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Workshop XI

Well-Known and Famous Marks

Marques connues

Bekannte und berühmte Marken

Tuesday, September 9, 2008

Chairman:

Robert W. Sacoff, Pattisall, McAuliffe, Newbury, Hilliard & Geraldson
LLP (Chicago, IL, USA)

Speakers:

Luis Burgueno, Von, Wobeser & Sierra (Mexico City, Mexico)
Jacqueline Leimer, Kraft Foods Inc. (Chicago, IL, USA)
Michelle Marsh, Kenyon & Kenyon (New York, NY, USA)
Coral Toh, Ella Cheong (Hong Kong, China)
Verena von Bomhard, Lovells (Alicante, Spain)

Reporter:

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Summary Report

Well-known and famous trademarks

An international review of the enforcement of well-known and famous marks against adverse applications and uses in countries around the world; can a trademark owner of a famous mark sue in other countries? the BUKHARA decision in the United States; how well-known or how famous must marks be, and where ? How are registers of famous marks working ?

Robert W. Sacoff (Introduction and Overview)

The Chairman introduced the speakers and outlined the special case of well-known and famous trademarks. This is a category of marks deserving heightened legal protection because the global public is so familiar with them, that the risk of consumer deception by infringing marks is equally heightened, and should be prohibited, even if they have not been registered locally.

Historically, the need for special protection of such trademarks has been recognized for almost a century, ever since the 1925 addition of Article 6bis to the Paris Convention for the Protection of Industrial Property, of March 20, 1883, extending protection to “Well-Known Marks” in member countries, irrespective of local registration.

More recently, in 1994, protection for well-known marks was reaffirmed and expanded in the Trade-Related Aspects of Intellectual Property Rights (“TRIPS”). Article 16.2 of TRIPS extends well-known mark protection expressly to service marks, and provides as a criterion whether the mark is well-known to the relevant sector of the purchasing public, instead of to the entire country, and includes promotion of the mark as a factor, as opposed to the more restrictive “use.” TRIPS Article 16.3 also extends protection of the well-known mark, if it is registered, to marks for unrelated goods and services.

Heightened protection for well-known marks is also extended in the national trademark laws and judicial decisions of many countries, with the specific types and terms of protection taking various forms. Examples include the U.S. anti-dilution statute which prohibits the adverse use and registration of marks likely to dilute the distinctiveness or tarnish “famous marks,” and Mexico’s protection of “notorious marks” in the recent revision of its trademark law.

The panelists proceeded to discuss the issues of determining whether and when a mark is eligible for such extra protection in their respective jurisdictions. The legal terminology used to address the category of marks varies, from “well-known” in the Paris Convention, to “famous” as in the U.S. dilution statute, to “notorious” in Mexico, to marks with a “reputation” in the European Union, but the various solutions rest on the same or similar underlying principles.

Jacqueline A. Leimer (Famous Brand-Owner Perspective)

Ms. Leimer described the problem from the standpoint of a major brand-owner company, Kraft Foods, and demonstrated the business case for heightened protection of famous marks. She showed advertisements and television commercials for some of her company’s global brands, including OREO cookies, TANG soft drinks, and the

KRAFT house mark. These trademarks have achieved widespread consumer recognition around the world. They are registered extensively around the world but the costs of registration and portfolio management are exceedingly high and there are always possibilities of infringement in countries where a particular mark has not been registered yet.

Verena von Bomhard (European Union)

Ms. von Bomhard discussed the topic in the context of the European Union and the many individual countries that it comprises. Under EU regulations, directives and national legislation, the category of marks deserving special protection tends to be referred to as marks with a reputation.

There is a large body of case law on reputed marks and their issues, which she reviewed in great detail. Marks with a reputation generally are treated with a heightened level of protection, but the geographical and national complexity of the European Union and the diversity of its languages presents special problems in determining reputation. A controversial issue currently is whether reputation in one or a few EU countries is sufficient to make a mark eligible for heightened protection throughout the EU. This issue is unsettled, and she reviewed the arguments pro and con.

Luis Burgueño (Mexico)

Mr. Burgueño reviewed the history and status of famous and notorious marks in Mexico. Prior to the 2005 Reform of the Mexican Industrial Property law, notoriety consisted of knowledge by a sector of the public or the “commercial circles” of Mexico resulting from use or promotion in Mexico or abroad. Notoriety did not require trademark registration in Mexico (Gucci precedent) and protection was afforded to unrelated goods and services.

The 2005 amendments extended protection to notorious marks known by a “particular sector of the public or of the commercial circles of the country” as a result of the use or promotion or publicity of the trademark in Mexico or abroad. For the first time, the Mexican IPA established a procedure to file a declaration of notoriety or fame. If accepted, the declaration provides a rebuttable presumption that notoriety or fame subsists for 5 years (renewable) from the date of the declaration, during which time there is an expedited process for denial of infringing applications. The ability to obtain the status of notoriety in a non-adversarial context is an option that famous marks owners should consider.

Coral Toh (China and Hong Kong)

Heightened protection for well-known trademarks is a relatively new concept in Chinese trademark law (which itself is a relatively new statutory provision). There was nominal protection in the form of provisional measures and judicial interpretations from 1985 to 2000, but the concept of well-known mark protection was only introduced into the Trade Mark Law in 2001 and the first 150 recognized well-known marks were all Chinese trademarks. Since then, the level of fame is very much measured on a domestic basis.

China has shown an element of local protectionism. Before the 2003 regulations were introduced, it was up to each provincial Administration for Industry and Commerce to

accord well-known mark status in the course of disputes involving the owners of the allegedly well-known marks. This led to abuse by some provincial authorities: sometimes they denied an application to be recognized as a well-known mark in order to protect a local infringer and sometimes they recognized an excessive number of well-known marks for provincial or even personal advantages.

Additional difficulties exist in Chinese trademark law. Many foreign well-known marks cannot be properly translated or transliterated into the Chinese language, and the local Chinese population often creates a local nickname for these brands. This creates the undesirable situation where the foreign well-known mark is not recognized enough in China to be accorded well-known mark status and the local nickname, though widely recognized, does not belong to the owner of the foreign well-known mark.

Shadow companies are also often formed in Hong Kong with names incorporating well-known marks, which typically grant a license to a wholly-owned business in China to use the well-known marks as company or trade names or even trade marks on all goods and services, whether normally designated by the well-known marks or otherwise. The ease at which such companies can be incorporated in Hong Kong and used to raise issues of jurisdiction to thwart enforcement efforts has led to a review of the Hong Kong Companies Ordinance.

As a result, a foreign well-known mark owner can find it very hard to sue successfully in China unless it could show domestic fame in China.

Michelle Mancino Marsh (U.S.)

The United States perspective on the protection of foreign famous marks was brought into sharp focus by several recent federal court decisions. The United States is divided into geographical federal court circuits, and their rulings on similar issues of law are not always completely consistent, in the absence of a U.S. Supreme Court ruling on an issue. In *Grupo Gigante S.A. de CV v. Dallo & Co.*, the Ninth Circuit Court of Appeals (in California) protected a Mexican supermarket chain's name in the U.S. despite the fact that the chain had no stores in the U.S. The court reasoned that the substantial Mexican population in the U.S., familiar with the Mexican brand, would falsely think an American chain under the same name was related. The court issued an injunction on unfair competition principles.

However, more recently in *ITC Limited v. Punchgini, Inc.*, the Second Circuit Court of Appeals (in New York) refused to enjoin the operators of an Indian restaurant from using the name BUKHARA GRILL, where the Indian company that owned a U.S. registration of that mark had abandoned its U.S. trademark registration. The court refused to find a separate "well-known marks" cause of action under the Paris Convention, on the ground that the Paris Convention was not a "self-executing" treaty, and the U.S. Congress had never expressly enacted Article 6bis into U.S. statutory trademark law. The possibility was reserved for a plaintiff to establish a well-known marks claim under New York state law, but such a case would be narrowly circumscribed.

Ms. Marsh discussed the possibility of amending U.S. trademark law to expressly incorporate Article 6bis of the Paris Convention and recognize foreign well-known marks.

Conclusions

Protection of well-known marks is properly recognized as an important, fundamental legal principle of international trademark law. However, it is not enough that such a principle is recognized in international treaties, and effective protection requires the enactment, by the various countries, of well-known marks protection into their respective national trademark or industrial property laws, and such protection should be extended in accordance with transparent and non-discriminatory legal rules.