar's reasons for their ruling. The High Court then has the power to consider the merits of the matter, to receive further evidence and make any ruling that it deems fit.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Any interested party may oppose the registration of a mark within three months from the date of advertisement of its acceptance. Alternatively, he or she may apply for the cancellation of it at any stage after registration on the basis that registration of the mark amounts to an entry that was wrongly made on the register at the time of registration, or that it is an entry wrongly remaining on the register as at the date of the application for cancellation.

Opposition and cancellation can be based on the ground that the mark does not meet the absolute requirements for registration: it is not capable of distinguishing the goods or services the application covers from those of other traders, or it is specifically prohibited from being

registered as it consists exclusively of an indication that serves to designate characteristics of the goods or services covered by the application. Other absolute grounds include prohibitions against registration of shape, configuration, colour or pattern marks that are required to achieve a specific technical purpose, or where registration would be likely to limit the development of any art or industry; marks that consist of heritage or state patronage symbols; and marks that are specifically prohibited from being registered by other legislation.

Registration can also be objected to on the basis of relative grounds, where the interested third party has better or prior rights to a similar mark, or where use and registration of the mark by the applicant or registrant would be likely to cause deception or confusion in the market, or dilution or tarnishing of a well-known mark.

Opposition and cancellation proceedings are launched in the Registry by the filing of a Notice of Application or Rectification respectively, together with all supporting evidence. The trademark applicant or registrant is then afforded one month to file their Notice of Intention to Defend, failing which the matter may be set down for hearing on the unopposed roll following the lapse of a further 10 court days. If defended, the trademark applicant or registrant will have a further two months to serve and file their answering evidence. The opponent or applicant for cancellation may then file replying evidence within a further one month. Pleadings close and the matter is set down for hearing.

Applications for cancellation may also be filed with the High Court at the instance of the applicant for cancellation, provided that if proceedings regarding the same mark are already pending in one tribunal, then the application for cancellation must be lodged in the same tribunal. The time periods for High Court applications are much shorter: five court days to file a notice of intention to oppose; a further 15 court days for answering evidence; and five court days for evidence in reply.

With regard to the question as to whether a brand owner may oppose a bad faith application for its mark in the jurisdiction in which it does not have protection, as previously mentioned, any interested person may oppose the registration of a trade mark, provided that they have adequate grounds to do so. An interested person would be a person having some real and direct interest in the mark itself or in the subject matter of an opposition or expungement of the mark. This would primarily be a financial or proprietary interest relating to or affected by the relevant mark and would include the interest of a trade rival. It is also to be noted that well-known trademark protection is available in South Africa for proprietors, even if they have no registered rights in South Africa. If the opponent cannot prove an adequate reputation in South Africa to show a likelihood of confusion, dilution or tarnishment of a well-known mark, then the opponent would need to show that the applicant has acted in bad faith because of a prior relationship between the parties, or has otherwise been dishonest or engaged in sharp practice. It is not enough to show that the opponent has a reputation in other countries and that the applicant in South Africa has adopted that identical mark.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration remains in effect for 10 years as from the date of filing the application for its registration and may be renewed for subsequent 10-year periods indefinitely. No proof of use is required, unless the application is attacked by a third party.

## 11 The benefits of registration

**What are the benefits of registration?**

Registration allows the claiming of damages in the form of a reasonable royalty, whereas if the claimant succeeds in a passing-off claim in respect of an unregistered trademark, it can only claim damages for any quantified and proved harm that it has suffered. A registration certificate is prima facie proof of validity of a registration, and if the validity of the registration is not challenged in a counterclaim, it is not necessary for the claimant to prove that it has a reputation in respect of all or any of the goods or services covered by the registration.

Registration does not afford access to the Registry for infringement, and both passing-off and infringement proceedings must be lodged in the High Court.

Registered trademarks can form the basis of a section 15 registration with border control authorities, who are then empowered to detain goods that are suspected to be counterfeits of the goods covered by the registration.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licensee may be recorded against a mark on the trademarks register as a registered user. It is not compulsory to do so, and use by the licensee will still be regarded as permitted use and deemed as use by the proprietor without recordal on the register, but it will be necessary to prove the licence. Subject to any agreement subsisting between the parties, a registered user is entitled to call upon the proprietor of the registered mark to institute infringement proceedings, and, if the proprietor refuses or neglects to do so within two months, the registered user may institute proceedings in his or her own name as if he or she were the proprietor, citing the proprietor as a co-defendant. The cited proprietor shall not be liable for any costs unless he or she enters an appearance and takes part in the proceedings.

## 13 Assignment

**What can be assigned?**

A trademark is assignable either with or without the goodwill of the business. A trademark is assignable in respect of all or some of the goods or services in respect of which it is registered.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

In terms of the Trade Marks Act, an assignment must be in writing and signed by or on behalf of the assignor. In this regard, a Deed of Substitution or Deed of Assignment, simply signed by authorised representatives on behalf of the assignor, as well as the assignee, would be sufficient. The registrar does not insist on original documents. No notarisation or legalisation of the assignment agreement is required. If a trademark is assigned from a local proprietor to a foreign one, exchange control approval must be obtained.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

In order to be valid, an assignment must be in writing and signed by or on behalf of the assignor. If the assignment is not recorded at the Registry within 12 months from the effective date, the applicant shall be liable to pay such a penalty as may be prescribed.

## 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

A registered trademark may be hypothecated by a deed of security. The Trade Marks Act does not prescribe that the deed of security must be recorded in order to be enforceable. However, if the deed of security is recorded it will have the effect of a pledge and will limit the transferability of the trademark.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The <sup>TM</sup> symbol is used to designate use of a mark as a trademark. The ® symbol is used to designate that the mark is a registered trademark in South Africa.

The benefit to using such markings is that it may act as a deterrent to infringement and may assist in proving that a third party had knowledge of wrongdoing in 'common-law' passing-off matters.

The risk of using the ® symbol where a trademark is not a registered trademark in South Africa or, where it indicates that the mark is registered in respect of any goods or services in respect of which it is not registered, is that the person using such marking will be guilty of an offence and shall be liable to a fine or to imprisonment for a period not exceeding 12 months.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Infringement of a registered or unregistered trademark is not a criminal offence. However, any person who knowingly deals in counterfeit goods commits a criminal offence in terms of the Counterfeit Goods Act. If a person dealing in counterfeit goods did not know that the goods were counterfeit, but he or she had reason to be suspicious or failed to take all reasonable steps to prevent or avoid dealing in counterfeit goods, then he or she may also be held criminally liable. Counterfeit goods are goods that imitate goods protected by intellectual property rights to the extent that they are substantially identical to the protected goods. Protected goods in turn, are those that bear or embody the intellectual property right, or that are of the same class or kind of goods that may bear or embody the intellectual property right.

Dealing in counterfeit goods includes being in possession or control of counterfeit goods for the purpose of dealing in them in the course of business; manufacturing or producing counterfeit goods for purposes that are not private and domestic; selling, hiring out, or offering for sale or hiring out of counterfeit goods; exhibiting counterfeit goods in public for the purposes of trade; distributing counterfeit goods for the purpose of trade or to such an extent that the rights owner suffers prejudice; importing into, exporting from, or importing or exporting counterfeit goods through South Africa for use that is not private and domestic.

The Counterfeit Goods Act also enables the owner of an intellectual property right to apply to the commissioner for customs and excise to seize and detain all counterfeit goods bearing or embodying the right that are imported into or enter South Africa during the period covered by the section 15 registration (renewed annually).

Where police officials have reasonable grounds to suspect that an offence of dealing in counterfeit goods has taken, is taking or will take place, either pursuant to a complaint laid by a rights holder or other person or on the strength of other information at their disposal, they may enter and search premises or vehicles, seize any suspected counterfeit goods, and collect evidence pertaining to the offence.

Once suspected counterfeit goods have been detained by a police official, customs officer, or other appointed inspector, a magistrate or judge of the High Court must confirm the detention within 10 court days, failing which the goods must be released.

Trademark rights are also afforded some protection by the Advertising Code of the self-regulatory Advertising Standards Authority of South Africa. In addition to prohibiting misleading advertising, the Code also regulates comparative advertising, and prohibits the exploitation of another's advertising goodwill so that advertisements may not take advantage of the advertising goodwill relating to another's trade name or product symbol. It also bans the imitation of another's advertisement in a manner that is recognisable or clearly evokes the existing concept and that may result in the likely loss of advertising value. Although rulings are not enforceable under the law, most forms of media are contractually bound by membership to comply with rulings, and in the event of non-compliance, a damaging Ad Alert can be issued to media members.

In terms of the Companies Act, one can also rely on trademark rights to object to the registration or change of name of an entity that is registered with a name that is confusingly or deceptively similar to a



registered or well-known trademark, or one that is protected under the common law.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Infringement proceedings can be brought in the High Court by way of trial action proceedings, in which evidence is exchanged through a discovery process and examination and cross-examination of witnesses (factual and expert) at the hearing of a matter, or by way of application or motion proceedings in which all evidence is brought before the court through affidavits (in the names of factual or expert witnesses) that are served and filed by both parties prior to the hearing.

A single judge of the High Court will decide the matter. Hearings in application proceedings are for the presentation of oral legal arguments and usually only take one day. Hearings in trial actions will span a few days, depending on the number of witnesses called by each party, and can take even longer in more complicated matters where there are, for example, counterclaims for cancellation of the registration relied on.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

In infringement proceedings, the rights owners must show that he or she has a registered trademark (simply by producing the trademark certificate, which is *prima facie* proof that the registration is valid), that the infringing mark is identical or so similar to the registered mark, that when it is used in respect of goods or services that are either identical to those covered by the registration or so similar to them, deception or confusion is likely to arise. The rights owner must therefore show sufficient similarity between the marks and between the goods or services, so that deception or confusion is therefore likely to occur. The comparison is between the goods and services covered by the registration and those of the infringer, rather than those in respect of which the proprietor has actually used his or her registered mark for. The rights owner must also show that the infringer is using the mark as a trademark, that is, to denote the origin of the alleged infringer's goods or services.

In dilution proceedings, the proprietor of the well-known mark bears the onus of proving that their mark is well known to the relevant sector of the community, that the infringing mark is identical or similar to it, and that use of the infringing mark is likely to take advantage of (blurring) or be detrimental to (tarnishing) the distinctive character or repute of the well-known mark. The proprietor must also show that this advantage that the alleged infringer takes is unfair. Further, the proprietor must show that the infringer's use of the mark will affect the advertising value of their own mark detrimentally, to the extent that he or she is actually likely to suffer economic harm. Although the proprietor does not have to show any likelihood of confusion, he or she will still need to show that the consumers will make a mental association between the infringer's mark and the proprietor's own. Pursuant to recent case law, as the dilution provision protects the advertising value of a mark rather than the mark itself, the proprietor of the well-known mark does not have to show that the infringer is using the mark as a badge of origin, but this inquiry will still be relevant to determine whether unfair advantage has been taken of or whether the use was detrimental to the advertising value of the well-known mark.

In both infringement and dilution proceedings, the proprietor must show that the use by the other side is in the course of trade, and that the use is unauthorised.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The owner of a registered trademark may bring infringement proceedings in their own name, but must give notice of the proceedings to all parties that are recorded on the trademarks register as users of the mark. Such registered users may then intervene in the proceedings, and may also recover any damages that he or she may have suffered as a result of the infringement. Subject to any agreement between a registered user and the trademark proprietor, a registered user is entitled

to call upon the proprietor to institute infringement proceedings, and if the proprietor refuses or fails within two months of being called upon to do so, the registered user may institute proceedings in their own name, citing the proprietor as a co-defendant.

Any person who has an interest in goods that are protected by an intellectual property right (owner, licensee or importer, exporter or distributor) may lay a criminal complaint with any inspector in terms of the Counterfeit Goods Act if he or she suspects that the offence of dealing in counterfeit goods has, is, or will take place.

In passing-off proceedings, the applicant or plaintiff must prove that the property in the goodwill that he or she seeks to protect, vests in them. Generally agents or distributors will not have the requisite legal standing, unless they have marketed the product in such a manner so as to convey that the products emanate from them.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

The act of importing counterfeit goods into or exporting them from South Africa is an offence, and imported counterfeit goods can be detained by customs officials, who are empowered to act through registration of the relevant intellectual property right with customs.

Infringement of a trademark also occurs where a registered trademark or a mark that is confusingly similar to it is applied, without the owner's consent, to goods that are intended to be exported from South Africa, where such goods are covered by the trade mark registration or are similar to them.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Once the pleadings have closed in a trial action proceeding for infringement or passing off, both parties may give notice to the other to make discovery on oath of all documents and tape recordings within their control and relating to the matter. Within 20 days the party making discovery must then specify separately each of the documents or tape recordings within their possession or control, those that were previously in their possession or control, and those against which he or she has a valid objection to produce. He or she may then be required by the other party, on service of notice, to make any or all of those documents available for inspection by the other party. If a document is not specified in the discovery affidavit or made available for inspection, then that party will not be allowed to rely on it or use it at the trial. Any party can give another notice to produce any discovered document at the hearing of the trial.

If one party believes that the other has more documentary evidence in their possession that has not been listed in the discovery affidavit, then he or she may, on notice, require that party to make those additional documents available for inspection or to state on oath that such documents are not in their possession.

Ordinarily there is no discovery process in application proceedings, but the court may, in its discretion, direct that discovery take place in accordance with the provisions that regulate discovery in trial actions.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Infringement actions must be instituted in the jurisdiction of the court where the defendant is based or where the infringement takes place. The backlogs in the court roll are of varying lengths in the jurisdictions.

Unless one proceeds on an urgent basis, it is unlikely that a matter will be heard within six months, and depending on the number of interlocutory applications that are lodged, it can take a year or two before a matter is heard or ruled upon.

Matters that proceed on an urgent basis can be heard in a matter of days, but the requirements for a matter to qualify as urgent are stringent, and trademark infringement matters very seldom proceed on this basis (although it is possible).

**25 Litigation costs****What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

The costs for infringement or dilution actions vary widely between cases, as they depend on numerous factors, such as the type of proceedings instituted (trial action versus application or motion proceedings), the urgency of the matter, the amount and type of evidence adduced by each party, the length of time that the matter ensues for, and the number and type of any interlocutory proceedings.

An award for costs is usually given to the successful party, and can either be on a party-and-party scale (taxed on the High Court scale, so that 40 to 70 per cent of legal costs incurred are recovered) or, very rarely, on an attorney-and-own-client scale (being actual legal costs incurred). Punitive cost awards beyond this are possible, but very seldom granted.

**26 Appeals****What avenues of appeal are available?**

Rulings of the registrar of trademarks are treated as if they are rulings of a single judge of the High Court, and both rulings by the registrar or by a single High Court judge are appealable to a three-judge bench of the High Court, or if leave to appeal is obtained, directly to the Supreme Court of Appeal. Leave to appeal is always required when appealing a decision of a single judge in the High Court, but is not required when appealing a decision of the registrar to a three-judge bench of the High Court.

**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

In addition to denials of the allegations on which the claim for infringement of a registered trademark is based, the Trade Marks Act lists seven defences to infringement. These circumstances are:

- the mark being used in good faith is the alleged infringer's own full name or that of their predecessors, or is the name of their predecessors' place of business;
- the mark is being used in good faith as a description or indication of the characteristics of their goods or services;
- the good faith use of the mark where it is reasonable to indicate the intended purpose of goods, including spare parts and accessories, and services;
- the otherwise infringing mark was applied by or with the consent of the proprietor to goods that are imported;
- the bona fide use by any person of any utilitarian features embodied in a container, shape, configuration, colour or pattern that is registered as a trademark;

- the use of a mark in a manner, place, in relation to goods or service, or in any other manner in relation to which the registration does not extend; and
- the otherwise infringing mark is registered.

A registered trademark proprietor cannot stop the use by any person of a mark that the other party was already using before he or she registered or used their own mark (whichever is the earlier). Other common law defences such as unclean hands (must prove dishonesty) or estoppel (only if unequivocal action has been taken to indicate that the infringing activity is acceptable) may also be used.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

A party whose trademark rights have been infringed may apply for an interdict to prevent further unauthorised use of the offending trademark, quantified damages, or in lieu of damages, a reasonable royalty. The court may also, on application, order that the infringing mark be removed from all material, and if the mark is inseparable from the material, then it may order the delivery up of that material for the purposes of destruction.

In the case of passing off, the proprietor may apply for an interdict to prevent further passing off and misrepresentation (this will not necessarily result in the cessation of use of the trademark, only a prohibition against use that does not clearly distinguish the goods), damages for the harm that he or she has suffered and that he or she can quantify and prove.

Both the proprietors of registered trademarks and those that are protected under the common law may ask for an award in respect of the legal costs they have had to incur to enforce their rights in the courts.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

In theory, ADR techniques are available for trademark disputes where the parties have provided for resolution of disputes by alternative means or where both parties agree to participate in and be bound by a finding, but are not commonly used and are only enforceable in terms of a contract between the parties.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

A famous trademark that is not used domestically, but is locally well known and locally registered, will be protected against infringement, including by dilution or tarnishing where use of an identical or similar



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mark by a third party would be likely to take unfair advantage of or be detrimental to the distinctive character or repute of the registered well-known mark.

If the mark is well known domestically (whether by way of local or foreign use) but is not registered, then the foreign proprietor can still prevent the use or registration of a mark that constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of the well-known mark and that is used or intended to be used for

goods or services that are identical or similar to the goods or services in respect of which the foreign mark is well known locally, and where such use is likely to give rise to deception or confusion.

Proof of a reputation in the relevant local industry, such as affidavits by suppliers, leading participants and consumers, survey evidence and any other proof of the international and local reputation would be useful.

# Spain

**Carlos Morán and Marta Rodríguez**

**Elzaburu**

## 1 Ownership of marks

### Who may apply?

The following shall be entitled to file an application to register a trademark in Spain:

- any Spanish natural or legal person or a partnership with legal capacity; or
- any foreign natural or legal person or partnership with legal capacity who satisfies any of the following conditions:
  - is a entitled to the benefits of the Paris Convention;
  - is a national of a member state of the World Trade Organization;
  - is entitled by virtue of the principle of reciprocity;
  - has their usual residence in Spain; or
  - has an establishment in Spain.

Applicants who do not reside in a member state of the European Union must be represented before the Spanish Patent and Trademark Office (SPTO) by an industrial property agent.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

The Spanish Trademark Act stipulates that the following signs may constitute a trademark:

- words or combinations of words, including personal names;
- images, shapes, symbols, and designs;
- letters, numerals, and combinations thereof;
- three-dimensional shapes, including wrappers, packaging, product shapes, and trade dress;
- sound marks; or
- any combination of the signs set out by way of example in the preceding subparagraphs.

The following cannot be registered as a trademark:

- signs that are not capable of differentiating the origin of the goods or services;
- generic signs and those consisting exclusively of signs which may have come to be the necessary or customary designation for the goods or services in trade or in current language;
- descriptive signs: those consisting exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, or the time of production of the goods or rendering of the service, or other characteristics of the goods or services;
- misleading signs;
- signs that are contrary to law or public policy;
- shapes that result from the nature of the goods themselves or the shape of goods that is necessary to obtain a technical result or that gives substantial value to the goods; or
- certain legally protected signs such as the national flag and coat of arms or those of Spain's Autonomous Communities.

In principle, it would be possible to register 'non-traditional' trademarks provided that the given sign complies with the registrability requirements set forth in the Trademark Act (graphic representation

and distinctive character). However, in practice and for evident reasons, it is difficult for non-conventional trademarks to meet the referred requirements.

Nevertheless, it must be noted that the graphic representation requirement has been removed by the new Directive (EU) 2015/2436, of 16 December 2015, to approximate the laws of the member states relating to trademarks and consequently, it shall disappear from the national legislations of EU member states. Ultimately, this could open the door to registration for 'non-conventional' trademarks in Spain.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Trademark rights in Spain are obtained through registration. However, Spanish law confers certain rights on parties who have filed an application to register a trademark and also on owners of a non-registered trademark that has, through use, become well known in Spain, within the meaning of article 6-bis of the Paris Convention.

Trademark applications entitle applicants to oppose subsequent filings for trademarks identical or similar to theirs for identical or related goods or services, or both. On the other hand, the right to take legal action against infringement is conferred only upon publication of the notice of grant. However, from publication of the notice of filing of the application, a rightholder may lay claim to provisional protection in the form of the right subsequently to claim damages for the period between publication of the application and publication of grant.

The owners of a non-registered well-known trademark are also entitled to oppose filings for trademarks identical or similar to theirs for identical or related goods or services, or both.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

Pursuant to the Trademark Act, the SPTO is bound to issue its decision on a trademark application within a maximum time period, which is 12 months if the application has not been opposed and no official action has been issued against the application.

Otherwise, it is 20 months.

However, in practice, the SPTO ordinarily issues its decision within approximately four months if there are no objections or oppositions.

The official fee for registering a trademark in one class is €122.89 and it is payable upon filing. No further fee is payable upon registration. The official fee for registering a trademark in subsequent classes is €79.61 per class. These amounts are solely the official fee. The professional fees charged by the representative handling the application are not included.

A power of attorney with the representative's appointment has to be filed with the SPTO if the applicant is represented by an industrial property agent. There are no legal formalities other than signature. The SPTO accepts both general and specific powers of attorney. Additional



documentation may be required, for example, if the priority of an earlier trademark is claimed.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Spain follows the International Classification System (Nice Classification). In addition, the SPTO is part of the Common Harmonised Database of Goods and Services for trademark classification. As a result, the Spanish translations of the harmonised database set are available through TMclass.

Multi-class applications are available before the SPTO. As said before, the official fee for a single-class application is €122.89, where the official fee for registering a trademark in subsequent classes is €79.61 per class. For example, the official fee for filing a two-class application would be €202.50; in three classes, €282.11; in four classes, €361.62, etc.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

After a trademark application is filed, the SPTO examines whether it meets the minimum formal requirements for admission and publication for opposition purposes. If formal inadequacies are found, the applicant is required to correct them. If the application is found to be admissible, it is published in the Official Gazette, opening a third-party opposition period.

Relative grounds are not subject to examination by the SPTO. However, before publishing the application, the SPTO performs an automatic search based on previous trademark registrations, which may constitute potential obstacles to the registration of the trademark applied for. If any of the previous rights detected in the automatic search are considered to be relevant enough, the Office shall notify the corresponding trademark owners of said rights, only for purely informative purposes, in order for them to decide whether to file an opposition or not. The referred notification takes place simultaneously to the publication of the application.

If objections are raised or oppositions are lodged, the SPTO issues an official action against the application and invites submissions by the applicant in response, following which the SPTO undertakes its own examination as to absolute grounds for refusal.

Once the examination is completed, the Office issues its decision to grant or refuse the application. The Office's decision is appealable by means of an administrative appeal to the Appeals Section of the SPTO itself.

If the trademark is granted, the corresponding certificate of registration is issued.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Previous use is not required in order for a trademark to be registered in the SPTO. Therefore, proof of use does not need to be submitted either during the registration procedure or post-registration for the subsequent renewal of the trademark.

With regard to foreign trademark applications, article 14 of the Spanish Trademark Act expressly recognises that owners of a foreign application in any of the Paris Convention or World Trade Organization members shall enjoy the priority right set forth in article 4 of the Paris

Convention. The same right shall be afforded to any person who has filed a first application of the same mark with a state or international organisation that recognises a right of priority from trademark applications filed in Spain.

Pursuant to article 39 of Trademark Act, trademarks may lapse as a consequence of third-party challenge where, within a period of five years following the date of publication of the notice of registration, they have not been subject to genuine use in Spain for the goods or services for which they are registered, or where such use has been suspended for an uninterrupted period of five years, unless there are proper reasons for the non-use.

The following are considered use: (i) use in a manner differing in elements which do not significantly alter the form in which the mark was registered; (ii) use in Spain in relation to products or services intended solely for export; (iii) use by a licensee, distributor, etc, with the express consent of the owner.

Valid reasons for non-use of a trademark would be circumstances arising independently of the will of the owner of the trademark, which constitute an obstacle to use of the trademark, such as import restrictions or difficulties in complying with certain requirements, legal obligations or administrative licences for marketing goods or providing services.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

SPTO decisions are appealable to the Appeals Section of the SPTO itself by means of an administrative appeal. The SPTO's decision in an administrative appeal may be, in turn, challenged before the Contentious-Administrative Appeal Courts. Lastly, the judgment issued by a Contentious-Administrative Appeal Court is subject to appeal before the Contentious-Administrative Appeal Division of the Spanish Supreme Court, whose judgment is final and unappealable.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

### Opposition

Once the SPTO has determined that the trademark application meets the minimum formal requirements for admission, the application is published in the Official Gazette, opening a third-party opposition period. The opposition period against national filings is two months from the publication date of the application in the Official Gazette.

Registration of a trademark application may be opposed based on the absolute or relative grounds set down in the Spanish Trademark Act.

### Absolute grounds

According to article 5 of the Spanish Trademark Act, signs shall not be registered as trademarks if they are:

- devoid of distinctive character;
- descriptive of the goods or services or of characteristics thereof;
- the customary designation for the goods or services;
- the shape resulting from the nature of the goods, necessary to obtain a technical result, or affording substantial value to the goods;
- contrary to law, public policy, or accepted principles of morality;
- capable of misleading the public as to the nature, quality, or geographical origin of the goods or services;
- containing or consisting of a geographical indication of origin identifying wines or spirits for wines or spirits not having that origin (for signs used on wines or spirits);
- reproductions or imitations of the armorial bearings, flags, decorations, or other emblems of Spain or the Autonomous Communities, municipalities, provinces or other local entities of Spain, without consent;
- not authorised by the competent authorities and to be refused pursuant to article 6-ter of the Paris Convention; and

- inclusive of badges, emblems, or armorial bearings other than those covered by article 6-ter of the Paris Convention and of public interest, unless the competent authorities have consented to registration.

### Relative grounds

A trademark application may be prevented from registration if third parties lodge an opposition citing an earlier trademark or trade name identical or similar to the trademark applied for, and covering identical or similar goods or services, provided there is a likelihood of confusion. The concept of 'earlier trademarks' according to the Trademark Act includes Spanish or European Union filings or registrations or international marks having effect in Spain senior to the contested mark, as well as unregistered trademarks which, on the date of filing or the priority date of the application under examination, were well known in Spain within the meaning of article 6-bis of the Paris Convention.

The following shall not be registered as trademarks: those signs which are identical or similar to an earlier well-known trademark or trade name, even when the goods or services are not identical or similar, where by reason of the well-known or reputed nature of the earlier sign in Spain, the use of the sign applied for without due cause may take unfair advantage of, or be detrimental to, the distinctive character or well-known nature or repute of the earlier trademark or trade name.

The personal name or likeness of a person other than the applicant, the name, surname, pseudonym, or any other sign which, to the general public, identifies a person other than the applicant, and signs which reproduce, imitate, or adapt works protected by copyright or another industrial property right (eg, an industrial design) shall not be registrable, unless proper consent has been obtained. This ground may be cited ex officio by the SPTO.

The following shall also be prevented from registration: the trade name, name or corporate name of a legal person, which before the filing or the priority date of the trademark application, identified in trade a person other than the applicant, if there is a likelihood of confusion on the part of the public because it is identical or similar thereto and the scope of coverage is also similar.

To file opposition, the opponent party shall submit an official form, a brief setting out the grounds and a power of attorney. If the opposition is found to be formally admissible, the Office issues an official action on the trademark application. The applicant has then the opportunity to respond to the opposition. After that, the SPTO issues its decision to grant or refuse the application.

The official fee for lodging an opposition is €37.15. This amount does not include professional fees.

In principle, the only case in which a brand owner not enjoying protection in the Spanish jurisdiction may oppose an application in the SPTO would be the one set forth in article 6.2.d of the Spanish Trademark Act. According to this provision, unregistered trademarks that are well known in Spain – within the meaning of article 6-bis of the Paris Convention – on the filing or priority date of the application concerned may be considered as an earlier right for the purpose of an opposition, regardless the good or bad faith of the applicant.

### Cancellation after registration

Third parties may also seek cancellation of a trademark after its registration. As in the opposition procedure, the invalidity of a trademark can be claimed on absolute and relative grounds. Another ground for invalidity is where the applicant was acting in bad faith when he or she filed the application for the trademark.

Invalidity actions in Spain must be filed with the mercantile courts, and the legal action is handled through ordinary procedure, which is essentially divided up into three stages: the written stage (complaint and statement of defence, with the possibility of a counterclaim and a reply thereto); the preliminary hearing (court hearing at which procedural issues are discussed, the facts at issue are established and evidence is proposed); and the trial (at which the parties, witnesses and experts testify, where this had been proposed as evidence, and closing statements are given).

However, it must be noted that the new Directive (EU) 2015/2436 of 16 December 2015, to approximate the laws of the member states relating to trademarks, states that an administrative cancellation procedure must be established by the EU member states legislations.

Consequently, the judicial cancellation procedure in Spain shall be replaced by an administrative procedure before the SPTO.

Currently, the official fees concerning an invalidation action before the Mercantile Courts are €390, which are only payable by legal persons.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

Trademarks registrations remain in effect for 10 years from the filing date of the application.

No declaration of use or intent to use declaration is needed when it comes to the trademark maintenance.

The registration can be renewed for successive periods of 10 years, simply by filing an official form before the SPTO and settling the renewal fee in the six months preceding the expiry date of the extant registration or up to six months after the expiry date, the latter case is subject to a 25 per cent or a 50 per cent surcharge on the official fee. The official fee for renewing a trademark in one class is €142.28. The official fee for renewing a trademark in subsequent classes is €95.52 per class.

## 11 The benefits of registration

**What are the benefits of registration?**

In the Spanish jurisdiction, trademark rights are solely conferred by registration. Consequently, only owners of registered trademarks shall be entitled to claim the protection set forth in article 34 of the Spanish Trademark Act.

According to this provision, a trademark registration shall confer on the owner the exclusive right to use it in commerce, as well as the right to prevent third parties from using in the course of trade any identical or similar sign covering identical or similar goods or services, and, where the registered trademark is considered to be well known, any identical or similar sign even if it covers different goods or services, provided its use in the course of trade may involve an unfair advantage or a detriment to the distinctive character or well-known nature or repute of the earlier trademark.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Yes. A party concerned about the recordal of a licence agreement by the SPTO may choose one of the following options:

- complete and submit the SPTO's official licence form, which only needs to be signed by the licensor and licensee;
- submit the original or an attested copy of the license agreement bearing duly legalised signatures on behalf of both parties; or
- generally, it is advisable to record licence agreements so that they will have effect vis-à-vis third parties.

## 13 Assignment

**What can be assigned?**

Both trademark applications and registrations may be assigned to another party by the means recognised by law for all or part of the goods or services they cover. Partial assignments may be recorded at the SPTO, and, in fact, assignments may even be entered only against certain goods or services covered in a given class (or only against certain classes covered by a trademark), leaving other goods or services in that same class (or other classes not affected by the assignment) covered by the mark in the name of the former owner.

This process would give rise to new, divisional trademarks separate from the portion of the mark that was not assigned, which will also be allocated a new number, different from the number the earlier mark had before the partial assignment. The original mark would thus give rise to two (or perhaps more) new marks.

Assignment with or without goodwill is left to the entire discretion of the parties and may be stipulated in the assignment agreement but is not subject to recordal at the SPTO.

Transfer of the whole of a business shall include the transfer of its trademarks except where there is agreement to the contrary or the circumstances of the case plainly dictate otherwise.

Foreign assignees may have to appoint a Spanish patent and trademark attorney to represent them.

#### 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

When it comes to the assignment of a trademark any of one of the following documents may be used:

- (i) an official certificate of transfer form;
- (ii) an official transfer document form;
- (iii) a public (ie, notarised and, where appropriate, legalised) deed of assignment;
- (iv) a certified true copy of the public deed of assignment;
- (v) a copy of the private contract between the parties, duly certified by a notary public or other certifying authority; or
- (vi) an extract of the private contract making reference to the assignment, duly certified by a notary public or other certifying authority.

Documents (i) and (ii) above are provided by the Spanish Patent and Trademark Office.

Documents (iii), (iv), (v) and (vi) must be legalised by apostille as per the Hague Convention or up to the Spanish consul and accompanied by an official sworn translation into Spanish.

#### 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

For an assignment to have effects vis-à-vis good-faith third parties it must be submitted in writing and recorded at the Trademark Office.

#### 16 Security interests

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

A trademark or trademark application may be used as security or be the subject of other rights in rem, purchase options, liens and other measures resulting from execution proceedings in respect of all or part of the goods or services for which it has been registered or filed.

They can be recorded before the SPTO but it will not examine the supporting documents. This recordal is always effected by the SPTO at the order of the Spanish Movable Property Registry, which is the official body responsible for supervising security interests in trademarks.

Recordal of security interests by the SPTO shall not affect the validity of the transaction concerned in each case, but it shall determine its effectiveness vis-à-vis good-faith third parties.

#### 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not compulsory but customary, normally using the expression 'Marca Registrada' or abbreviations thereof.

However, it has no legal effect, so it may be used purely for informative purposes.

#### 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

In Spain trademark infringement proceedings may be brought before the mercantile courts. These courts specialise in intellectual property and have been operating since 2004. When the action is based on an

EUTM, jurisdiction lies with the EU Trademark Court in Alicante, which was set up in that same year.

Trademark infringement is also classified as an offence under the Criminal Code. At present the criminal avenue is confined to cases in which a clear intent to counterfeit the brand may be perceived.

Border measures are likewise available in Spain pursuant to Regulation (EU) 608/2013.

#### 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Civil proceedings in Spain follow common law lines in which oral and written sides are combined. The procedure begins with a written stage (complaint and reply), advances to an oral phase in the form of a preliminary hearing (where positions are defined, formal issues are resolved and proposals are made with regard to evidence) and ends with the trial (where the evidence is taken and conclusions are set forth).

In civil proceedings all kinds of evidence may be used to show that the infringement has taken place. It is not unusual to bring in witnesses and experts to address issues such as the likelihood of confusion, reputation, dilution or damages. The opinion of an expert is not binding on the judge, but it can exert a decisive influence.

What is known as 'discovery' in the common law system has, to some degree, a parallel in Spain in the form of the defendant's obligation to reveal all the information which the plaintiff requires to support his claim. Fulfilment of that obligation may be sought prior to the commencement of the lawsuit, through preliminary measures, or during it as a means of evidence, with the intervention of the court in both cases.

The duration of the proceedings depends on various factors (the place, the reaction of the defendant, the complexity of the case). On average, however, it may take between nine and 16 months for the judgment to be delivered in the first instance.

Criminal proceedings in Spain are entirely different. They comprise two separate stages handled by different courts. The first is an enquiries stage, at which the elements required to try the accused are gathered. The second is the trial, where the evidence is taken at a public hearing. The duration can never be predicted, given that the enquiries stage is not divided into specific phases, but instead comprises an array of acts which magistrates may order and use as they see fit.

#### 20 Burden of proof

**What is the burden of proof to establish infringement or dilution?**

It is for the plaintiff to prove the facts on which the infringement claim is based. The burden of proving facts which detract from the claim is on the defendant. Only in actions for the revocation of a trademark for non-use is this rule reversed. There it is the defendant (the owner of the mark) who has to prove that the mark has been used.

#### 21 Standing

**Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?**

It is primarily the owner of record of the trademark who has standing to sue for infringement, although according to Spanish law an exclusive licensee also has that standing provided that the licence has been placed on record at the SPTO.

It is to be borne in mind, at all events, that following the judgment given by the Court of Justice of the European Union (CJEU) on 22 June 2016 in Case C-419/15 a licensee could likewise be entitled to bring an action in Spain even though the licence has not been recorded.

In Spain offences against intellectual property are public in the sense that any person may bring the action, whether harmed by the offence or not. In practice, however, cases of criminal actions instituted by persons who are not the owners of the trademark affected are unknown. Criminal proceedings are also brought ex officio by the Public Prosecutor.



## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

The scope of the effects of a national trademark is confined to Spain. Activities conducted outside Spain have no bearing unless they impinge on Spanish territory (through the offer, introduction or sale of the goods).

In the case of an EU trademark the situation is different, as the Spanish EU Trademark Court is competent to hear cases of trademark infringement occurring outside Spain if (i) the defendant resides in Spain; (ii) the plaintiff resides in Spain and the defendant is not domiciled in Europe; or (iii) neither of the parties resides in Europe. The judgment then has effect throughout the whole of the EU.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

As mentioned in question 19, in Spain provision is made for the adoption of preliminary measures to allow information to be obtained from whoever is infringing trademark rights or from third parties when that information is necessary to support the action, in line with Directive 2004/48. The procedure must be implemented through a court and may entail an order for the discovery of documents, but also warrants for the search of factories, offices and other premises for the direct gathering of information.

Where the information has to be obtained from companies located in other countries, Spanish courts may use the mechanisms provided for in Council Regulation (EC) 1206/2001 of 28 May 2001 on cooperation between the courts of the member states in the taking of evidence in civil or commercial matters.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

In Spain interlocutory relief is available to halt the infringing activity pending the delivery of the judgment in the main action. That procedure may be adopted without the defendant being heard (in the space of 72 hours, in theory, but in one to three weeks in practice) or following an adversarial proceeding in which the defendant is summoned to attend a hearing (in which event the decision may be given in one to three months).

The duration of the main action can vary significantly from one court to another and also depends on the complexity of the matter and the resistance put up by the defendant. Generally speaking, however, it tends to be from nine to 16 months.

The judgment given in first instance may be contested on appeal to the provincial court. The duration of the appeal proceedings can similarly vary from one court to another, but the average may be about one year.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The cost of an infringement action can vary considerably depending on a number of factors: the grounds (it is one thing if the action is based on the likelihood of confusion and another if reputation or dilution enter into play), the goal (which may simply be the cessation of the offending activity but could also extend to damages or to the cancellation of a company name), and the resistance of the defendant (if there were little, the proceedings could end at the preliminary hearing and the trial would be avoided). The cost of a very simple case could be between €16,000 and €19,000, whereas that of a complicated one could range from €22,000 to €29,000. On occasions it may even top €35,000.

In Spain the general rule is that the losing party pays the costs of the winner, but it applies only when the former is defeated on all counts. In such cases the winner may recover money spent on the fees of counsel,

the procurator and expert witnesses, although it is the court, guided by the opinion of the relevant professional associations, that sets the amount to which the successful party is finally entitled.

In this regard it will be necessary to take into account the recent ruling of the CJEU in its judgment of 28 July 2016 in Case C-57/15.

## 26 Appeals

### What avenues of appeal are available?

All judgments given in first instance may be contested on appeal to the provincial court. The appeal takes the form of a review of the proceedings conducted and of the decision reached by the lower court. There are thus no limitations on its scope.

The judgment of the provincial court may in turn be contested on appeal to the Supreme Court, but only in cases of 'compelling interest' (in that the judgment deviates from the case law of the Supreme Court) or where the party's right of defence was impaired as a result of some formal deficiency.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

The defendant in an infringement case may, firstly, resort to procedural exceptions in order to target any formal deficiencies which may be observed in the complaint and could prevent the court from entering into the substance of the matter. Such deficiencies may arise on grounds of standing to sue, time bars, *res judicata*, *lis pendens* or out of formal aspects of the complaint.

The defence may relate to the substance, in the sense that there has been no infringement. Depending on the basis of the complaint, the position of the defendant may thus be to deny that there is a likelihood of confusion, that the mark of the plaintiff is well known, or that there is a risk of dilution.

At times a counterattack can prove to be the best form of defence. The defendant may lodge a counterclaim seeking the invalidation of the plaintiff's trademark, on the ground that it is generic or descriptive, or the revocation thereof for non-use.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc?

Spain has adapted its legislation in the field of remedies to comply with Directive 2004/47/EC on the enforcement of intellectual property rights. The remedies available are therefore along the lines of those of any other EU country.

A civil action for trademark infringement extends to all the remedies which may be necessary to put an end to the offending activity: cessation of use of the infringing mark, withdrawal of the infringing goods from the marketplace, disabling of the machinery used in the manufacture of those goods, and payment of damages.

Damages take in both material and moral prejudice. The criteria, at the choice of the plaintiff, are those laid down in the aforementioned directive: the rightholder's lost profits, the unfair profits made by the infringer, or the royalties that would have been due had the infringer requested a licence. Punitive damages are not awarded in Spain and to recover compensation the plaintiff must therefore show that damage has been sustained and assess the amount thereof.

In criminal proceedings the remedies available in civil actions likewise apply and, in addition, there is the possibility of the offender being sentenced to imprisonment for a term dependent on the discretion of the judge.

## 29 ADR

### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Spain has similarly adapted its legislation to comply with Directive 2008/52/EC on certain aspects of mediation in civil and commercial matters. Mediation in cases of trademark infringement is thus perfectly possible, as is arbitration.



The use of these alternative dispute resolution procedures in trademark matters is not, as yet, widespread in Spain. However, there is a growing interest in exploring the mediation avenue and the World Intellectual Property Organization's Mediation and Arbitration Center is gaining ever greater recognition given its experience and prestige in this field.

### 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Unregistered foreign trademarks not used in Spain are not afforded any protection, even if they are famous or reputed. However, it is to be mentioned once again the case provided in article 6.2.d) of the Spanish Trademark Act, which confers some protection to unregistered trademarks being well-known in Spain – within the meaning of article 6-bis of the Paris Convention – for the purpose of an opposition to trademark applications before the SPTO.

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# Switzerland

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## 1 Ownership of marks

### Who may apply?

A trademark application may be filed by any natural or legal person either alone or jointly with another natural or legal person. In the case of multiple applicants one single representative for the trademark application at issue has to be appointed. If the applicant has no domicile or place of business in Switzerland a Swiss address for service has to be provided for all proceedings before the Trademark Office.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Any sign that is capable of being represented graphically and distinguishing the goods and services of the applicant from the goods and services of third parties can be registered as a trademark. This includes words, letters, acronyms, numbers, devices, three-dimensional marks, colours, motion marks, sound marks or a combination of the aforementioned. Signs that are descriptive, deceptive, infringing the public order or public morality, shapes that consist only of the shape of the goods, their get-up or packaging or that are technical necessary cannot be registered as a trademark (absolute grounds for refusal). The Swiss Trademark Office, however, does not examine applications with regard to the identity or confusing similarity with prior marks on the Register (relative grounds for refusal) unless opposition is filed by the owner of such prior mark.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The Swiss Trademark Act grants the same protection enjoyed by registered marks to unregistered marks that qualify as well-known marks in Switzerland in accordance with the terms of article 6-bis of the Paris Convention. While a mark in principle can qualify as well known in Switzerland without any trademark use having taken place in Switzerland (eg, marks that are well known to the Swiss addressed market circles as a result of their use in other jurisdictions), it is important to note that a strict standard is applied to the recognition of well-known marks, and it will regularly be necessary to show very significant long-standing and intensive use of a mark in Switzerland for it to qualify as well known.

Further, Swiss practice only allows trademark owners whose marks enjoy protection in a foreign jurisdiction to claim well-known trademark protection in Switzerland (see question 30).

Further, the Swiss Trademark Act provides for a right to continued use of unregistered marks that were used prior to the filing date of the registered mark of another party. Such right does not, however, include the right to obtain a trademark registration for the used mark, and is limited to the modalities of use as practised at the time of filing of the other party's registered mark. Further, the right to continued use of the unregistered mark may only be assigned together with the related business of the assignor.

Unregistered trademark rights therefore do not provide equally effective trademark protection in Switzerland as registered trademark rights.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

The average duration from application to registration is less than six months if no grounds for rejection are raised by the Trademark Office. If the Office raises objections this can significantly prolong the procedure. If all the specified goods and services of the application are listed in identical wording in the Trademark Office's official classification database, and the mark itself is deemed to be obviously registrable under the aspect of absolute grounds of exclusion, the Trademark Office will apply a fast-track registration proceeding and such applications will be registered within a few weeks. For any application, the applicant may request an accelerated examination, in which case, the Trademark Office will examine the application within one month.

Obtaining a trademark registration costs around 1,400 Swiss francs. An accelerated examination adds an extra 500 Swiss francs. Three classes of products or services are included. Starting with the fourth class, there are class fees of 200 Swiss francs for each additional class. Claiming convention priority costs 180 Swiss francs. There are usually sundries in the amount of roughly 40 Swiss francs. In the case of extended product and service lists, translation costs may arise according to work provided. Extra costs according to work provided will also arise in the case of the Trademark Office raising objections (see above). The figures given here include government and typical attorneys' fees, although the latter may, of course, vary.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

Switzerland is party to the Nice Agreement concerning the international classification of goods and services. The Nice Classification of Goods and Services wordings should be used as far as possible. The goods and services should be grouped according to the Nice system (10th edition) of product and service classes. Multi-class applications are available and result in considerable cost savings compared with single class applications (a single-class application for up to three classes costs around 1,400 Swiss francs, the additional class fees for including additional classes in the application cost only around 200 Swiss francs per additional class).

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

There is no examination by the Trademark Office for conflicts with other trademarks or for any other prior third-party rights, nor does the Trademark Office ex officio carry out any register searches for information purposes in favour of the applicant. The Trademark Office examines trademark applications only for absolute grounds of refusal, that is, for grounds of refusal that are not based on prior third-party rights.

If the Trademark Office rejects an application based on absolute grounds, the applicant is entitled to file reply briefs in order to overcome the rejection grounds before the rejection becomes final. The applicant also has the option of amending the trademark to overcome the office's objection, but in such a case the application date will be deferred to the date of the amendment.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Registration is granted without use. Thus, use does not have to be claimed in the registration proceedings, nor can it be claimed at all.

There is a grace period of five years for commencing use, starting with the expiry of the opposition term or, if opposition has been filed, with the end of the opposition proceedings. If after this period the mark is not used, no rights can be derived from it unless there are important reasons (that is, reasons significantly beyond the usual entrepreneurial risks) for non-use. The Trademark Office, however, does not deal with use issues in the application procedure and there are no post-registration administrative proceedings where intent to use or actual use would have to be claimed or proven (however, new legislation to introduce trademark cancellation proceedings on grounds of non-use before the Trademark Office is at present pending). The only instance where the Trademark Office may be involved in examining the use situation is in opposition procedures, but these take place subsequent to the registration proceedings (see question 9).

If use is commenced only after the grace period (or after interruption of more than five years), the trademark rights are revived from the original priority date unless a party has formally asserted non-use prior to the commencement of use.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If an application is denied, such decision may be appealed to the Federal Administrative Court, and subsequently to the Federal Supreme Court, in both cases within 30 days from the notification of the previous instance's decision.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Owners of prior Swiss trademark applications or registrations, of prior international registrations extending to Switzerland, or of prior well-known marks in Switzerland (even without registration) may file an opposition before the Trademark Office against younger trademarks

that are identical or confusingly similar. Bad faith does not represent grounds for opposition in Switzerland.

The Swiss opposition system is a rapid and cost-effective post-registration system. The (non-extendable) opposition term is three months from the registration's publication in the Trademark Office's public database SWISSREG, or, in the case of international registrations, three months from the first day of the month following the month in which the mark is published in the World Intellectual Property Organization Gazette of international marks. Applications cannot be opposed prior to their publication for opposition purposes.

In the opposition proceedings, one or two exchanges of briefs will take place between the parties at the discretion of the Trademark Office before the opposition decision issues. If no opposition reply brief is filed, it does not follow that the opposition will be automatically upheld by the Trademark Office. However, the trademark owner will lose certain defensive rights, for example, the right to assert non-use of the opposition plaintiff's mark.

The Trademark Office's opposition fee is currently 800 Swiss francs per prior mark on which opposition is based. Attorney fees could typically be in the area of 2,000 to 3,000 Swiss francs per substantive brief filed in the proceedings, but these costs will vary depending on the circumstances of the case as attorney fees in opposition proceedings are typically charged at hourly rates based on the work time incurred. In many cases, the Trademark Office awards costs to the prevailing party (typically 1,000 Swiss francs per exchange of briefs, plus any official opposition fees paid by the prevailing party); these costs are then imposed on the party losing the opposition, even if the losing party did not participate in the opposition proceedings. However, measures are available under present Trademark Office practice to avoid an imposition of costs in certain circumstances.

The opposition decision may be appealed to the Federal Administrative Court within a non-extendable term of 30 days. In opposition matters, the Federal Administrative Court decides as the final instance.

Furthermore, a simplified trademark registration administrative non-use cancellation procedure is available before the Trademark Office, with the possibility to appeal the Office's decision to the Federal Administrative Court and the Federal Supreme Court. The costs of such procedure are roughly comparable to those of opposition proceedings.

Civil court cancellation actions may also be brought against trademark registrations in the cantonal courts. Such actions may be based on any available legal grounds, for example, confusing similarity with prior trademark rights of the plaintiff, bad faith of the defendant, absolute grounds of exclusion or non-use of the defendant's trademark registration once the five-year use grace period has expired. The competent courts are essentially the same as in the case of trademark infringement proceedings (see question 18). The ordinary procedural rules of the Swiss Federal Code of Civil Procedure apply and appeals of the cantonal courts' decisions to the Federal Supreme Court are possible.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration remains in effect for 10 years, starting with the date of the application for registration, but can be renewed indefinitely by filing a renewal application and paying a renewal fee every 10 years. Renewal is granted without use.

## 11 The benefits of registration

**What are the benefits of registration?**

Registration confers on the owner the exclusive right to use the trademark, to dispose of it and to prevent others from using and registering an identical trademark or a confusingly similar trademark for identical or similar goods or services. Any party disputing the priority or the validity of the registration, or the rights of the registered owner to the registered mark, will effectively bear the burden of proof in a conflict (see question 20).

**12 Licences****May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

Licences as well as sub-licences may be recorded in the Trademark Register. Recordal is facultative and a licence agreement is also valid and enforceable without recordal. An exception applies in this respect to collective trademark registrations, licences that are only valid upon recordal. The request for recordal may be filed by the licensor or the licensee, and the licence must be confirmed by a statement of the trademark owner or by another suitable document (such as the licence agreement). It is possible to specify in the recordal that the licence is an exclusive, a sole, or a non-exclusive licence, as well as to specify that the licence is a partial one having effect only for some of the specified goods or services of the trademark registration. The recordal of the licence has the effect of protecting the licensee's rights in relation to successors in title to the trademark registration. Thus, an assignee of the trademark registration is obliged to allow the licensee to continue to use the trademark according to the terms of the recorded licence. Further, the Trademark Office will notify the licensee if the trademark owner renounces the licensed trademark registration or if the trademark registration is due to be cancelled as a result of non-payment of renewal fees. If the licence is recorded as a sole or exclusive licence, the Trademark Office will refuse to record further licences on the trademark. Accordingly, the recordal of a licence is primarily to the benefit of the licensee and is indeed recommended from the point of view of licensees.

**13 Assignment****What can be assigned?**

The assignment of the registration usually includes the goodwill attached to this mark because, by way of the assignment, the previous owner or assignor relinquishes all rights to the trademark, including the right to use it, so that the goodwill is automatically transferred to the new owner. However, the business previously attached to the mark does not have to be transferred together with the trademark.

To record the assignment, the parties do not have to include a value or consideration for the goodwill attached to the trademark.

A partial assignment is also possible in such a way that the trademark rights are only assigned for part of the registered goods or services. Partial assignment for only a part of the Swiss territory, however, is not possible. International trademark registrations may be assigned for one country only.

**14 Assignment documentation****What documents are required for assignment and what form must they take?**

An assignment declaration, signed by the assignor (previous owner) is required. No notarisation or legalisation is required. The document should state clearly who the parties are (name and full address) and which trademarks (registrations and applications) are to be transferred.

If the procedure is handled by an agent, he or she will need a power of attorney from the new owner (simply signed, with no notarisation or legalisation required).

**15 Validity of assignment****Must the assignment be recorded for purposes of its validity?**

A contractual obligation to assign a mark may be established in any form, for example, in writing or even by verbal agreement. The assignment itself must be in written form to be valid and effective, but recordal in the trademark register is not necessary to establish validity of the assignment. However, the assignment will only take effect in relation to third parties acting in good faith once it has been recorded in the register, and the actions provided for in the Trademark Act may be brought against the previous owner of the trademark as long as the assignment has not been recorded. Also, the new owner of the mark, in the absence of recordal of the assignment in the Register, will need to prove ownership of the mark in enforcement proceedings (such as oppositions and court actions), whereas once recordal has taken place,

an extract from the trademark register will usually be sufficient to establish ownership. It is thus highly advisable to record assignments in the Register even though the recordal is not a validity requirement.

**16 Security interests****Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Trademarks can be the subject of security interests in Switzerland. The recordal of the security interest in the Swiss trademark register is not obligatory but can be requested on the basis of a corresponding written agreement establishing the security interests. The advantage of the recordal of the security interest agreement lies in the possibility to enforce the security interest rights also against new trademark owners who acquired the mark in good faith from the previous owner.

**17 Markings****What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

The symbol ® or the phrase 'Registered Mark' should only be used if the trademark has actually been registered. The TM symbol, by contrast, may be used for any sign that is de facto used as a trademark, that is, the symbol TM may be used if the mark only has the status of a pending application, or even if no application for registration of the mark has been filed at all. The marking is not mandatory in Switzerland and moreover false indications are sanctioned by the Unfair Competition Act with civil and criminal law sanctions. The use of the symbols can have a deterrent effect on market participants, but does not constitute a legal precondition for damage claims in infringement proceedings, although they may facilitate such claims.

**18 Trademark enforcement proceedings****What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?****Civil court proceedings**

A trademark infringement action (civil action) may include injunctive relief, damages, surrender of profits or restitution of unjust enrichment. Trademark enforcement and infringement actions must be initiated before the cantonal civil courts. Every canton has a sole cantonal court with exclusive jurisdiction for trademark enforcement proceedings, which is, in the case of the cantons Aargau, Berne, St Gallen and Zurich, a specialised commercial court. Appeals against the decisions of the cantonal courts may be brought before the Federal Supreme Court.

**Criminal court proceedings**

Apart from civil actions criminal remedies are available only for wilful infringement of trademark rights and by means of complaint with the enforcement authorities.

**Custom seizure**

If an assistance request has been filed with the Swiss customs authorities (Federal Customs Administration) the authorities will hold back potentially infringing goods for 10 business days (this term can be extended by a further 10 business days), and the trademark owner can within this time period seek an injunction of a civil court or criminal prosecution authority seizing the goods. It is, furthermore, possible to obtain the destruction of the goods concerned by the customs authorities if the addressee does not oppose destruction.



### Update and trends

On 1 January 2017 the new, 'Swissness'-legislation comes into force. Its aim is to avoid the wrongful use of geographical indications as such and especially of references to Switzerland, Swiss quality. Made in Switzerland', etc., as well as of the Swiss cross in order to sustain the Swiss premium quality image. The legislation will stipulate the criteria under which a product can be labelled with references to geographical origin and in particular as being 'Swiss'. Under the new legislation it will also be possible to register within a trademark and use the Swiss cross in connection with products, provided that they fulfil the stipulated criteria, in contrast to the old legislation which allowed the registration and use of the Swiss cross only in connection with services whereas with regard to products the Swiss cross was not allowed to registration as a trademark, nor for use on the products themselves or their packaging (except for the use as a decorative element). The old legislation restricted the use of the Swiss cross in connection with products to advertisements, business papers or brochures. Products that have been manufactured under and in compliance with the old

legislation can be sold off within a transition period of two years (exhaustion period). The new legislation will furthermore reserve only the use of the Swiss coat of arms to the Swiss Confederation and its authorities. The new 'Swissness'-legislation entails a revision of the Swiss Federal Trademark Act and the Swiss Federal Act on the Protection of the Swiss Coats of Arms and other Public Signs.

Secondly, also from 1 January 2017 on an administrative procedure before the Swiss Trademark Office for the cancellation of a trademark registration that has not been used for (all or a part of) the specified products or services for an uninterrupted period of five years without reasonable grounds will be available. Previously the only possibility to cancel a non-used mark was to file a civil court action for cancellation. While a cancellation action before the courts will still remain available the aim of the new procedure is to additionally provide a more simple, time and cost saving way to apply for the cancellation of a non-used mark.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

Court infringement proceedings are typically initiated by filing a written opening brief with the competent court. The parties must allege the facts relevant to their position in their briefs and enclose all pieces of documentary evidence they can provide. Oral hearings may be held after the written briefs have been exchanged. In the course of the proceedings, the instructing judge typically summons the parties for a settlement hearing. Many proceedings are settled before a judgment is issued. Discovery proceedings are conducted by the court upon request of the parties (see question 23). Live testimony, again, typically taken by the court upon request of the parties, and court-appointed expert opinions are allowed. It is possible to submit affidavits of the parties and party-appointed expert opinions, but these will essentially only be considered as party allegations and will have additional weight only in certain circumstances.

In a commercial court, the case will typically be decided by one or more legally qualified judges and several lay judges with qualifications and experience in the relevant commercial field. In an ordinary court, the case would typically be decided by one or several legally qualified judges. For the time frame, see question 24.

Criminal proceedings are generally conducted by the criminal enforcement authorities in criminal courts depending on the cantonal jurisdiction involved. A more or less intensive participation of the injured party (trademark owner) may be required (see question 21).

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The general rule on the burden of proof is that the party deriving rights from a particular fact must prove this fact. Accordingly, the plaintiff must prove that it is the rightful owner of a valid trademark; if the trademark is registered, a current extract from the Swiss or International Trademark Register will be sufficient for this purpose. The plaintiff asserting infringement or dilution will further have to prove all facts establishing that the alleged infringing acts took place, continue to take place, or are impending, and that the defendant committed, or participated in, such infringing acts. The defendant refuting infringement bears the burden of proof for facts from which it derives absence of infringement. Although there is no explicit presumption of law in favour of the validity of a registered trademark, the defendant refuting infringement will generally have to prove all facts establishing the nullity of the plaintiff's registered trademark. An exception exists in the case of nullity on grounds of absence of validating use. Here, the defendant must only make credible the non-use of the mark (eg, by means of a standard in-use investigation), whereupon the burden of proof for validating use is imposed on the plaintiff. As a further exception, there is also a tendency in recent civil court practice to impose the burden of proof on the plaintiff to show the validity of the plaintiff's registered mark if the mark has been registered as a mark with acquired distinctiveness.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

Any person with a legally protected interest has standing to bring an action under the Trademark Act.

A nullity action against a trademark may thus be brought not only by the owner of a confusingly similar prior trademark, but by practically any person, as the general interest in free creation of new marks is considered sufficient to establish standing for nullity proceedings against existing trademarks. Further, professional and regional or national consumer protection associations with the statutory purpose of safeguarding their members' or consumers' rights may bring a nullity action under the Trademark Act against guarantee and collective marks.

An infringement action may be brought by the owner of the infringed trademark. Exclusive licensees, according to a recent amendment of the Trademark Act, have legal standing to bring an infringement action under the Trademark Act unless such action by the licensee is explicitly excluded in the licence agreement. Non-exclusive licensees may join an action brought by the trademark owner in order to claim their own damages. Licensees, furthermore, will generally be entitled to bring infringement actions under the Act against Unfair Competition, with similar remedies available as under the Trademark Act.

A criminal complaint regarding infringement of the criminal law provisions of the Trademark Act may only be brought by the damaged party, that is, primarily the trademark owner and, according to prevalent legal opinion and under certain further conditions, an exclusive licensee. In addition, in cases of fraudulent trademark infringement, defrauded consumers may bring a criminal complaint. The criminal law provisions of the Trademark Act further provide that if the infringing party acted on a commercial scale, the infringement is pursued by the state authorities. In such cases, no criminal complaint is necessary and the authorities will pursue and prosecute any infringement they become aware of, while any party may give notice to the competent authorities that an infringement of this type has taken place.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Actions regarding infringement and dilution of trademark rights valid in Switzerland may only be brought in connection with acts taking place in the country. Import and export of products and, following a recent amendment of the Trademark Act, also the transit of products through Switzerland, qualify as acts inside the country that may infringe a Swiss trademark right. Acts addressed towards Swiss territory from abroad that culminate in results in Switzerland also qualify as acts taking place in Switzerland, for example, mailing advertising materials or purchase offers from abroad to Swiss recipients, or the operation of a website from abroad that addresses the Swiss market. Customs authority assistance measures are available against infringing goods (see questions 18 and 28).

Swiss courts may have jurisdiction to judge an action brought against a person domiciled in Switzerland for infringement of trademark rights in other jurisdictions. In these cases, acts committed outside Switzerland and in the jurisdiction where the alleged infringement took place will be considered.

## 23 Discovery

**What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?**

The Trademark Act (article 55, paragraph 1c) provides that the party whose trademark rights are infringed may bring an action against any person in possession of infringing goods for disclosure of the origin and quantity of such goods and of the identity of commercial recipients to whom the goods were delivered by the defendant, including the quantity of the deliveries. The defendant is obliged by this provision to disclose and document his or her direct supplier and commercial customers, but not other suppliers or customers further removed in the supply chain, and is also not obliged to disclose further details of the supplies, for example, their pricing.

On the level of the applicable procedural statute, the courts in pending infringement actions may generally order evidence disclosure measures such as the disclosure of documents and the inspection of objects upon request of a party. Such an order may typically be directed against either an adverse party or a third party. Further, an adverse party may be interrogated before court upon request of either party, and any person may be ordered by the court, upon request of a party, to give testimony. Disclosure may be refused in certain circumstances (eg, in cases of potential liability of closely related persons, of attorney-client privilege). In addition, summary proceedings are available, also prior to the filing of an action, in which endangered evidence may be secured or facts may be established. Evidence from parties or persons outside the country must be obtained by means of letters rogatory, which may be issued by the court upon request of a party.

In Swiss civil court proceedings, discovery and disclosure of evidence is directed by the courts as part of the evidence proceedings before court.

## 24 Timing

**What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?**

The typical time frame for a court infringement or dilution action is from six to 12 months (eg, in cases where the defendant does not contest the action or participate in the proceedings) up to about three years.

In the event of an appeal against the final decision of the court of first instance, the typical time frame will extend by a further 12 to 24 months. Preliminary injunctions can be obtained within a few months, a few weeks, or even a few days (eg, if an ex parte injunction is granted

before the defendant is heard), although if appeals are pursued, the appeal proceedings again can easily require a further 12 months.

## 25 Litigation costs

**What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?**

Court fees (which will be need to be advanced to the court) are calculated on the basis of the value in litigation, which is usually set by the court on the basis of the parties' estimate of same and amounts typically to at least 10,000 Swiss francs. They could well be higher if a significant value in litigation is fixed by the court. The attorney's fees for preparing and filing an action amount typically up to 25,000 Swiss francs. If prosecuting the action to its conclusion involves written or oral replication and duplication by the parties' representatives, and possibly further exchanges of written briefs or oral statements before the court, as well as evidence proceedings and final pleadings, the additional attorney's fees are likely to be at least about 25,000 Swiss francs. The prevailing party will be entitled to the payment of a significant cost contribution to its legal fees and further expenses incurred in connection with the action (including court fees) from the losing party, which would increase or decrease the above-cited costs accordingly.

If the first instance court judgment is appealed, costs of at least 15,000 Swiss francs should be expected for attorney's fees in the appeal proceedings, while again, a significant cost award will be granted to the prevailing party based on the value in litigation.

## 26 Appeals

**What avenues of appeal are available?**

Appeals against the first instance decision of a cantonal court are available only directly to the Federal Supreme Court. An appeal may essentially be brought before the Federal Supreme Court claiming that provisions of Swiss Federal Law (including civil, constitutional and criminal law) have been violated by the court of first instance; typically, however, no review of facts will be available before the Supreme Court.

## 27 Defences

**What defences are available to a charge of infringement or dilution, or any related action?**

In the case of infringement the defendant may argue that he or she is owner of prior rights, that there is no risk of confusion between the marks under comparison, that the plaintiff's trademark is descriptive, laudatory or misleading, or has become generic, so that the plaintiff's trademark registration is void, that the plaintiff's mark has become unenforceable due to non-use despite the expiration of its grace period or that the trademark rights have become forfeited (estoppel). If the defendant is able to show that he or she started to use the mark before the application date of the plaintiff's mark the defendant

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would, furthermore, be entitled to continue using the mark to the previous extent.

## 28 Remedies

### **What remedies are available to a successful party in an action for infringement or dilution, etc?**

Civil remedies in the case of the infringement of a mark include final injunctive relief, damages, surrender of profits or restitution of unjust enrichment. Further, the court may order the seizure and destruction of counterfeited goods and the publication of its decision. The court may also order (either in preliminary injunction proceedings prior to an ordinary action, or within an ordinary infringement court action) a preliminary injunction if the plaintiff can credibly show that his or her claim will prevail in a proceeding on the merits (*prima facie* likelihood), if the disadvantages suffered cannot be readily remedied by a decision on the merits and if the matter is urgent. Criminal sanctions include fines of up to 1.08 million Swiss francs or imprisonment for up to five years, or both.

## 29 ADR

### **Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

Except for criminal sanctions and administrative proceedings, all trademark disputes can be subject of ADR techniques such as mediation and arbitration, however, actually, the majority of ADR procedures concern domain names and not trademark disputes. The benefits of arbitration or mediation procedures are, for example, flexibility,

likelihood of faster reached amicable solutions, lower costs and faster decisions, preservation of relationships and reputation. There are only limited avenues of appeal in the case of an arbitral award.

## 30 Famous foreign trademarks

### **Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Swiss law does not grant special protection to famous foreign trademarks, but recognises notoriously known, or well-known, trademarks, these being marks not registered in Switzerland but enjoying trademark protection in another jurisdiction, which, simultaneously, are well known to the relevant market circles in Switzerland.

Proof for the well-known character of a mark in Switzerland will normally require documentation of very intensive and extended use and advertising for the mark in Switzerland and in some cases a recognition poll with favourable results, as Swiss practice is very strict with regard to the issue of well-known character. If a mark is recognised as well known, this leads to protection of a mark comparable to the protection granted to a registered mark. The scope of protection is, however, limited to the goods or services for which the mark has been regarded as well known (including similar goods or services). A well-known character of the mark in other jurisdictions will typically not be considered relevant under Swiss Trademark Office practice, however, it is possible that a foreign mark qualifies as well known in Switzerland without domestic use, but this will rarely be recognised in practice.

# Turkey

Işık Özdoğan and Ezgi Baklaci

Moroglu Arseven

## 1 Ownership of marks

### Who may apply?

Any person or legal entity can file a trademark application regardless of whether the trademark is in use or not.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Article 5 of the Trademark Decree Law No. 556 (Trademark Decree Law) accepts a sign as a trademark as long as it can be graphically represented and is capable of distinguishing an entity's goods or services from those belonging to others. The following signs are accepted as a trademark, provided they are distinctive:

- words;
- letters, numerals and combinations thereof;
- device marks and logos;
- three-dimensional device marks (shape of the goods or their packaging); and
- slogans (as long as it is distinctive itself or contains a distinctive word or device mark).

Although not mentioned in the Trademark Decree Law, the Turkish Patent Institute (TPI) accepts applications for:

- single colour or colour combinations;
- sound marks (musical notations specified by key and rhythm);
- motion marks;
- guarantee marks; and
- collective marks.

According to the Trademark Decree Law, the following cannot be registered as a trademark:

- signs devoid of distinctive character;
- signs that refer to characteristics, quality, intended purpose, value or the origin of the covered goods or services;
- signs that are identical or almost the same as earlier trademarks;
- signs that are contrary to public policy or accepted principles of morality;
- trademarks that are excluded from the scope of article 6-ter of the Paris Convention, but concern the public and possess historical and cultural value owing to their incorporation of armorial bearings, emblems, or hallmarks that have not been authorised by the competent authorities;
- signs that have not been authorised by their owners and well-known marks within the meaning of article 6-bis of the Paris Convention; and
- signs containing religious terms, symbols, names of religious officials, holy words, etc.

Non-traditional trademarks that do not meet the criteria for registration can be protected by unfair competition provisions, as long as the prerequisites are met.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Only registered trademarks can benefit from the provisions of the Trademark Decree Law. However, there are exceptional cases where unregistered trademark holders can base their trademarks on an opposition (or lawsuit) and benefit from the Trademark Decree Law. According to the Trademark Decree Law, the TPI's Guidelines, and to general practice, exceptions include:

- a non-registered trademark holder can challenge a third-party application or registration if the non-registered trademark was in use within Turkey before the third party's application or registration date;
- a non-registered trademark holder can challenge a third-party application or registration if:
  - it has a relationship with the holder of a third-party application or registration; and
  - it has not consented to the application;
- a non-registered trademark holder can challenge a third-party application or registration if it can prove the holder of a third-party application or registration is aware of its unregistered trademark; and
- non-registered trademark holders can challenge a third-party application or registration if the third-party application or registration is an exact copy of a highly distinctive but non-registered trademark. If this similarity cannot be considered to be a coincidence, the TPI will accept oppositions filed by the non-registered trademark holder, even if it has never been used in Turkey.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

The following documents and information are required to file a trademark application in Turkey:

- trademark sample:
  - word mark: correct spelling of the word; and
  - device mark: the trademark sample in .jpg form, 300 dpi and minimum 5 x 5 cm (590 x 590 pixel) maximum 7 x 7cm (825 x 825 pixels);
- the name, address, telephone and facsimile number of the owner;
- list of goods and services claimed;
- a power of attorney: the power should be signed by the representative of the company and bear the name and title of the signatory (no legalisation or notarisation is required); and
- priority document: where the application is based on a prior application, the prior application details are needed. The original or certified copy of the priority document can be submitted no later than three months after the filing date.



The TPI's registration procedure generally takes between 10 and 12 months. The estimated time and costs increases in the following circumstances:

- office actions related to classification (no official fee is requested except in cases where the TPI rearranges the specification and decides that the number of classes are more than specified in the application form);
- provisional refusals (official fee is approximately US\$103 to file an appeal against the TPI's provisional refusal decision and the TPI's examination takes between five and seven months); and
- oppositions filed by third parties (no official fee is required to respond a third-party opposition and it takes between six and eight months for the TPI to examine a third-party opposition filed against a trademark application).

The official fees for filing a trademark application are approximately US\$66 for a single class application, and US\$66 for each additional class. Approximately US\$52 is charged for claiming convention priority. Including the registration fee, the official fees for the whole application will be around US\$300 for a single class application.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

The TPI accepted the 10th edition of the Nice Classification.

In 2011, the TPI changed its Guidelines as to retail services in class 35. Since then, applicants must specify the goods that will be retailing (such as 'retail services featuring...').

Multi-class applications are allowed.

As sameness or similarity with an earlier applied or registered trademark is one of the bases for absolute grounds for refusal, an availability search will save an applicant cost and time.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

The TPI examines an application considering the absolute grounds of refusal and relative grounds for refusal.

### Absolute grounds of refusal

The TPI *ex officio* examines whether the application meets the following criteria:

- the application is distinctive;
- the application is not same or almost identical with an earlier registered or applied trademark;
- the application does not refer to the characteristics, quality, intended purpose, value or origin of the covered goods or services;
- the application is not contrary to public policy or accepted principles of morality;
- the application is not subject to public concern or possesses historical and cultural value due to the incorporation of armorial bearings, emblems or hallmarks that have not been authorised by the competent authorities;
- the application is not identical with well-known marks within the meaning of article 6-bis of the Paris Convention; and
- the application does not contain religious terms, symbols, names of religious officials, holy words, etc.

If the TPI refuses an application after its examination on absolute grounds, the applicant can file an appeal against the TPI's decision within two months before the Appeal Board. The TPI's decision on the appeal will be the final decision of the TPI. The applicant has the right to start a cancellation action (a lawsuit) against the TPI's final decision before the Ankara First Instance Courts within two months. It takes between two-and-a-half years and four years to receive the final decision of the court.

### Relative grounds of refusal

Third parties can file an opposition against a published trademark based on one or all of the relative grounds of refusal. If an opposition is filed, the TPI examines the application, but limited to the opponent's claims. Relative grounds of refusal include:

- sameness, similarity, likelihood of confusion with an earlier, registered or applied trademark;
- sameness, similarity, likelihood of confusion with an unregistered trademark that has been in use in Turkey before the application date;
- unauthorised filings by an agent or commercial representative, etc;
- a well-known trademark: dilution argument;
- a copyright infringement argument (the application infringes the rights arising from a name, photograph, copyrighted work or any other industrial property rights owned by a third party);
- sameness, similarity or likelihood of confusion with a guarantee or collective marks (this argument can be claimed within three years after the basis trademark's expiry date); and
- sameness, similarity or likelihood of confusion with an expired trademark (this argument can be claimed within two years after the basis trademark's expiry date).

Filing a response to the third-party opposition is not obligatory. However, the applicant is entitled to challenge the TPI's decision rendered about third-party opposition. If the third-party opposition is refused, the opponent can file an appeal before the TPI's Appeal Board. The applicant also has the right to challenge the TPI's decision before the Appeal Board if the opposition is accepted. The Appeal Board's decision is the TPI's final decision. Depending on the outcome, both the applicant and the opponent could start a cancellation action (a lawsuit) against the TPI's final decision before the Ankara First Instance Courts within two months. It takes between two-and-a-half years and four years to receive the final decision by the court.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Applicants can register a trademark regardless of whether the trademark is in use or not. Therefore, the TPI never requires proof of use. The exception is where the application is refused based on the argument that it lacks distinctive character. In such cases, the applicant must file an appeal and evidence proving the following arguments:

- the rejected trademark is presently in use and has acquired distinctiveness through its use;
- the rejected trademark's acquired distinctiveness relates to the same goods or services indicated in the application; and
- the rejected mark is perceived as a trademark in Turkey (proof of acquired distinctiveness abroad alone is not sufficient).

Although not stated in the Trademark Decree Law, the TPI takes the following evidence into account when examining acquired distinctiveness arguments:

- opinion polls (carried out by independent and well-recognised organisations or institutions, so long as the questions are relevant and not leading);
- surveys;
- statements from trade and consumer organisations;
- articles;
- brochures;
- samples;
- sales (indicating the product's sales in relation to total market sales figures);
- turnover and advertising and promotion figures (these should only relate to the goods or services for which registration is sought);
- successful infringement prosecutions; and
- previous trademark registrations obtained from different countries, if any.

Only third parties can raise the non-use argument and this is done by starting a lawsuit. The TPI never examines use of a trademark, even if requested during the opposition procedure.

## 8 Appealing a denied application

### Is there an appeal process if the application is denied?

If an application is refused after the TPI's examination on absolute grounds, the applicant has the right to file an appeal before the Appeal Board against the TPI's decision within two months. The Appeal Board's decision is the TPI's final decision. The applicant can start a cancellation action (a lawsuit) against the TPI's final decision before the Ankara's first instance court within two months. It takes between two-and-a-half and four years to receive the final decision by the court.

## 9 Third-party opposition

### Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

If an application passes the TPI's examination on absolute grounds, it is published for opposition in the Official Trademark Bulletin for a three-month period. A third party who misses the opposition period can still start a cancellation action against the trademark after the registration. Filing an earlier opposition is not a prerequisite for starting a cancellation action.

Third parties file an opposition based on relative grounds of refusal (see question 6). Third parties can file an opposition against a published application if the third-party application is filed in bad faith (article 35 of the Trademark Decree Law). The following cases give an indication of TPI practice:

- applications that are identical to a highly distinctive sign are considered to be filed in bad faith if this sameness cannot be considered to be a coincidence;
- bad faith exists where resigned employees or former business partners apply for trademark registration of the unregistered sign of their former employers or firm;
- it is contrary to accepted principles of morality if an applicant applies for registration of a trademark exclusively with the intent of abusing his or her legal right at the expense of other persons;
- bad faith exists where the applicant is not interested in using the registered trademark for his or her products or services, but exclusively intends to prevent other persons from using the trademark for their products or services. The applicant also acts in bad faith if he or she intends to use the registered trademark only for selling the trademark at an unjustified price or for receiving unjustified royalties; and
- systematic applications to register many well-known trademarks (even if they are not well-known in Turkey).

The official fee for filing an opposition is around US\$35.

If a third-party opposition is refused, the opponent can file an appeal before the TPI's Appeal Board. If the opposition is accepted, the applicant can also challenge the TPI's decision before the Appeal Board. The Appeal Board's decision is the TPI's final decision. Based on the outcome, both the applicant and the opponent will have the right to start a cancellation action (a lawsuit) against the final decision of the TPI before the Ankara's first instance courts within two months. It takes between two-and-a-half and four years to receive the final decision by the court.

## 10 Duration and maintenance of registration

### How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

The trademark registration period lasts 10 years, starting from the application date. Registration can be renewed for further periods of 10 years. The official fee for renewing a trademark is approximately US\$220. No proof of use is required to renew a trademark.

Only third parties can raise the non-use argument and this is done by starting a lawsuit. The non-use grace period is five years, starting from the registration date. Therefore, third parties can only start a non-use action after the fifth year of a registration.

## 11 The benefits of registration

### What are the benefits of registration?

Only trademarks registered in Turkey can benefit from the provisions of the Trademark Decree Law. Therefore, it is advantageous to obtain registration in Turkey. Other advantages of registration include:

- although non-registered trademark owners can protect their rights based on unfair competition provisions, in a possible action, the plaintiff must prove it is the holder of the unregistered trademark;
- it is not possible to take criminal measures (and organise raids) if the trademark is not registered in Turkey;
- although non-registered trademark owners can file an opposition based on earlier use, having a registered trademark in Turkey will mean proving the earlier use is not required;
- the Customs Authority only records trademarks that are registered in Turkey; and
- most administrative authorities require the trademark to be registered in Turkey (such as the Tobacco and Alcohol Market Regulatory Authority or Ministry of Health).

## 12 Licences

### May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

The TPI records licence agreements.

It is advisable but not compulsory to record a licence in Turkey. With recordal of a licence agreement, the licensee can invoke its rights against third parties. Although recordal of the licence has the practical effect of publicly declaring the licence, it cannot be invoked against third parties who are not aware of the licence agreement.

## 13 Assignment

### What can be assigned?

A trademark registration or application can be transferred to third parties either partially or fully, separate from other business assets. When a trademark registration or application is assigned, it is assigned with associated assets and liabilities.

## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

The following documents are required to record an assignment:

- an assignment agreement, which clearly indicates the trademarks, the date and number of application or registration, as well as the name or title, nationality and addresses of the assignor and the assignee. It must be signed by the parties' legal representatives. The Assignment Agreement should be notarised and legalised by the Turkish Consulate or bear 'apostille' in accordance with the Hague Convention; and
- a power of attorney, which should be signed by the assignee's representative and bear the signatory's name and title. No legalisation or notarisation is required.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

It is not compulsory to record an assignment agreement, meaning the recordal of assignment has the practical effect of declaring the agreement in Turkey. However, it is advisable to record the assignment with the TPI to ensure the party who took over the trademark is able to invoke its rights against third parties.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interest can be recorded before the TPI separately from other business assets. The TPI will record the security interest on the request of one of the parties. The TPI communicates changes made with respect to a mark that is the subject to a security interest to the security interest holder after the relevant fees are collected from the pledging party. An assignment and a cancellation of a mark may only be completed with the consent of security interest holder.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

No specific word or symbol must be used to indicate that a trademark is registered.

Trademark holders can use the symbols ® or ™ to indicate that their trademark is registered. However, false indications are subject to criminal liability under the Turkish Commercial Code.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

Trademark infringement is both a tort and crime in Turkey. Trademark owners can start both criminal and civil actions against the infringers. In major cities such as Ankara, Istanbul and Izmir, the cases are heard by specialised IP courts and prosecution. Otherwise, the cases are heard by criminal and civil courts of peace.

### Civil action

According to the Trademark Decree Law, use of a sign that is identical or similar to a registered trademark in relation to the same or similar goods and services, or as domain name, routing word, keyword, etc, for commercial purposes is considered to be trademark infringement.

Trademark owners can initiate a lawsuit to eliminate and cease further trademark infringement. Trademark owners also have the right to request the following:

- determination of infringement;
- preliminary injunction;
- cessation and prevention of infringement;
- elimination of infringement;
- seizure of counterfeit goods;
- compensation for damages (material and immaterial); and
- public disclosure of the final decision through a newspaper with mass circulation.

### Criminal action

Trademark infringement is also a crime according to the Trademark Decree Law. Within this scope, trademark holders can request seizure of the counterfeit or infringing goods.

## Administrative measures

According to the Turkish Customs Code and the Turkish Customs Regulation, where goods violate the rights of legitimate owner and there is obvious evidence that goods bearing an infringing trademark are being imported into the country, the Customs Administration can stop the customs process and seize the goods. Likewise, the same process could be applied if the rightful owner or his or her representative files a complaint. However, the trademark holder must first register its rights online with the Custom Authority. When accepted, the registration covers all customs offices in Turkey.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

### Civil actions

Following filing of a lawsuit, the plaintiff's petition is served on the defendant, who receives two weeks to reply. After the defendant's first response, the parties can each file two further responses against each other's arguments. After completion of the exchange of briefs, the judge can invite the parties to solve the dispute amicably. If the parties cannot settle, the judge will appoint an expert body to examine the defendant's products and accounts. The most important aspect then becomes the expert report. Both parties can oppose the expert report, usually causing an additional report to be requested from a second expert. Expert reports are the most important element to obtaining a favourable judgment and can directly affect the judge's decision. Without expert reports, the judge cannot reach a verdict, particularly in a specific or technical issue. In this respect, expert reports are used to determine the legal discussion. The expert body usually consists of three people:

- a commercial law professor from a law school;
- an expert in the field of unfair competition or IP rights; and
- an accountant.

Before proceeding with a civil action, the plaintiff can obtain evidence by requesting a determination of evidence from the court. This is a preparatory step before proceeding with any legal action. The court visits the location and determines whether the defendant uses the trademark and, if so, the range of use. The defendant is not notified before the visit.

A preliminary injunction can be sought to cease the infringing use, either before or together with the action. The court initially evaluates the preliminary injunction request. In practice, injunction decisions are quite exceptional and the courts are very reluctant to render such decisions unless they see a very unfair position created by the defendant. The court can grant its decision within a week, or may want to hear the defendant and invite both parties to a hearing. If the court accepts the preliminary injunction request and grants the preliminary injunction, the plaintiff must deposit a significant monetary guarantee with the court to cover possible damages to the counterparty that could arise from the injunction. The guarantee amount differs in each case based on the defendant's reputation and the judge. Depending on the judge and the issue, the guarantee amount will be between US\$10,000 and US\$80,000.

Civil actions take between 18 and 24 months before the court renders its decision. After the court renders its decision, the parties have the right to appeal. The appeal procedure takes a further one-and-a-half to two years. Consequently, civil actions can take between three and four years to be finalised.

### Criminal actions

Criminal proceedings are the most effective because they allow immediate seizure of the goods. In other words, trademark owners can immediately prevent counterfeit products from entering the relevant market. The procedure is:

- a complaint is filed with the prosecution office, with a sample of the alleged counterfeit product, purchased from the suspected shop (together with an invoice);
- if the district attorney accepts the seizure request, a search warrant is issued and police conduct the raid, accompanied by the complainant's lawyer;

- after the raid, the prosecution period starts and the district attorney hears the infringers' arguments. Before starting criminal actions, some prosecution offices prefer to send a sample of the alleged counterfeit product to an expert body for an authenticity test. If the expert body determines the seized products to be counterfeit, the district attorney starts a criminal action against the counterfeiters;
- in some cases, district attorneys do not send the sample counterfeit product for an authenticity test and start the criminal action immediately after the seizure. In such cases, a sample of the seized counterfeit product is sent to an expert body during the criminal judgment instead; and
- if the experts find the seized goods to be counterfeit, the judge will issue a verdict against the defendant. Although the law mentions imprisonment, prison penalties are generally converted into a criminal fine in practice. According to criminal procedural law, if the shop owner or infringer has no criminal record, the court may suspend the punishment for five years. If he or she does not receive any criminal penalty within this five-year period, the first punishment is erased from their criminal record. In any case, the seized goods are confiscated by the relevant department of the Prosecution Office.

It generally takes between six and 18 months to receive a final decision from the criminal courts.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

According to the Civil Procedural Law, the burden of proof generally rests on the party who brings the action. However, in some cases the plaintiff must also prove certain points. For example, the plaintiff must prove its argument if the action is based on the well-known character of the basis trademark, earlier use or risk of dilution, as well as in relation to damages (or the monetary loss).

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The owner of a registered trademark or published application, as well as the licensees, may seek a remedy for an alleged trademark violation. Unless provided otherwise by the agreement, the holder of an exclusive licence can initiate all legal proceedings in its own name, which are available to a trademark owner. Holders of non-exclusive licences do not have the right to start legal proceedings, but may give notice, through a notary public, requesting the trademark holder start such proceedings. The non-exclusive licence holder can then institute proceedings if the trademark holder refuses to take action, or fails to start the proceedings within three months of receiving the notice.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Turkish courts only consider infringing acts that have occurred within Turkey.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

#### Determination of evidence

Before proceeding with a civil action, the plaintiff can obtain evidence by requesting a determination of evidence from the court. This is a preparatory step before proceeding with any legal action. The court visits the location and determines whether the defendant uses the trademark and, if so, the range of use. The defendant is not notified before the visit.

## Raids

Raids can be used as a mechanism to gather evidence. The counterparty is not notified about the raid (see question 19).

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

Civil actions take between 18 and 24 months before the court renders its decision. After the court renders its decision, the parties receive the right to appeal. The appeal procedure takes between one-and-a-half and two years. Consequently, civil actions take between three and four years to be finalised.

It generally takes between six and 18 months to receive a final decision from the criminal courts. If the criminal court decides to defer announcement of the verdict, the decision cannot be appealed before the Appeal Court. Otherwise, the appeal examination takes between 18 and 24 months.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

#### Attorney fees

Although the Bar Association has an advisory fee schedule, attorney fees vary. At the end of the case, the court orders the losing party to compensate the winning party's official legal fee; approximately US\$866. The winning party does not receive compensation for the actual attorney fee unless this is sought through a separate action.

#### Official legal expenses

Approximately US\$1,500, which can be compensated at the end of the case.

If a certain amount of damages is requested within the infringement action and the court partially accepts the case, the court awards the defendant's attorney a portion of the refused amount as an official attorney fee.

If a preliminary injunction is requested, the court may order the plaintiff to deposit a guarantee of between US\$10,000 and US\$80,000. This amount is returned to the plaintiff at the end of the case.

## 26 Appeals

### What avenues of appeal are available?

The Civil Court's final decisions can be appealed to the Appeal Court within 15 days of receiving the justified decision. The criminal court's decisions can be appealed within seven days of the day the decision is rendered.

If an appeal occurs, the parties can request that the Appeal Court reconsider its opinion within 15 days of receiving the Appeal Court's decision. However, this is a perfunctory step and usually does not change the Appeal Court's decision unless the decision contains a clear error of fact or law.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

Possible defences are:

- the alleged infringing use is based on the defendant's registered trademark;
- the trademarks are not similar or no likelihood of confusion arises;
- use of the trademark is within the scope of 'fair use in trade' (article 12);
- the alleged infringing use is based on the defendant's rights acquired through use (which began before the plaintiff) (article 8(3)); or
- the action was not initiated within 12 months of the date the plaintiff became aware of the defendant's use, or 10 years in any case (article 60 of Law of Obligation; article 70 of the Trademark Decree Law).



### Update and trends

#### Article 7(1)(b) of the Trademark Decree Law

The Turkish Constitutional Court recently ruled on the constitutionality of article 7(1)(b) of the Trademark Decree Law, which allows the TPI to conduct ex-officio similarity examinations. The Constitutional Court held that article 7(1)(b) meets the requirements that a trademark be unique, not imitated and possess the character of a guarantee. The Court held that article 7(1)(b) protects property rights for earlier registered trademark owners, as well as the rights of third persons who intend to undertake transactions based on the trademarks. The Constitutional Court's decision means that trademark owners in Turkey continue to be prohibited from signing co-existence agreements and consent letters. Therefore, trademarks which are identical or confusingly similar, in relation to the same type of products and services, must still be registered to the same proprietor.

#### Proof of use as to the service marks

In a recent case, the Assembly of Civil Chambers (the highest body within the Court of Appeal system) clarified the approach to interpreting evidence submitted to prove use of service marks in non-use actions. The plaintiff filed a cancellation action based on non-use, arguing that the subject trademark is only used for retail store services and should be invalidated for the unused services (classes 37 and 43). The defendant sought dismissal of the non-use action, claiming the trademark is used for retail store services, as well as actively used for construction services (class 37) and services for providing food and beverage (class 43). The first instance court partially cancelled the trademark with regard to 'construction services' and the 'rental of the construction equipment and machinery' in class 37. The defendant appealed the first instance court's decision and the Appeal Court concluded that to prove use of a service mark, using the trademark on the building complex and mall is not necessarily required. Therefore, using the trademark on brochures and advertising materials were sufficient to accept the service mark's use in class 37. The first instance court insisted on its initial decision, meaning the file was escalated to the Assembly of Civil Chambers. This higher court affirmed the case and the Appeal Court's decisions about the service mark became final. The Appeal Court's decision clarifies questions about how to prove

use of service marks in Turkey. Evidence proving use is varied due to the nature of service marks. However, Turkish courts are rather strict on evaluating evidence submitted by trademark holders. In most cases, advertising materials and brochures are considered to be weak evidence because trademark holders can prepare such evidence at any time with respect to a non-use action. The courts require evidence submitted by trademark holders to match its books and accounts. Courts prefer evidence to be supported by commercial books and records, as well as invoices bearing the trademark in question. The Appeal Court's decision means it might now be possible to overcome a non-use action in Turkey by submitting advertising materials and brochures, as long as they show proper use.

#### Draft Law

After being opened for public consultation by the TPI, the Draft Industrial Property Law (Draft Law) was submitted by the Turkish Parliament's Industry, Trade, Energy, Natural Sources, Information and Technology Commission in May 2016 for the final vote. The Draft Law contains provisions on trademarks, patents, industrial designs and geographical indications, which are currently addressed by separate Decree Laws. The Draft Law introduces promising improvements to the Turkish system, clarifying grey areas which tend to cause problems in practice. Notable aspects include:

- acceptance of consent letters as an available method to overcome a provisional refusal decision, based on the existence of an earlier trademark;
- introducing bad faith as a specific ground for refusal or cancellation. Although not previously listed among the grounds for refusal, in light of a recent Court of Appeal decision, bad faith has been accepted in practice as a valid ground for refusal. This approach is codified under the Draft Law;
- acceptance that goods and services covered by the same or different classes do not necessarily result in trademarks being similar or different.

If the non-use grace period is over, an applicant can request the opponent to prove use of the trademark which forms the basis of an opposition.

Counter claims must be presented by initiating a separate action or a counter action within the same action.

### 28 Remedies

**What remedies are available to a successful party in an action for infringement or dilution, etc?**

Remedies include:

- cessation, elimination and prevention of infringement;
- seizure of counterfeit goods or confiscation of the products, or equipment and machinery, or both, used to produce these products;
- requesting ownership over the seized products (in this case the value of the products shall be deducted from the compensation awarded);
- compensation for damages (material and immaterial); and
- public disclosure of the final decision through a newspaper with mass circulation.

According to the Turkish Trademark Law, material damages can be determined according to any of these methods:

- presumed income of the trademark owner if the trademark infringement had not occurred;
- income of the infringer derived from the infringement; or
- the royalty that would have been paid by the infringer if the trademark owner had licensed his or her trademark to the infringer.

### 29 ADR

**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

No ADR techniques are available in Turkish practice.

### 30 Famous foreign trademarks

**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

The Trademark Decree Law protects trademarks that qualify as well-known marks in Turkey according to article 6-bis of the Paris Convention, even though they are not actually used within Turkey. The TPI has also established the well-known trademark registry, aiming to record and make information about well-known trademarks publicly accessible. However, in 2015, the Constitutional Court struck out article 7(1)(i) of the Trademark Decree Law, which formed the legal basis for the TPI to refuse trademark applications on the basis that an application is similar to a well-known mark, according to article 6-bis of the Paris Convention.

The Paris Convention is considered to be part of the Turkish legal system and continues to apply. Therefore, although it is not a reason for absolute grounds, article 6-bis of the Paris Convention still applies in Turkey.

However, the TPI has not rendered any decision regarding the future of the Well-Known Trademark Registry since the article was struck out. The TPI's well-known trademark registry allows holders of well-known trademarks to register their trademarks. Although there is no detailed legal arrangement about this issue, the practice seems to be settled. Accordingly, holders of a well-known trademark prefer to register their trademark as well-known. The TPI takes into account the WIPO Joint Recommendations on the Protection of Well-Known Marks when assessing well-known trademark applications. Evidence on the following points will be useful in supporting applications:

- history of the trademark and length of the use;
- the extent and geographic area of the registration (registrations in Turkey and other countries);

- the extent and geographic area of any promotion of the trademark (market share, yearly sales, etc);
- promotion activities (advertising) with respect to the trademark (especially in Turkey), the length and scope of these promotions, the cost of these promotional activities and the type of promotions;
- any other promotional activities that cannot be considered to be an advertisement, but which support the well-known character of the trademark (any publication, exhibitions, etc);
- court decisions accepting the well-known character of the trademark or that display the trademark owner's willingness to protect its trademark (court cases, opposition procedures, seizures, unfair competition actions, etc);
- public opinion searches, market survey, polls, etc;
- information about the trademark owner (company size, number of employees, information about the capital and profit, local and international distribution channels, agents, licensees, tax paid, etc);
- awards that the company has won with respect to the trademark;
- information on whether the trademark symbolises its owner and whether the trademark reflectively reminds consumers about the goods that it applies to;
- information on export and import of the goods that carry the well-known trademark; and
- the trademark's nominal value.

The TPI examines applications based on submitted documents. No expert opinion is requested during the examination. The TPI's Re-examination and Evaluation Board renders its decision regarding the well-known character of the trademark. Based on the TPI's decision, the trademark can be classified as well known only in the relevant sector (meaning the degree of recognition is limited) or beyond the sector within which the trademark owner is operating. Although this categorisation does not arise from the Trademark Decree Law, the TPI still makes the distinction when rendering its decision on a trademark's well-known character.

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# United Kingdom

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## 1 Ownership of marks

### Who may apply?

Any individual or entity may apply for a trademark where they are using a mark (or allowing someone else to use it with their consent) or intend to use it as an indicator of origin for goods or services.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

A trademark may be registered if it is a sign, which is capable of being represented graphically, and which is capable of distinguishing the goods and services of one undertaking from those of other undertakings.

The requirement for a sign to be capable of graphical representation means that it is more difficult in practice to register smells, sounds, colours and moving images as trademarks in the UK. However, this requirement is due to be removed for EU trademarks that cover the UK, on 1 October 2017 and for UK trademarks by 15 January 2019.

Under UK law, even if a UK trademark complies with the above requirements, it will not be registered if:

- (i) it is descriptive of the goods or services covered by the mark (eg, the quality, origin or quantity of the goods, etc); (ii) its use has become customary for the goods or services covered by the mark; or (iii) it is otherwise devoid of any distinctive character, unless the mark has acquired distinctiveness prior to the application for registration;
- it consists exclusively of a shape that (i) results from the nature of the goods, (ii) is necessary to obtain a technical result, or (iii) gives substantial value to the goods;
- it is contrary to public policy or morality;
- it is deceptive;
- it has been applied for in bad faith;
- it contains a specially protected emblem (eg, the Royal arms, a national flag, hallmarks, etc); or
- its use has been prohibited in the UK.

If the subject matter of a mark fails to comply with the requirements set out above (the 'absolute grounds for refusal') then it cannot be registered, but it may still be capable of protection at common law (see question 3).

## 3 Common law trademarks

### Can trademark rights be established without registration?

It may be possible for the owner of an unregistered trademark, name, trade dress or 'get up' of a product to protect their brand at common law under the tort of passing off. In order to claim protection under passing off, a claimant must be able to establish that (i) they own goodwill attached to the goods or services in the UK; (ii) the defendant has made a misrepresentation which is likely to confuse the public into thinking that the goods or services offered by the defendant are those of the claimant; and (iii) the misrepresentation has caused damage to the claimant. An actionable misrepresentation under the law of passing off

may include the use of an identical or similar trademark, thereby effectively providing protection for common law trademarks.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?

An application for a UK trademark that does not encounter any objections or oppositions would typically take around three months from the filing of the application to proceed to registration, although this depends on the workload of the UK Intellectual Property Office (the UKIPO). The UKIPO's filing fees for a trademark in a single class are £170 for an online application or £200 for a paper filing, with an additional fee of £50 for each additional class. If the applicant is based outside of the UK, then he or she must appoint agents within the European Economic Area (EEA) or Channel Islands to act as an address for service when filing the application.

Many applicants instruct lawyers or trademark attorneys to draft the specification of goods and services and to file the application on their behalf, which incurs additional fees. If the examiner raises any objections or a third party seeks to oppose the application then this will extend the time frame and is likely to increase the costs associated with the registration.

## 5 Classification system

### What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

The classification system for the purposes of UK trademark registration is the Nice International Classification system. It is possible to file multi-class applications for UK trademarks, with the costs savings set out at question 4.

## 6 Examination procedure

### What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

The current UKIPO practice for examination of trademark applications is set out in the Examination Guide contained in the Manual of Trade Marks Practice.

The UKIPO will examine an application to establish whether it complies with the 'absolute grounds' criteria set out at question 2. If an application fails to comply with these requirements then it will be rejected.

Following substantive examination, the UKIPO will identify whether there are any pre-existing trademarks which are either

identical or so similar that there would be a likelihood of confusion (the relative grounds of refusal). If such a mark exists, then this will not prevent registration, but the examiner is required to notify the owner of the earlier trademark if the application is accepted for publication.

If the UKIPO examiner objects to the application then the applicant will have two months to respond. Depending on the objection, the applicant may request a hearing, file evidence of use (to show acquired distinctiveness) or amend or divide the application (to allow those classes for which the application is acceptable to proceed).

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

A trademark need not be in use before registration is granted. However, an application for a UK trademark requires a declaration that the applicant is either using or intends to use the mark.

Whilst the UK trademark office does not require evidence of use to be filed, if a trademark is not used within five years of registration then it may be vulnerable to a revocation action by a third party and the owner will need to submit evidence of use to defeat the action.

Foreign applications in countries that are either a party to the Paris Convention or that have an agreement with the UK for reciprocal protection of trademarks will be granted a right of priority for six months from the date of the application. This means that if that applicant files an application for the same mark and same classes of goods and services in the UK within the six-month period, then they will be able to claim priority from the date of the foreign application.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If the UKIPO denies a trademark application then the applicant can appeal to the trademark office within two months of the decision. The appeal may involve the applicant requesting a hearing before a senior officer to discuss the case. Once the written decision of the hearing is available, if the applicant remains unhappy with the decision, they can appeal either to an 'appointed person', who is usually a respected barrister or solicitor specialising in trademark law, or to the High Court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Yes, UK trademark applications are published for a two-month period during which a third party can file an opposition. It is also possible for third parties to file a notice of threatened opposition, which increases the opposition time to three months. There are three relative grounds of opposition: (i) the mark is identical to the opponent's prior registration and covers identical goods and services; (ii) the opposed mark is identical or similar to the opponent's mark for identical or similar goods and services and there is a likelihood of confusion; and (iii) the opposed mark is identical or similar to the opponent's mark and the use of the opposed mark would be detrimental or take unfair advantage of the pre-existing mark's reputation. An opponent could also file an opposition based on the absolute grounds of refusal set out at question 2 (including bad faith). The opponent would need to file a notice of opposition and pay the appropriate fee (£100–£200).

It is also possible for a third party to seek cancellation of a mark after registration on the grounds that it is invalid (ie, the absolute or

relative grounds of refusal existed at the time it was registered). It is also possible for a third party to pursue a revocation action against a mark that has (i) not been used for five years following registration; (ii) become a common name for the goods or services for which it is registered in the industry; or (iii) been used in a manner that misleads the public. The third party would need to file a notice of cancellation and pay the appropriate fee (£200). The costs of fully contested opposition and cancellation proceedings can vary considerably depending on the amount of evidence that is filed and the approach taken to the proceedings by the parties.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A UK trademark registration initially remains in effect for 10 years, with the possibility to renew for further periods of 10 years indefinitely. There is no need to submit evidence of use to the UKIPO when applying for renewal.

## 11 The benefits of registration

**What are the benefits of registration?**

In the UK, it is often easier, quicker and more cost-effective to use a registered trademark to prevent another entity from using the same mark, rather than relying on unregistered rights in a passing off action. This is the case whether the trademark is being enforced before the courts or by the UK's customs authorities. For the same reason, a registered trademark is more likely to act as a deterrent to infringers.

If a mark is registered then it will also make it easier for a proprietor to oppose any future applications by third parties to register an identical or similar mark.

It is also easier to exploit and commercialise a registered trademark (eg, through licensing arrangements) in the UK.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

A licence may be recorded against a trademark at the UKIPO. If a licence is not recorded then it will be ineffective against a person acquiring a conflicting interest in or under the registered trademark in ignorance of that licence. In addition, recording a licence can provide the licensee with rights to bring infringement proceedings in certain circumstances. Finally, if a licence is not recorded within a period of six months then a licensee who subsequently brings infringement proceedings may not be entitled to recover their legal costs.

## 13 Assignment

**What can be assigned?**

A registered trademark can be assigned with or without goodwill. However, if the trademark concerned does have associated goodwill then it would be usual for this to be assigned with the registered mark. If not, then care will be needed to ensure that the respective rights of the assignor or assignee following assignment are provided for in the agreement to ensure that the assignee's intended use of the registered trademark will not infringe any unregistered rights in the goodwill in the mark which has been retained by the assignor.

A registered trademark can be wholly or partially assigned. If it is partially assigned, then the mark can be divided into time registered trademarks with one being retained by the assignor and the other being assigned to the assignee.

Under UK law goodwill attaches to the business and therefore it is not possible to assign goodwill in a mark independent from the underlying business to which that goodwill attaches.



## 14 Assignment documentation

### What documents are required for assignment and what form must they take?

An assignment of a registered mark is not effective unless it is in writing signed by or on behalf of the assignor or their representative. No other formal requirements, such as notarisation, are required.

## 15 Validity of assignment

### Must the assignment be recorded for purposes of its validity?

An assignment does not need to be recorded for purposes of its validity. However, until it is recorded the assignment is ineffective as against a person acquiring a conflicting interest in or under the registered trademark in ignorance of it. This means that a third party could potentially acquire the registered mark from the previous recorded owner if the new owner has not yet recorded their interest.

## 16 Security interests

### Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?

Security interests over a registered trademark can include mortgages and fixed or floating charges. The security interest does not need to be recorded for the purposes of its own validity or enforceability against the trademark owner. However, if the interest is not recorded then the security will be ineffective against a person acquiring a conflicting interest in or under the registered trademark in ignorance of the security. This means that the registered trademark could be assigned to a third party without the encumbrance of the security interest.

It is not possible to record security interests over goodwill at the UK trademark office but if the trademark owner is a registered company or similar corporate vehicle then it will be possible to register such security interest at Companies House.

## 17 Markings

### What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

It is not mandatory to use any words or symbols to indicate trademark use or registration. If a trademark is registered then it is common to use the ® symbol or sometimes the words 'registered trademark'. It is a criminal offence to use these symbols or otherwise represent that a mark is registered in the UK when it is not.

There are no direct legal benefits of using the ® symbol, but it serves to make it clear to potential infringers that the mark is registered which may have a deterrent effect.

## 18 Trademark enforcement proceedings

### What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

A trademark owner's primary means of redress for the infringement of its registered trademark will be to issue infringement proceedings. The trademark owner would usually have the choice of bringing proceedings before the High Court; or the Intellectual Property Enterprise Court, which is intended to be a lower cost forum for claims with a value between £10,000 and £500,000.

In respect of counterfeit goods, a number of bodies are empowered to enforce criminal offences relating to the use of signs which are identical to, or likely to be mistaken for, a registered trademark, in particular trading standards. Trademark owners can also take advantage of border enforcement mechanisms – which may result in goods being seized (and potentially destroyed) by Customs authorities when goods are entering the UK from outside of the EEA. It is also possible for

trademark owners to bring private criminal prosecutions for trademark infringement, although this is fairly unusual.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

The usual procedure in infringement proceedings in the High Court is as follows:

- proceedings are issued and the parties exchange statements of case;
- the parties agree or the Court determines the directions and timetable of the case leading up to trial;
- the parties search for, and disclose to each other, relevant documents;
- the parties exchange witness statements and any expert reports;
- the parties exchange written arguments prior to trial;
- trial takes place, including cross-examination of each parties' witnesses and experts where appropriate; and
- judgment is delivered.

A similar but more streamlined procedure takes place in the Intellectual Property Enterprise Court. In particular, claims before the Intellectual Property Enterprise Court may involve little or no disclosure of documents, may not involve cross-examination of witnesses and may even be decided on the papers alone without an oral hearing.

The length of proceedings can vary depending on the size and complexity of the dispute, but would typically take a year to a year-and-a-half in both the High Court and the Intellectual Property Enterprise Court.

When a criminal case is brought by way of private prosecution, the prosecutor lays 'an information' before the magistrates' court – this is a summary of the case in writing – and the magistrates' court will then issue and serve a summons on the offender requiring them to attend court within a month. When the individual appears in court, they will enter a plea. If the defendant pleads guilty then the magistrates' court can arrange sentencing, or in more serious cases it may commit the case to the Crown Court for sentencing. If the offender pleads not guilty then the case will proceed through disclosure and will be committed for trial. Most cases will remain in the magistrates' court, but where the case is more serious or where the defendant elects a trial by jury, the case may be transferred to the Crown Court.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

In civil proceedings for trademark infringement the burden of proof will lie with the claimant (usually the trademark owner) and they will be required to establish that burden on the balance of probabilities.

In respect of criminal proceedings, the burden of proof is the normal criminal standard that the tribunal or jury is sure that the offence has been committed. It is of relevance here that it is a defence for a person charged with a criminal trademark infringement offence to show that he or she believed on reasonable grounds that their use of the sign was not an infringement of the registered trademark. Therefore, if this defence is raised, the tribunal must be sure that the defendant did not have this belief.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The following may bring a civil claim for infringement of a registered trademark: the owner; an exclusive licensee in circumstances where the exclusive licence provides that the licensee has the right to bring such infringement proceedings; and any other licensee in circumstances when they have called on the trademark owner to take infringement proceedings and the trademark owner has refused to do so or has failed to do so within two months of being called upon by the licensee. However, this right of other licensees is subject to any provisions to the contrary in their licence or any licence through which their interest is derived.

Anyone can bring a private prosecution for criminal trademark infringement. However, the Department of Public Prosecutions retains the right to take over any such prosecution and then discontinue it.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

In general only activities taking place within the UK can support an infringement claim. However, such activities may take place without the alleged infringer or the alleged goods entering the UK. An example of this would be the sale of infringing goods through a website that is accessed by consumers in the UK. The UK courts have taken the view (supported by rulings of the Court of Justice of the European Union) that offers for sale and, any subsequent sales, from foreign-based websites can infringe trademarks in the UK when the website is directed, at least in part, to UK consumers.

In addition, proceedings can be brought in the UK when allegedly infringing acts are threatened. This means that it may be possible to bring infringement proceedings in the UK on the basis of preliminary activities taking place wholly outside of the UK.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The standard position in trademark infringement proceedings is that both parties are required to disclose relevant documents in their possession as part of the proceedings. It is also possible to seek preliminary disclosure of certain specified documents prior to the commencement of proceedings, either from the potential defendant or third parties, whether those parties are located inside or outside the country.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

If the urgency of the matter justifies it, preliminary injunctions can be heard and dealt with very quickly. However, a more usual position would be for a preliminary injunction to be heard within a time period of one to three months with potentially a short initial hearing after three to four days to decide whether a preliminary injunction should be put in place prior to the full hearing of the application.

It is also possible to expedite proceedings, often referred to as a 'speedy trial', within a few months. However, it is more usual for trials of trademark infringement proceedings to be listed between one and one-and-a-half years after proceedings are issued. In certain extreme cases, where there are a number of preliminary issues to be dealt with, this timetable can stretch further.

Appeals of first instance trademark infringement proceedings have generally tended to be held six to nine months from the original decision. However, the Court of Appeal is currently suffering significant backlog, which has meant that some appeals have taken up to a year or more to be heard.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The costs of litigation can vary enormously depending on the value and complexity of the case and the resources of the parties involved. On one end of the scale, the Intellectual Property Enterprise Court operates a cap on recovery of costs from the other side of £50,000 (although the legal costs actually incurred can often be significantly higher than this). However, it would not be unusual for high-value cases before the High Court to incur legal costs in excess of £1 million on each side if the case proceeds to trial. In extreme cases, costs can be significantly higher than £1 million, especially when you include the potential costs of appeals and possibly even references to the Court of Justice of the European Union on aspects of EU law.

## 26 Appeals

### What avenues of appeal are available?

Decisions of the High Court and the Intellectual Property Enterprise Court can be appealed to the Court of Appeal. It is necessary to get permission to appeal, either from the court whose decision is to be appealed or, if such permission is denied, directly from the Court of Appeal itself. Decisions of the Court of Appeal can potentially be appealed to the Supreme Court, which is the UK's highest court. Again, it is necessary to get permission to appeal from either the Court of Appeal or the Supreme Court, such permission generally being hard to obtain in trademark cases.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

There are some subtle differences between the defences currently available for EU trademarks, which can be relied upon in infringement proceedings in the UK, and UK trademarks but in broad terms the defences are the same for both marks, namely:

- the honest practices defences, which only apply if the use is in accordance with honest practices in industrial or commercial matters:
  - an own name defence – for EU marks this defence only applies to natural persons and not companies and similar entities;
  - a descriptive use defence – for EU marks this defence has recently been broadened to also include non-distinctive use; and
  - an intended purposes defence, which is intended to enable third parties to advertise their product as accessories or spare parts for branded goods – for EU marks this defence has recently been broadened to include any use for the purpose of identifying or referring to the proprietor of the trademark's goods or services;
- an acquiescence defence, that applies if a later mark has been registered and used for five years with the knowledge of the owner of the earlier mark; and
- an earlier local right defence – which provides that a registered trademark is not infringed by the use of an earlier common law right in a particular locality (such 'local' right not being sufficient to invalidate the registered trademark).

UK law also provides that a registered trademark is not infringed by the use of another registered trademark for the goods and services for which it is registered. The practical reality of this is that the owner of the registered trademark will need to take steps to invalidate a later trademark registration before it succeeds in any trademark infringement proceedings brought against the use of that mark. However, it is generally thought that this provision is not compatible with the UK's obligations under EU law and is therefore vulnerable to being declared invalid by the courts.

## 28 Remedies

### What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?

A successful claimant in trademark infringement proceedings will normally be entitled to seek either damages – the loss caused to them by means of an infringement or, if it is not possible to point to such a loss, a payment on the basis of a reasonable royalty, or an account of the profits of the defendant that are attributable to their infringing acts. A successful claimant would also normally be granted a permanent injunction preventing the defendant from infringing in the future. It is harder to obtain a preliminary injunction prior to the determination of the dispute at trial as the UK courts will not focus on the merits of the dispute but will instead ask who will likely suffer the most irreparable harm if the preliminary injunction is or is not granted. Also important is that the successful party would normally be awarded its legal costs.

A successful criminal prosecution in the Crown Court could result in the infringer being imprisoned for up to a maximum of 10 years or facing a fine or both. However, as set out at question 19, the majority

### Update and trends

EU trademarks may cease to have effect in the UK once the UK leaves the European Union. This could lead to issues regarding deprivation of property for both UK and non-UK owners and there is uncertainty as to what arrangements will be put in place following negotiations. It seems likely that at the very least, transitional provisions will be put in place to enable owners of EU trademarks to obtain an equivalent UK trademark with an identical priority date. However, whether such UK marks would have to go through examination and possible opposition is not clear and it would be advisable for EU trademark owners to consider whether to apply for equivalent UK trademarks now.

In most cases EU trademark law has already been incorporated into UK law. However, a revised Trademark Directive was adopted in

2016 and member states, including the UK, have until 15 January 2019 to incorporate the changes into UK law. It is therefore not entirely clear whether these changes will be implemented into UK law. In the longer term, UK courts may gradually reach decisions on the scope of currently harmonised rights (including trademarks), which differ from the Court of Justice of the EU case law.

The requirement for a trademark to be capable of being represented graphically will no longer apply for EUTM applications from 1 October 2017. This change is also due to be implemented for UK trademark applications by 15 January 2019. Following the removal of this requirement, it will become easier to apply for sound, colour, smell and moving image marks.

of cases will remain in the magistrates' court where the maximum sentence is six months' imprisonment or a fine or both. The court can also order the defendant to deliver up or destroy any infringing goods, and if it suspects that the infringer may have concealed criminal property or removed it from the UK then it could make a confiscation order. Finally, where the claimant has suffered quantifiable loss, the court may make a compensation order.

### 29 ADR

#### Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Arbitral awards are generally enforceable and the use of arbitration or other ADR techniques to settle disputes is fairly common, especially when the dispute arises from a commercial relationship (eg, a licence agreement). In many cases, contractual agreements will provide for arbitration or mediation to resolve any dispute. It is also open to parties to use ADR to resolve disputes when they have not had any previous commercial relationship, but the engagement of a formal ADR process for such a dispute would be fairly unusual.

### 30 Famous foreign trademarks

#### Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?

The proprietor of a trademark that is entitled to protection under the Paris Convention or the WTO agreement as a well-known trademark is entitled to an injunction to prevent use in the UK of a trademark or the essential part of a trademark that is identical or similar to the well-known trademark in relation to identical or similar goods or services, where the use is likely to cause confusion.

It is generally accepted that to qualify for protection the trademark must be well known in the UK.

There has been relatively little case law on this provision in the UK. This is probably in part because such protection would only be required if there has been no use of the mark in the UK at all. If there has been use of the mark in the UK then it will likely have obtained goodwill, which will be protectable under the UK law of passing off.



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# United States

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## 1 Ownership of marks

### Who may apply?

Any juristic person, whether an entity or an individual, may file an application for registration of a mark.

An application may be filed on the grounds prescribed by the Trademark Act of 1946 (the Lanham Act), namely:

- use of a mark in commerce regulated by the US Congress, namely commerce between US states or territories or commerce between the United States and foreign jurisdictions;
- intent to use a mark in commerce, as defined above. This is a basis for receipt of a filing date, not a basis for registration;
- foreign trademark application 'first filed' in a Paris Convention country, within the six month priority filing period. The effective filing date is the date on which the underlying foreign application was filed in the foreign country, and this is a basis for receipt of a priority filing date, not a basis for publication or registration;
- foreign registration in a country of applicant's origin. Such country must be a party to a treaty or agreement with the United States that provides for registration based on ownership of a foreign registration or must extend reciprocal registration rights to nationals of the United States; and
- request for extension of protection to the United States of International Registration (IR) under the Madrid Protocol.

The standards of application's substantive examination are applied regardless of the filing basis.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Eligible for registered protection as well as common law protection are any word, phrase, name, tag line, as well as non-traditional marks, such as smell, sound, image, design or colour, used or intended to be used as a trademark or service mark, or as a certification mark.

The Trademark Act provides a list of marks ineligible for registered protection:

- immoral, deceptive or scandalous marks; marks that may disparage or falsely suggest a connection with persons, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- those that consist of or comprise the flag, coat of arms or other insignia of the United States, US state or a foreign nation;
- those that consist of or comprise a name, portrait, or signature of a living individual except with written consent; and
- primarily geographically deceptively misdescriptive, functional or generic (ie, incapable of becoming distinctive), as applied to the listed goods and services.

Certain marks that may be prima facie ineligible, may still be registered subject to meeting requirements discussed in question 6.

## 3 Common law trademarks

### Can trademark rights be established without registration?

The United States belong to the 'common law' system that recognises trademark rights based on mark's use and not mere registration. A registration affords a significant edge to its owner, both for defensive and enforcement purposes, yet a party first to use the mark may claim exclusive rights to it, at least in the geographic area of its first use. Establishing such common law rights may be a more time and cost-intensive exercise as opposed to statutory presumption of exclusive rights conferred by a registration. It is, thus, equally important to be the first to commence the mark's use in commerce as well as to apply for the mark and, if possible, register it.

## 4 Registration time frame and cost

### How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application.

The process of trademark filing, examination and registration with the US Patent and Trademark Office (USPTO) has become more time- and cost-efficient over recent years.

All applications can be filed electronically online, and the application's particulars are issued immediately upon filing. It is still possible to file paper-based applications, but for costs and convenience purposes it is recommended to use the e-filing. Applications are reviewed by the USPTO within three to five months of the filing, sometimes sooner.

If no substantive objections issue or only technical questions arise, such as wording of the listed goods and services, which in many instances may be overcome fairly fast, then the application proceeds to publication and, absent an opposition, to registration if the mark is based either on use in the US or on a foreign registration, or is a Madrid Protocol IR extension. The entire process in such a scenario, from filing to registration, may take nine to 12 months.

In case of USPTO's substantive objections to the mark or a need to file the Statement of Use for an intent-to-use application, the registration process may on the average take up to two years or longer. A third party opposition may delay it further.

A cost of filing an application and prosecuting it to registration, provided there are no major hurdles to it, can be below \$2,000. Additional costs would be incurred for multiple classes (under International Classification of Goods and Services) encompassed by application.

Also, in advance of filing, the mark's owner may consider conducting a US trademark search in order to establish, subject to search limitations, mark's availability for use and registration. Costs related to such search may vary depending on its scope and time frame.

Yet, in case of more than minor technical issues or repeated USPTO objections, or both, or if the application is based on the intent to use and Statement of Use or extension of time are needed, the costs may get higher and be in the \$2,000-\$4,000 range and up. A third-party opposition, which is effectively an inter-partes litigation, involves significant further costs and time.



An application must include the full name and address of the applicant, its form and country of incorporation, the mark or its form or drawing if design elements are included, the concise list of goods or services to be encompassed by the mark. An official filing fee payment must accompany the application. The fee for e-filing, payable online, is reduced vis-à-vis paper-based filing, and additional fee savings are available, depending on the application meeting certain filing requirements.

No documentation, for example, a power of attorney or certificate of good standing, is required in support of application filing.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

For the purpose of classification of goods and services, the United States follows the Nice Classification, established by the Nice Agreement (1957). The USPTO is guided by the Acceptable Identification of Goods and Services Manual which reflects the tenth edition of the Nice Agreement (2016 version), but mandates a stricter policy on the language of goods and services. One of the more common types of objections issued by the USPTO during a mark's examination is a request to identify in more specificity the encompassed goods and services.

Multi-class applications are available and, if the applicant retains a counsel and does not act *pro se*, may bestow a cost saving on the owner, primarily in attorney fees since the USPTO charges identical fee for each class of application, whether filed as a single- or multi-class one. Equally, prosecution of a single multi-class application is often more cost-saving in attorney fees than that of separate single-class applications.

Incorrectly classified goods and services may be reclassified during examination and additional classes may be added as long as the list of goods and services originally filed for is not expanded. However, Madrid Protocol IR extensions are ineligible for inter-class revisions or new class additions.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Besides review of applications for technical and procedural compliance with statutory requirements, such as applicant's information, payment of prescribed fees, application bases and material in support, as well as specification of goods and services, the USPTO conducts examination of marks on both absolute and relative grounds.

The principal bases for rejection on absolute grounds, besides those listed in question 2, are that the mark is allegedly:

- merely descriptive;
- misdescriptive;
- primarily geographically descriptive; or
- merely a surname;

Further, the USPTO reviews applications on relative grounds in order to ascertain that there is no likelihood of confusion between the applied mark and third party prior pending applications or registrations for identical or confusingly similar marks encompassing the range of same or related goods and services.

Once an examination report, also known as an Office Action, issues, the applicant must review and respond thereto in an attempt to meet all requirements or overcome objections. If not all issues are dealt with or certain objections remain, the USPTO may issue further Office Actions, including, eventually, a final Office Action. The applicant has six months to address issues raised in each Office Action, regardless of their nature and complexity. No extensions of time are available and failure to respond in a timely manner to an Office Action would lead to abandonment of application.

The USPTO maintains a Principal and a Supplemental Register. Marks that were rejected for registration on the Principal Register on certain absolute grounds, such as those listed above, and provided the

applicant did not overcome such objections, may be eligible for registration on the Supplemental Register. Though not as comprehensive as registration on the Principal Register, the Supplemental Register affords significant advantages to a mark's owner.

Applications barred from registration on the Principal Register and based on use in the US or on foreign registration in the country of an applicant's origin may be eligible for the Supplemental Register protection. Madrid Protocol IR extensions, however, are ineligible for registration on the Supplemental Register.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

An applicant may base its US application, both for application and registration purposes, on its foreign country of origin registration and forego the use in the US requirement in order to register the mark. Also, if the US application is filed within six months after the 'first filed' foreign application, it may assert the benefits of Paris Convention priority from the latter, though the priority claim alone does not constitute basis for mark's registration with the USPTO. Only foreign registration does. In support of the latter, either at the time of application filing or subsequently (eg, when requested by the USPTO at the time of examination), applicant must submit a simple copy of the foreign Certificate of Registration along with the English language translation (if not originally in English) and translator's verification. There is no need to submit a copy of the priority application in support of the Paris Convention priority claim.

An applicant for an IR extension of protection under the Madrid Protocol may equally forego the use in the US requirement, registering the mark in the US through the IR mechanism.

The owner of a mark filed on the foreign registration or IR basis must still maintain a good faith intent to use the mark in the US in commerce and must attest to such intent in the application by signing a declaration in the USPTO e-filing form or the WIPO IR form designating the United States for extension of protection.

An applicant may also file an application either on use or intent-to-use the mark in the US basis, but will be then able to register the mark with the USPTO only after establishing use in the US in commerce on or in connection with the listed goods and services.

For a use-based application, the applicant must meet the use requirements, including statement of the mark's dates of first use anywhere in the world and use in the US commerce, supported by specimens (proofs) of such use, at least one per class covered by application. The USPTO may request additional specimens.

For an intent-to-use application, there is no need to establish use at the time of filing, but the mark filed on this basis, once it clears the examination process and publication, will not proceed to registration but to allowance. At such stage, and once mark's use commences on listed goods and services, the applicant must file a statement of use, utilising the six months period after the date of allowance, extendable by additional consecutive six months periods, for a total not exceeding 36 months from the allowance date.

A registered mark that has not been in use in the US on or in connection with the listed goods and services for three or more years from the registration date may become vulnerable to non-use expungement upon petition by an interested party to the USPTO Trademark Trial and Appeal Board (TTAB) a body within the USPTO in charge of hearing and deciding certain types of trademark matters, including oppositions, cancellation actions, as well as appeals on rejection of applications.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If an Office Action issues during a mark's examination and the applicant does not overcome it, the USPTO may issue, after the first or subsequent Office Action that remains unresolved, a final Office Action, restating any requirements or refusals that remain outstanding.

As with a non-final Office Action, the applicant has six months to respond and may submit a response (called 'request for reconsideration'). However, the applicant must either comply with all requirements or present arguments resolving the refusals, barring which the application will be finally rejected. To safeguard its rights in the application in case the applicant is unable to overcome all the issues raised in the final Office Action, the applicant may, along with the request for reconsideration, file a notice of appeal with the TTAB.

Once an appeal is filed, it is stayed by the TTAB until the request for reconsideration is decided upon. If all issues are resolved in the latter, the application proceeds to acceptance and publication. If objections to an application are maintained, then the appeal proceeding resumes and is reviewed by the TTAB, based on briefs submitted to the TTAB by the applicant, who may also request an oral hearing, and the USPTO examining attorney.

An applicant dissatisfied with the TTAB decision may appeal it to the United States Court of Appeals for the Federal Circuit. An alternative appeal approach is by a civil action filed in a United States district court.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Trademark applications on the Principal Register are published, upon acceptance, in the USPTO Official Gazette. An interested third party then has 30 days to commence an opposition thereto with the TTAB. Applications on the Supplemental Register are not published for oppositions and proceed to registration after being accepted. A prospective opposer may seek one or more extensions of time to file the notice of opposition – up to 90 days without applicant's consent and for up to additional 60 days only with such consent, the total extensions period not to exceed 150 days.

If the interested third party (plaintiff) does not file a notice of opposition within the 30-day publication period or, if sought, the 150-day extension period, or if the objected mark is on the Supplemental Register and may not be opposed, the plaintiff may institute a cancellation action, which is a proceeding separate from the non-use cancellation action available only after a mark's alleged non-use for three years after the registration.

The possible bases for opposition and invalidation are:

- likelihood of confusion with the interested third party's mark;
- dilution of the third party's prior mark;
- lack of applicant's bona fide intent to use the mark in the US in commerce;
- mark's ineligibility for registration that was not entertained by the USPTO during examination, such as mere descriptiveness, immorality, genericness, functionality, etc; and
- the applicant's fraud committed on the USPTO during the mark's prosecution.

In a cancellation action, if the registration has been registered for more than five years and its owner filed an incontestability declaration attesting to mark's continuous use for five years, discussed in question 10, the plaintiff may be barred from raising certain grounds for its action, such as a mark's descriptiveness.

Once a notice of opposition or a petition to cancel are filed, and provided the preliminary conditions, such as the plaintiff's standing and grounds for either action, are met, the TTAB sets a timeline for proceeding and applicant (defendant) has 40 days to file its answer. Most deadlines in the inter partes TTAB proceedings, once initiated, may be extended upon parties' stipulation.

There is no onus on the opposer or the petitioner to cancel ownership of an earlier US registration. However, trademark rights are territorial. A mark's use and registration abroad would normally have no bearing on proceedings before the TTAB. Yet, since the United States is a common law jurisdiction, the plaintiff may base its action on

the common law rights, derived from use of its mark in the US or the asserted well-known status of its trademark.

The cost of filing an action with the TTAB is usually within the \$1,000–\$2,000 range, including official fees. Since an opposition proceeding or a cancellation action are effectively a litigation, subsequent attorney's fees would vary widely, depending inter alia on the length and complexity of issues and whether the matter is resolved in a settlement.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

A trademark registration is valid for 10 years from the registration date, and can be renewed indefinitely for additional consecutive 10-year periods, subject to meeting the use in the US in commerce requirement.

Use of the mark in the United States is a prerequisite for a mark's continued maintenance.

A declaration of a registered mark's use on or in connection with the listed goods and services must be filed at the time of renewal, between the ninth and 10th years. International Registration extensions, renewable via the central maintenance mechanism with WIPO, are still due for filing the declaration of use with the USPTO, just as any national registration.

Besides filing a declaration of use every 10 years from registration or at renewal, the owner must file a declaration of use between the fifth and sixth anniversaries of the mark's registration. This duty applies to all marks, regardless of registration basis. In addition to filing the fifth or sixth year declaration, if the mark registered on the Principal Register has been used in the US by its owner exclusively and continuously for five years or more after registration, the registrant may file a declaration of incontestability, rendering the mark incontestable in certain respects (including defences against invalidation action) and affording the registrant a number of advantages in a mark's protection and enforcement. The latter declaration, provided its requirements are met, can be filed at any time after the fifth year from the mark's registration.

A declaration of use must be supported by specimens of use in the US, which are in effect proofs showing such use on or in connection with the listed goods and services. The optimal specimens for goods are tags, labels, or product packaging, and for services – brochures, catalogues, or advertisements, or photographs of the above, showing the mark as used in the US commerce.

Goods and services on which the mark is not in use at the time of filing a declaration of use must be omitted from the registration.

All submissions in connection with maintenance or renewal can be done via e-filing and simple photographs of material in support would suffice. There is no need for additional documentation.

## 11 The benefits of registration

**What are the benefits of registration?**

While the United States is a common law country, with rights stemming primarily from a mark's use, a trademark registration bestows on its owner a number of significant benefits. The USPTO maintains a Principal and a Supplemental Registers. The Principal Register registration affords a broader array of tools for a mark's protection and enforcement, yet the Supplemental Register still presents its owner with a number of meaningful advantages:

- registration on the Principal Register constitutes a prima facie presumption of its owner's exclusive rights to use the mark nationwide in the US on or in connection with the listed goods and services;
- registration on the Principal Register creates a rebuttable presumption of the mark's ownership by the registrant and a constructive notice of such rights;
- owner of a registration on either Register may use the ® symbol;
- in enforcement, a registration on either Register allows its owner to bring a civil court action for trademark infringement rather than just the common law equitable doctrines, such as passing off;
- owner of a mark registered on either Register may pursue an enforcement action before a US federal (rather than state) court of appropriate jurisdiction and seek, along with other remedies, treble damages and attorney's fees;

- registration on the Principal Register allows its owner to record the mark with the US Customs and Border Protection, the largest US federal agency, in charge, inter alia, of fighting trademark counterfeiting and effectively blocking importation to the US of counterfeit goods;
- owner of registration on the Principal Register may file a declaration of incontestability after five years of continuous use post-registration; and
- registration on either Register is listed in the USPTO database and can be identified by third parties in a trademark search (ie, act as a deterrent to adoption of potentially conflicting marks), and due to the USPTO relative grounds examination citation system, can constitute a bar to later-filed applications for confusingly similar marks for identical or related goods and services.

## 12 Licences

**May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?**

It is of paramount importance for trademark's owner to control all uses of its mark by approved third parties, such as licensees or franchisees, and such use and mechanism of its control must be set in a written instrument (eg, licence agreement). Use of a mark under a licence, which should provide, for example, for quality control, inures to the benefit of the mark's owner and may prevent assertion of a mark's dilution or abandonment.

A trademark owner may record the licence with the USPTO. However, there is no duty to do so, and often the registrant would decide against it to prevent disclosure of sensitive information contained in the licence agreement. All forms and documents submitted to the USPTO are made part of public record available for free online review.

## 13 Assignment

**What can be assigned?**

Trademark applications and registrations are freely assignable. The only exception is a trademark application filed on the intent-to-use basis, which can be assigned only upon filing of a statement of use or amendment to allege use or, if prior to establishing use, subject to the condition that the assignment is to the successor of applicant's business or portion of the business to which the mark pertains, if such business is existing and ongoing.

An assignment can be of the entire mark or only with respect to some of the listed goods and services.

A trademark assignment must always be together with the goodwill of the business or part of the business to which the mark pertains. Also, the assignment must be for a valuable consideration, though it is not necessary to indicate the exact remuneration.

## 14 Assignment documentation

**What documents are required for assignment and what form must they take?**

The assignment instrument must be in writing and signed at least by the assignor or the mark's owner. There is no need for notarisation or legalisation, and since recordation of assignment can be done through e-filing, a simple copy of the executed assignment agreement would suffice.

## 15 Validity of assignment

**Must the assignment be recorded for purposes of its validity?**

Recordation of assignment is a ministerial act and the USPTO record is a prima facie evidence of its execution, but it does not determine mark's validity or title in the application or registration.

A trademark assignment must be recorded with the USPTO in order to take effect against subsequent purchaser for valuable consideration, and the assignee has a three-month period after the agreement's execution to record the assignment in order to have precedence over subsequent purchasers. In addition, failure to record the assignment may eventually lead to claim of a mark's use not inuring to the owner's benefit and allegation of abandonment.

## 16 Security interests

**Are security interests recognised and what form must they take. Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests are recognised and usually take form of an agreement in writing. There is no duty to record a security document, and its recordation with the USPTO is not a determination of the effect of the document on the chain of title. However, since such recordation is made in the public interest in order to give third parties notification of equitable interests or other rights relevant to trademark ownership, it is recommended to record security interest with the USPTO for the holder of interest to safeguard its rights and have priority over subsequent bona fide security interest holders or purchasers of the mark.

There is no prescribed form and no formalities are required. A simple copy of the signed agreement is sufficient in order to e-record it with the USPTO.

## 17 Markings

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Use of marking to indicate trademark use and registration is not mandatory. However, use of appropriate symbols provides notice of a claim of either common law or registered rights in a trademark, and use of symbols identifying a registered mark may confer on its owner, in case of an enforcement action, certain presumptions and right to damages.

Until mark's registration, whether an application therefor has not yet been filed, is pending or was refused by the USPTO, the mark's owner may use the <sup>TM</sup> symbol for a trademark or SM for a service mark, effectively providing a notice of claim of common law rights to the mark in connection with goods and services on which such symbol is used.

Owner of a registration on either Principal or Supplemental Register may use the ® symbol, constituting a notice of the registrant's exclusive registered rights to the mark for goods and services listed in the registration. Alternatives to the ® symbol are 'Registered in United States Patent and Trademark Office' or its abbreviation 'Reg. US Pat. & Tm. Off'.

## 18 Trademark enforcement proceedings

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

There are several types of enforcement proceedings that are available to the trademark owner. Most common is litigation in a federal or state court. The remedies available in litigation are injunctive relief to prevent continued infringement, destruction of infringing merchandise, an award of monetary damages and, in 'exceptional' cases the award of attorney's fees. Although federal and state courts have concurrent jurisdiction over trademark infringement litigation, by far the majority of trademark infringement litigation is brought in federal court.

In addition to trademark infringement litigation, an aggrieved trademark owner who operates a US industry may apply for exclusionary relief before the US International Trade Commission (ITC). ITC proceedings often proceed more quickly than typical court litigation, but no monetary relief is available.

Finally, US Customs and Border Protection, a branch of the Department of Homeland Security operates a very effective border enforcement program. Owners of US trademarks may record those registrations with Customs, and Customs will detain or seize at the border infringing merchandise. This protocol provides for very cost-effective enforcement of trademark rights.

## 19 Procedural format and timing

**What is the format of the infringement proceeding?**

Trademark infringement litigation follows the typical format of civil litigation in the United States. Discovery is allowed on all relevant



issues and live testimony is typically taken at trial or at hearings on preliminary injunctive relief. Expert testimony is quite common, especially with respect to the use of trademark confusion surveys and the award of monetary damages. Motions for preliminary injunctive relief are decided by the court, without a jury as are motions for permanent injunctive relief where no claim for damages is made. However, if a claim for damages is made, then either party may demand the right to have the case tried before a jury.

Appeals from judgments entered after trial are heard by appellate courts in either the federal or state systems, depending on where the original litigation was commenced.

In addition to the civil remedies described above, criminal enforcement proceedings are available at both the federal and state levels. Counterfeiting is a crime in the United States and in virtually every state. As with all criminal matters, the federal government or state is the complaining party and is represented by a United States attorney or state district attorney as the case may be. A person found liable for criminal trademark counterfeiting may be subject to fine or imprisonment.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement or dilution is by a preponderance of the evidence. That is, the evidence must show that it is more likely than not that infringement or dilution has occurred.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner or exclusive licensee has the right to commence an action for trademark infringement. With respect to criminal complaints, typically the trademark owner brings suspected activities to the attention of the government, and the case is then prosecuted by the government.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

US Constitution allows Congress to regulate activities that take place in interstate or foreign commerce. Thus, any activity that implicates United States commerce, even if partially conducted abroad, can give rise to a charge of infringement of a United States trademark.

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery in trademark infringement litigation is subject to the same rules as apply to other forms of civil litigation in the United States. That is to say, discovery can be wide-ranging and expensive even though there are ongoing attempts, especially in federal court, to curb discovery abuses. Discovery can take the form of requests for production of documents, written questions known as interrogatories, requests for a party to admit the genuineness of documents or the existence of facts, and depositions in which a party or an individual is subject to pretrial examination by counsel for the other side. Discovery using any of these vehicles is available to subjects that are relevant to the action, and under circumstances where the value of the discovery is proportional to its significance to the case.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for obtaining preliminary injunctive relief is approximately three months from the filing of the complaint, depending on the jurisdiction. If the case proceeds to trial, then it is not typical

## Update and trends

There are a few trends in infringement litigation that are worthy of note.

First, unlike the situation that existed in the past, proof of a likelihood of confusion no longer creates a presumption of injury for purposes of the grant of injunctive relief. This follows the law that has developed in the United States in patent cases.

In addition, the US Supreme Court has held that under many circumstances, administrative proceedings before the Trademark Trial and Appeal Board can be given preclusive effect in subsequent trademark infringement litigation in federal court.

Finally, and again following the trend in patent cases, it is now easier for a prevailing plaintiff to obtain an award of attorney's fees, since the US Supreme Court has liberalised the meaning of the statutory requirement that the case be 'exceptional' to permit the award of such fees.

for trademark infringement litigation to take more than two years to run its course. If the lower court judgment is appealed, it is not untypical for the appellate process to take about a year.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Unfortunately, trademark litigation like other civil litigation in the United States can be quite expensive. It is not uncommon for litigation costs through trial to exceed \$1 million, including trial preparation and trial. Appeals to either the federal or state courts of appeal can add an additional \$100,000 or more to this amount.

In federal (but not state) trademark infringement litigation, a prevailing party can recover its attorney's fees if it is able to establish that the case is 'exceptional' in the words of the statute. Recent case law defines exceptional as a case which stands out from the others, either in terms of the lack of merit of a defendant's position, or the unreasonable way in which the defendant has litigated the case. Note that a prevailing defendant can also recover attorney's fees subject to the same standards.

## 26 Appeals

### What avenues of appeal are available?

Appeals from either the grant or denial of preliminary injunctive relief and from judgments entered after trial are made to separate appellate courts. In the federal system, appeals in a trademark infringement cases are heard by one of the 11 regional federal circuits. Each panel is composed of three appellate judges (who often have prior experience as district trial court judges). In the appeal process, the parties rely on their briefs and on the record developed in the court below. There is no additional taking of testimony or introduction of new evidence permit. In very rare cases, appeals can be taken from the decisions of these appellate courts to the United States Supreme Court. The Supreme Court generally only hears trademark infringement cases where there is a split in authority among the regional circuits, or where there is a particularly important issue of law to be clarified.

## 27 Defences

### What defences are available to a charge of infringement or dilution, or any related action?

There are several defences available to a party who is charged with infringement. These defences include that the plaintiff's trademark is invalid, for example, as being generic, merely descriptive without evidence of acquired distinctiveness, has been abandoned, and the like. In addition, the accused infringer typically alleges that his or her activities are not likely to cause confusion, mistake or deception or that his or her activities constitute a 'fair' use. An example of a 'fair' use is a party making descriptive, and non-trademark use of the term to describe his or her goods. This fair use defence is specifically codified in the federal trademark statute.



**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

A wide range of remedies is available to the successful plaintiff in trademark infringement litigation. Turning first to injunctive relief, this is available either preliminarily or on a permanent basis where the party can demonstrate (in addition to success on the merits) that it is likely to be irreparably harmed from the infringement, that monetary damages would be inadequate, that the balance of hardships tips in its favour and against the accused infringer, and that the public interest would not be harmed by grant of an injunction.

Monetary relief is available both in terms of damages that plaintiff can prove as well as disgorgement of the defendant's profits, both of which are subject to the principles of equity. In awarding monetary relief, the amount of money awarded is to be apportioned to include only the damages or profits attributable to the infringement.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available and commonly used. Indeed, many federal courts in trademark cases and other civil litigation require that the parties engage in an ADR proceeding. ADR proceedings may take place before magistrate judges (who are lower-level federal judicial officers) or private mediators. Sometimes the private mediators operate without a fee to assist the courts, and sometimes, especially in high-value cases, parties take advantage of private mediation services.

Other than the cost of preparing for and attending ADR proceedings, there is little risk involved. Of course, the potential benefit is that the parties may be able to resolve their dispute without excessive resort to costly litigation. In addition, with the aid of a skilled mediator, the parties may be able to fashion complex remedies in terms of permitted uses of a trademark which would be outside the purview of a judge or jury.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Despite the Paris Convention, the law is unsettled in the United States as to whether or not a famous foreign trademark would be protected even if it has not been used or become famous in the United States. US trademark law has traditionally been based on use in the United States, with the relatively recent adoption of the intent-to-use system (in 1989). Although owners of registrations based on foreign applications do not need to prove trademark use in the United States to obtain registration, it is not certain that famous trademarks that are not subject to US registrations (or use) can be protected.

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# Venezuela

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## 1 Ownership of marks

### Who may apply?

There are no restrictions regarding the persons that may file for a trademark application, including national or foreign individuals, corporations and entities in general. In addition, an application may be filed by co-applicants, including more than one individual or entity. For filing purposes, the following information on each applicant must be included:

- name and address;
- nationality or address and, should the applicant be a legal entity, the place of incorporation; and
- name and address of the applicant's legal representative, which is required when the applicant is a foreign individual or a corporation.

## 2 Scope of trademark

### What may and may not be protected and registered as a trademark?

Distinctive words, signs and combinations thereof, which are capable of being graphically reproduced, can be registered as trademarks, including numbers and numerals. The most common rejections of trademarks are made on the following grounds:

- similarity to a prior trademark application or registration;
- the application is descriptive, generic, or both;
- the application is deceptive (regarding its place of origin); and
- a colour per se cannot be claimed as a trademark.

## 3 Common law trademarks

### Can trademark rights be established without registration?

Venezuela follows the first-to-file system. Nevertheless, since the reinstatement of the 1955 Industrial Property Law, oppositions and even nullity actions can be based on prior use of trademarks. According to this law, when filing the application, the applicant must specify the period during which the trademark has been used, if this is the case.

Moreover, any person may object to an application and oppose the granting of the trademark within a period of 30 business days from the date of publication in the Official Gazette if the person considers that he or she has a better right than the applicant. The registrar will then refer the proceedings to a trial court for civil matters in order for it to render a decision. Several decisions have been made stating that prior use was evidence of the applicant's better right to a trademark. Further, the cancellation or nullity of a trademark registration that is granted in detriment to a third party's right can be requested before the corresponding courts if the interested party has not filed an opposition. The relevant courts have often considered that the better right to a trademark may be the prior use thereof.

## 4 Registration time frame and cost

**How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application?**

The time taken to obtain a trademark registration will depend on the incidences during the application. If the application goes smoothly, meaning that there are no office actions taken by the Patent and Trademark Office (PTO), no oppositions filed by third parties and no ex officio refusals by the PTO, registration may be granted within 12 to 24 months after filing. The average cost of obtaining a trademark ranges from US\$3,500 to US\$4,500 due to an extraordinary increase of the official fees established in the Fiscal Stamp Law of November 2014, and applied by the PTO since May 2015.

The publication expense now depends on the PTO and it is a fixed fee.

## 5 Classification system

**What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?**

Taking into consideration that Venezuela formally withdrew from the Andean Community on 22 April 2006 and that the Intellectual Property Law of 1955 is back in force, the local classification system must be applied on all intellectual property procedures.

Within the local classification, goods are protected from local class one to local class 49. Services per se are not duly specified therein, however, they are filed within the local class 50, which corresponds to non-classified merchandise and commercial names.

Despite the above, in practice, both the Nice International Classification from the World Intellectual Property Organization and the local classification are identified in all procedures filed before the PTO.

In practice, the classification system is very similar to the system applied in the US; however, multi-class applications are not allowed and there are limited possibilities of cost savings with this system.

## 6 Examination procedure

**What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?**

Once the PTO verifies that the application complies with all relevant formalities, the trademark application must be duly published in a daily local newspaper (currently in the official publication at the SAPI's webpage). After said legal requirement is met, the trademark application is published on the Official Bulletin for opposition purposes. Even if no oppositions are filed, the PTO will conduct an official examination

whereby the application is examined and it is determined if it complies with all inherent registration requirements and whether it is similar to previous trademarks filed or registered before the Office. Once the examination is completed, the application will be granted or denied. The examination procedure takes into consideration whether the applications fall into the absolute or relative prohibitions of registrability established in the law. Once the examination is conducted, a trademark can be denied ex officio. The applicant may respond to the rejection issued by the PTO.

## 7 Use of a trademark and registration

**Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?**

Use is not a requirement for either filing or granting a trademark, since most civil law-based trademark systems are drafted on a first-to-file basis and not on the rights of a user. As explained in question 9, the demonstration of use may indeed be required in those cases where non-use cancellation actions are filed.

In addition, a rarely used proceeding (a 'better rights' opposition) established in the Venezuelan Industrial Property Law of 1955 allows for the filing of an opposition on a previous-use basis. Once the opposition is filed before the PTO, it is transferred to a court of law to decide which party (applicant or opposing party) has the prior use of the trademark in Venezuela and, thus, the right to the trademark. As previously mentioned, it is a rarely used proceeding and the main exception to the first-to-file default principle.

## 8 Appealing a denied application

**Is there an appeal process if the application is denied?**

If an application is denied, either ex parte or ex officio, the applicant for the trademark will have the chance to file an appeal (reconsideration petition) before the PTO within 30 business days after the publication of the denial decision in the Official Trademark Bulletin. The applicant will have the chance to file two administrative appeals: a reconsideration petition before the PTO and a second appeal before the Ministry of Light Industries and Trade. Following this, a final appeal against the refusal may be filed before the Supreme Court of Justice within six months after the decision was rendered by the Ministry of Light Industries and Trade.

## 9 Third-party opposition

**Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?**

Applications are published for opposition purposes. Any interested third party can oppose an application prior to registration, or seek cancellation of a trademark or service mark after its registration. The primary bases of such challenges are similarities between the trademarks, fame, and lack of use, among others. Both procedures are filed before the Venezuelan PTO. Finally, a trademark owner can file an opposition before the PTO based on a bad faith or prior use (better right) application for its mark and then the files are sent to a trial court for resolution. The typical costs associated with a third-party opposition or cancellation proceeding range from US\$900 to US\$1,500; a better right opposition may entail costs of approximately US\$25,000.

A third party with a legitimate interest may file an opposition against an application it deems may interfere with its interests, and such party may do so within 30 business days after the publication of the application in the Trademark Bulletin.

An interested party may request a non-use cancellation action against a given trademark registration that has already been granted for two or more years. If use by a licensee is to be submitted, the licensee must be duly documented as such in the records of the trademark in order for its use to inure to the benefit of the licensor and trademark owner.

With regard to cancellations, it is necessary to point out that, according to the local Law of 1955, the party filing the cancellation action must prove that the mark is not in use, which is a burdensome process, and the period of non-use to cause the cancellation is reduced to two years. Depending on the goods covered by the registration, there is a small chance of successfully cancelling a registration according to the regulations established in the local law.

It is important to highlight that, although the PTO has issued an Official Notice calling the interested parties' attention to the reinstatement of the local Industrial Property Law of 1955 (and therefore excluding the application of Decision 486), cancellation actions are being notified according to Decision 486 of the Andean Pact. This practice has been kept by the PTO for the most recent Official Trademark Bulletins.

In practice, all evidence of use is submitted in non-use cancellation actions, since its validity may depend on the examiners' discretion. We usually advise that a licence be recorded; however, to defend clients' registrations and submit all and every kind of evidence, the examiner will decide whether to consider such evidence as valid use of the mark or not. The Andean Decision establishes that the use must be made by the owner, a registered licensee, or another person authorised by the owner. Therefore, it is possible to consider the use made by an authorised party, despite him or her not being a registered licensee, as valid use to benefit the owner. As previously mentioned, this may depend on the examiners' criteria.

A cancellation action procedure usually takes years in Venezuela, and the registered trademark is considered valid and effective until a final decision on the cancellation action is rendered by the authorities.

A brand owner may file an opposition on the basis of bad faith.

## 10 Duration and maintenance of registration

**How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?**

According to our local IP Law of 1955, a trademark registration will be valid for 15 years starting from its granting date and may be renewed for a consecutive 15-year term, provided that the renewal is filed within six months prior to the expiration date of the registration. A grace-period extension is not provided by this law. Proof of use is not required.

## 11 The benefits of registration

**What are the benefits of registration?**

In civil law countries with first-to-file-based trademark systems, the act of filing for a registration before the PTO becomes critical, as use is a source of very limited trademark rights. In addition, the exclusive legal right of use shall be acquired with the granting or registration of a trademark by the PTO, according to article 86 of the 1955 Industrial Property Law 'Registration of a trademark with the relevant national office shall confer the exclusive right to the use thereof'.

The right to bring a claim for trademark infringement before a court of law shall be acquired once the application is granted and the applicant has paid the corresponding taxes. Without a registration, a court of law will be inclined not to recognise trademark rights to a particular party but may grant some relief on unfair competition provisions, but these have not been greatly tested and do not provide such a strong right as a trademark registration, which even allows for a trademark owner to obtain injunctions before a formal suit has been filed before a trial court. There are no special courts in Venezuela.

The National Integrated Service of Customs and Tax Administration Office (SENIAT) will require a copy of the trademark registration to seize counterfeited goods imported to the country.

**12 Licences**

**May a licence be recorded against a mark in the jurisdiction?  
Are there any benefits to doing so or detriments to not doing so?**

According to the decree published on 18 November 2014 in the Official Gazette No. 6,152, the licence contracts for trademarks that belong to a foreign company located in Venezuela are subject to registration before the National Centre for Foreign Trade, known as CENCOEX. The new decree does not establish clear rules related to trademark licences. Since the decree was recently enacted, there have been no cases related to this matter.

Nevertheless, a consequence for not registering the trademark licence contracts is that the Trademark Office does not proceed with the registration of the licensees of the trademarks as their user. According to the Industrial Property Act, a trademark is subject to cancellation on the grounds of non-use if its owner or the licensee of a trademark duly registered in the PTO does not use it during a two-year period.

Based on previous considerations, licensing contracts should be submitted to the Trademark Office to prevent any cancellation action of the trademarks on the grounds of non-use by its owner or by the licensee that is registered at the PTO.

**13 Assignment**

**What can be assigned?**

The Industrial Property Law establishes that all similar or identical trademarks to the one being assigned will also be deemed as included in the assignment, unless otherwise established by the parties. Thus, the preparation of a clear assignment document is recommended so as to avoid problems in the future regarding scope thereof.

Other than the above, there are no major restrictions for the assignment of trademarks. Such assignments will have to be made in writing and submitted before the PTO to have validity against third parties. However, the PTO shall be entitled to deny the registration of a trademark that it believes may cause confusion, and this may happen in cases where coexistence of similar or identical trademarks in related classes is being sought via an assignment. If such is the case, the PTO may allow the co-ownership of trademark registrations that are similar, but not the coexistence in the names of different owners.

**14 Assignment documentation**

**What documents are required for assignment and what form must they take?**

To record an assignment, a written document must be executed by the parties. If one party executes the document abroad (outside of Venezuela), the signature must be notarised and either certified with apostille or by a Venezuelan consulate. If the document is drafted in any language other than Spanish, it must be translated by a sworn public translator in Venezuela.

There is no specific assignment form; however, the written document must:

- include the trademark;
- include the application or registration number;
- include a transfer amount;
- indicate the name and address of the parties involved, assignor and assignee; and
- be executed by authorised officers of the assignor and assignee before a notary public, and certified with apostille or legalised by a Venezuelan consulate.

**15 Validity of assignment**

**Must the assignment be recorded for purposes of its validity?**

Assignments must be recorded to have validity against third parties, which is critical in cases where actions such as cancellations and nullities are taken against a given trademark registration. If the assignment is not recorded, it will only be valid inter partes and its effects will not extend to third parties.

**16 Security interests**

**Are security interests recognised and what form must they take? Must the security interest be recorded for purposes of its validity or enforceability?**

Security interests may indeed be recorded against trademarks. Generally, before the PTO records the security interest, the lien document will have to be approved and must be drafted according to Venezuelan law, in most cases, by the Office of Industry. In cases where an entity may be regulated by a different and special law (a bank), the security interest does not have to be authorised by this office. The security interest must first be recorded before the Subordinate Registry Office and then before the PTO to ensure its validity and enforceability.

**17 Markings**

**What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?**

Marking is not mandatory in Venezuela, but it cannot harm a trademark owner, as it might serve as a deterrent for non-authorised users and may also serve during litigation as evidence that clear notice was given that the trademark was filed, registered or both. Markings in Venezuela are as follows:

- filed trademark: *marca solicitada* (MS); or
- registered trademark: *marca registrada* (MR or ®).

However, failure to use markings will not affect the ability of a trademark owner to enforce trademark rights before a court of law.

**18 Trademark enforcement proceedings**

**What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?**

Enforcement of trademark rights can be sought via criminal and civil jurisdictions. There are also border enforcement mechanisms. The most common way to proceed is through civil jurisdiction, as it entails less liability for the plaintiff. To do so, on a trademark basis, it is advisable to have a valid trademark registration.

Since there are no special tribunals appointed to hear trademark cases, any civil claim of trademark infringement will have to be filed before a trial court with jurisdiction to hear civil and commercial cases. A trademark owner may also obtain injunctions on infringing merchandise even before a formal suit has been filed. It currently depends on the judge's criteria.

A trademark infringement action cannot be filed before the administrative jurisdiction since the PTO is only entitled to limit its activities to prosecution tasks including filing, prosecution, oppositions, granting, renewals, cancellations, nullity trademark actions, among others, not including infringement claims.

Trademark enforcement is regulated by the Criminal Act and the Criminal Procedure Act. The procedure must be initiated by an interested party that owns the trademark subject to infringement. The investigation is conducted by the District Attorney's Office and the relevant police department. They may seize infringing products in some cases.

According to Administrative Decision No. SNAT/2005/0915, SENIAT may conduct raids on a nationwide basis to preventively seize imported products that may infringe IP rights.

Once imported, alleged counterfeit products may be seized by SENIAT. A notification is sent to both the alleged infringer and IP rights owner. This is to let them know that SENIAT may bring any action they think appropriate within 10 days of the notification.

During this period, the alleged infringer may demonstrate that the products are original. If SENIAT confirms that the seized products are original, these would be returned to the owner, but if SENIAT does not receive evidence that the products are original and they are in fact counterfeit, they will most likely confiscate the products. In addition, if



### Update and trends

Trademark applications can be filed online at the PTO. Also, the PTO is offering publication services through its website. It is also implementing an electronic signature of the Registrar for the Certificates of Registration.

a public policy crime were committed by the alleged infringer (such as smuggling), SENIAT would be obliged to report this to the Venezuelan criminal courts for the initiation of criminal proceedings against the alleged counterfeiter.

## 19 Procedural format and timing

### What is the format of the infringement proceeding?

The format for a civil case will be formed by the filing of a suit, injunctions that could be ordered before the filing of the suit or once it has been filed, and a period to summon the defendant who, once summoned, will have a fixed legal period to reply to the suit. If the defendant cannot be summoned, a reply to the suit on behalf of the defendant will be filed by a court-appointed attorney.

Regarding evidence, Venezuelan law does not provide for a discovery period but for a system whereby the main evidence, such as the trademark certificate in a trademark infringement case, has to be filed along with the initial suit and the rest of the evidence, including witnesses, in the period that follows after the reply to the suit has been filed by the defendant. The Code of Civil Procedure is quite comprehensive as to what can be presented as infringement evidence, which may include, inter alia, witnesses, experts, surveys and any other forms of evidence that could help support an infringement claim. Once the evidence period has elapsed, the parties will each have the chance to file a brief summarising the case and a trial judge will then proceed to render a decision on the case.

According to the criminal law, the infringement of a trademark is considered a crime. The procedure must be initiated by the interested party (the owner of the infringed trademark). The system is based on the adversarial model; the rules of the criminal procedure are designed to ensure that the defendant's rights are protected. The rule of evidence is that guilt must be demonstrated beyond reasonable doubt. Due process is regulated in the Constitution. The Criminal Procedure Act is fairly new, therefore, there have been no cases of trademark infringement to date.

## 20 Burden of proof

### What is the burden of proof to establish infringement or dilution?

The key to the process is the ability to demonstrate confusion or unfair behaviour by the defendant causing damage to the plaintiff. Courts have failed to establish clear guidelines or test to be followed for such purposes and, even if established in other courts of the same level (ie, trial courts), they will not be bound by such opinions. It is important to highlight that case law is not as critical in a civil law country as it is in a common law jurisdiction, as courts tend to issue decisions based on the text of acts, opinions of authors and treaties instead of on a case law basis.

Notwithstanding the above, the practice of the PTO has been to reject trademarks that it considers that are similar and that cover related goods. Protection for well-known trademarks is broader, due to the fact that similar trademarks, even if covering unrelated goods or services, may also be rejected.

## 21 Standing

### Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner is the party who may legally bring an infringement suit as the holder of the rights associated therewith. However, an authorised third party could bring suit as long as it can be demonstrated that it is acting on the basis of rights that have been bestowed upon it by the trademark owner. Ideally, a licensee should act in a

trademark infringement suit as co-plaintiff of the trademark owner, so that the court has a clearer idea in connection with the claimed right. Since not all trial courts are versed in intellectual property matters, it is advisable to present the case in a clear and convincing manner regarding basic issues under litigation, such as ownership of the trademark and basis of the claimed right.

In a criminal case, the owner of the trademark has legal standing to bring the complaint.

## 22 Foreign activities

### Can activities that take place outside the country of registration support a charge of infringement or dilution?

Trademark rights in Venezuela are territorial and they do not extend to other countries; therefore, the plaintiff will need to demonstrate that the infringing activity is taking place in Venezuela. Although a trademark infringement suit cannot be filed against an infringement that is not occurring in Venezuela, foreign activities could be brought forward so as to supplement or show a relationship with the infringing activity that is taking place in Venezuela (shipment of infringing goods from a foreign port).

## 23 Discovery

### What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

The Code of Civil Procedure allows for a party to request the exhibition of a document from an opposing party. This petition is filed before the judge and the requesting party must file a copy of the document, if available, or at least some information regarding the content of the document if a copy is not available, and evidence supporting that the document is in the hands of the opposing party. If evidence is to be obtained abroad, the local trial court will issue a petition of repeal before a foreign court requesting its assistance in such matter (declaration of a witness residing abroad).

Discovery or disclosure is not contemplated in common law. Therefore, there are limitations in accordance with the Code of Civil Procedure.

## 24 Timing

### What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

At trial level, the procedure will not take less than 18 to 24 months and could even take longer, as there are several preliminary appeals that may be filed during trial and before the final decision is issued. Once a decision is rendered at trial, an appeal may be filed before a court of appeals, which may remand the case if it finds that the law was not properly applied by the trial court. A decision by a court of appeals may also take between 18 and 24 months to be issued. Finally, an appeal can also be filed against the court of appeals's decision before the Supreme Court of Justice, which may also remand the case if it finds that there has been a flaw in the application of the law.

## 25 Litigation costs

### What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

The costs at trial level will depend on whether there are injunctions to be enforced. If so, the petitioner may expect regular trial costs ranging from US\$25,000 to US\$30,000, to be increased by approximately US\$12,500 if an injunction proceeding is initiated. An appeal process before a court of appeals will have a cost ranging from US\$7,000 to US\$10,000; and the costs for an appeal before the Supreme Court of Justice range from US\$10,000 to US\$14,000.

**26 Appeals****What avenues of appeal are available?**

As described in question 25, a trial court decision may be appealed before a court of appeals, and the decision of this court may be challenged before the Supreme Court of Justice.

**27 Defences****What defences are available to a charge of infringement or dilution, or any related action?**

There are several defences that a defendant can bring forward, including substantive defences, such as lack of confusion or similarity between trademarks, fair use of a trademark (that the goods marketed are legitimate) or that the trademark registration claimed as a basis of the suit is no longer valid, among others, or procedural defences related to possible procedural errors that the plaintiff has made when filing the case or during litigation.

**28 Remedies****What remedies are available to a successful party in an action for infringement or dilution, etc?**

A trademark owner may seek a wide array of remedies ranging from injunctions, seizure of merchandise, prohibition to use, sell or advertise a trademark, prohibition of importation of illegal products or an order from customs to prevent such goods from entering the country, to an award for damages where the following elements must be considered:

- the consequential damage and lost profits caused to the holder of rights as a result of the infringement;
- the amount of profit obtained by the infringer deriving from the infringement; or

- based on the commercial value of the infringed right and such contractual licences as may have already been granted, the price the infringer would have paid for a contractual licence.

In addition, the judge may also order the payment of attorneys' fees. There are no remedies in a criminal procedure.

**29 ADR****Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are indeed provided for and allowed by the Code of Civil Procedure, which includes a special title on arbitration. Arbitration proceedings have proved to be quite effective provided that the parties feel that they may obtain a more equitable decision and avoid the jurisdiction of certain courts. Arbitration may be a good alternative to avoid burdensome litigation processes and the expense of excessive fees in cases where it is not necessary to submit the matter to trial.

**30 Famous foreign trademarks****Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Famous trademarks are protected even if they are not used domestically, since Venezuela is a member country of the Paris Convention. Foreign trademarks can also be domestically famous.

Any evidence to prove that a trademark is famous is allowed in court. If a trademark is declared famous, it can be used as a defence against any identical and similar trademarks of any class. If the trademark is considered by the relevant authority as famous, it is protected in all classes. Oppositions and cancellations against any similar or identical trademark of any class can be filed.



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