



Date: 7th June 2015

Q245

Taking unfair advantage of trademarks: parasitism and free riding

Responsible Reporters: by Sarah MATHESON, Reporter General John OSHA and Anne Marie VERSCHUUR, Deputy Reporters General Yusuke INUI, Ari LAAKKONEN and Ralph NACK Assistants to the Reporter General

National/Regional Group	Greece
Contributors name(s)	Helen PAPACONSTANTINO and Eleni KOKKINI
e-Mail contact	mail@hplaw.biz
Date	29-05-2015

I. Current law and practice

1) Do the laws of your jurisdiction provide for protection against:

a) the taking of unfair advantage of trademarks as defined in these Working Guidelines (see paragraphs 26) and 27) above); and/or

yes

Please comment:

Greek law provides protection against the taking of unfair advantage of trademarks on the basis of both Greek trademark law No. 4072/2012 and Law No. 146/1914 on unfair competition. To be more precise, taking unfair advantage of a famous mark is one of the relative grounds against the registration of a later mark under Greek law No. 4072/2012 (Art. 124) on trademarks, whereas registered famous trademarks are also protected against the use of a sign by which a person takes unfair advantage of the fame of an earlier famous mark (Art. 125 and 150 of Law No. 4072/2012 on trademarks). In addition, taking unfair advantage of famous marks has been prohibited by Greek courts in various occasions under the general clause of Art. 1 on Law No. 146/1914 on unfair competition, that prohibits practices in all commercial transactions, undertaken for competition purposes, when they are contrary to business morals and ethics.

b) use that you consider similar but outside the scope of the definition in these Working Guidelines?

yes

Please comment:

The case of dilution, i.e. the situation where detriment is caused (or may be caused) to the

distinctive character or fame of a trademark, is dealt with -in the same trademark law provisions, namely Article 124 about relative grounds against the trademark registration and Articles 125 and 150 about trademark infringement of law No. 4072/2012 on trademarks- as a separate circumstance.

Further to the protection described above under 1) a., Greek unfair competition law No. 146/1914 provides supplementary protection to trademarks and distinctive signs in Art. 13, in the cases when there exists a likelihood of confusion to the average consumer, deriving from the identity or similarity of both marks and products or services. In addition, Greek law No. 2251/1994 on consumer protection includes in Art. 9d -after the implementation of the UCP-Directive- the promotion of a product in a way that creates confusion to competitive products and trademarks in the per se prohibited commercial practices.

For the questions below, if b. applies either separately or in addition to a., please make that clear in any relevant answer.

2) What is this protection called, and is this a definition developed in case law or found in a statutory provision? If such protection is characterised as a form of protection against dilution, please state this and provide any explanation as to the basis for such characterisation.

Greek trademark law refers to this protection as the protection of a famous trademark “against the taking of unfair advantage without due cause”. In some cases Greek courts and theory also refer to “unfair image transfer” or “parasitic exploitation of a mark’s fame”. Greek unfair competition law does not include any definition for the protection against taking unfair advantage of a mark. Greek courts refer to this case as “taking unfair advantage of a trademark’s good reputation”, “parasitic imitating advertising”, “unfair imitation”, “passing-off through misrepresentation” and “free-riding through misrepresentation”.

Similar uses that are mentioned above under 1) b. are referred to in the Greek trademark law and practice as “dilution”, detrimental use of a trademark’s reputation”, “detrimental use of a trademark’s distinctive character” and “damage in a trademark’s fame or distinctive character”. Article 13 of the Greek unfair competition law refers to the “use of a name” in a manner which is “capable of causing confusion with the name ... or special designation legitimately used by another person”.

Greek law No. 2251/1994 on consumer protection refers to the promotion of a product “in a way that creates confusion to competitive products and trademarks”.

3) If such protection is available, what is the basis for the protection, e.g. trademark law (distinguishing between unregistered and registered trademarks where relevant), unfair competition, consumer protection law, common law? If multiple causes of action are available, is there an interaction between them, and if so, what?

The basis for the protection discussed is mainly trademark law and unfair competition law. The relevant trademark law provisions mainly protect registered trademarks, whereas the unfair competition law provisions protect basically unregistered distinctive signs, having, though, a supplementary application as regards registered trademarks, according to the prevailing opinion of the theory/practice and the courts.

Greek law on the consumer protection applies on the confusing use of both registered and unregistered trademarks or distinctive signs.

Greek trademark law, unfair competition law and consumer protection law may be invoked in parallel. In case of a trademark law infringement, the unfair competition law provisions may be also applicable as

the latter are deemed to have a supplementary application according to the prevailing opinion in the theory and the court practice. Whereas trademark owners and competitors are entitled to initiate court action in the case of the trademark and the unfair competition law application, only consumers and consumer associations are allowed to file court actions and remedies under consumer protection law.

4) What are the elements of any available cause of action, e.g. the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, change in the economic behaviour of consumers, actual advantage, potential future advantage? How are they proven?

The following conditions must apply in order to seek protection against taking unfair advantage of a mark's fame under trademark law: a) the trademark must be either registered or a reputed mark within the meaning of Article 6bis of the Paris Convention, b) it must have acquired fame in Greece, c) it must be identical or similar to the later mark that takes unfair advantage of its fame, d) the use of the later mark must be able to take advantage of the earlier mark's fame and e) the unfair use must be made without due cause. In the case of unfair competition law claims, the following conditions must apply: a) the infringing act must be undertaken by a competitor in the course of commercial transactions, b) a competitive relationship is required (although it has been perceived by the courts in a very broad sense, even covering cases of indirect or potential competition), c) it is undertaken for competition purposes, but not necessarily with the intention to harm the competitor and d) the act discussed is contrary to honest practices.

5) Further to question 4):

a) what degree of reputation, if any, in the trademark is required?

The trademark must enjoy fame or good reputation in Greece. The higher the reputation of the mark, the easier it is to prove the infringement without having to invoke further factors that prove the unfair character of the infringing act.

b) who bears the burden of proof regarding the requirements?

The person who files the claim for the taking unfair advantage of a trademark, namely the trademark owner, has to prove the application of the above requirements.

c) must the use at issue cause confusion?

no

Please comment:

The actual or possible creation of confusion is not required in the taking unfair advantage of a trademark's fame or in the case of dilution. However, it is indeed a legal requirement in the other cases mentioned above under 1) b. deriving from the provisions of Art. 13 of law on unfair competition (identity or similarity to earlier distinctive signs) and Art. 9d of consumer protection law (promotion of a product in a way that creates confusion with competitors' marks). A likelihood of confusion is sufficient in these cases.

d) can the protection be invoked in case of both similar and dissimilar goods/services?

yes

Please comment:

The protection may be invoked in case of both similar and dissimilar goods or services. Only in the cases where a risk of confusion is required (see above under 6) c.) the protection may be only proven in case of similar goods and/or services.

e) are there any other factors, even if not a separate requirement, that may be relevant, and if so, what are they?

Other factors, such as the trademark's image as an indication of luxury, exclusivity and/or high quality, may be relevant. In the case of dilution or damage to the trademark's fame, factors such as negative connotations, the risk of association or the impression of affiliation, the use of the trademark in an insulting advertisement or in products or services of low quality may be relevant.

6) Are there any defences against and/or limitations to the protection?

yes

If so, what are they, and what are the elements of such defences/limitations?:

The protection provided to famous trademarks is limited when the use of the famous mark is made "with due cause". It has been held by courts that the "due cause" covers cases when the famous trademark is being used descriptively or in the framework of permitted comparative advertising, parody, information in the press, in art and other similar cases within the protection of the freedom of speech.

7) Who bears the burden of proof in relation to any defences and/or limitations? In this context, please also consider the relationship with the element of "unfairness". For example, is it a defence that the use is with "due cause" (see paragraph 31 of the introduction) above and footnote 2) of the introduction? If so, can such use ever be "unfair"? Or is this just a matter of a shifted burden of proof?

The burden of proof in relation to the defence of due cause is borne by the alleged infringer of the famous mark. Under both Greek trademark and unfair competition law, the use with due cause cannot be "unfair", as the element of due cause is mentioned in these laws as a limitation or defence to the trademark infringement. An "unfair" use "with due cause" might be prohibited under other legal provisions, such as those protecting personality rights or general criminal laws on defamation.

8) If a defence exists or only limited protection is available, what rights does that give the free rider? For example, may the free rider simply use the trademark or may the third party obtain a separate trademark registration in respect of the goods and/or services in respect of which the free rider is using the trademark?

If a ground of defence exists, the free rider may only use the famous mark within the limits allowed by the law, namely within the limits set by the "due cause". The free rider would not be able, though, to obtain a separate trademark registration, even in respect of dissimilar goods and/or services to the goods and/or services protected by the earlier famous mark, as the trademark registration would probably not be held to be "use with due cause".

9) Can the protection be invoked in:

a)	court in civil proceedings;
	yes Please comment:
	The trademark owner may request that the infringing use of its trademark be ceased. Under circumstances, the palintiff may also claim for damages and moral damages. In addition, a penalty may be threatened by court in case of future infringement.

b)	court in other proceedings;
	yes if so what other proceedings (e.g. criminal proceedings):
	The protection discussed may be also invoked in criminal proceedings.

c)	opposition proceedings;
	yes Please comment:
	Further to the opposition, the protection at issue may be also invoked in cancellation proceedings.

d)	any other?
	yes if so what, proceedings?:
	The protection can be also invoked in administrative complaints proceedings before the General Secretariat on the Consumer Protection, in case of infringement of the consumer protection law provisions

10)	If the protection can be invoked in multiple proceedings, are there different requirements for different proceedings? If so, please state the requirements.
	The substantial requirements for the protection are quite the same, as the definition of the infringement is based on the same basic provisions of Art. 124, 125 and 150 of Greek trademark law and Art. 1 and 13 of Greek law on unfair competition law. However, each type of proceedings (civil court, administrative or criminal court proceedings) has to follow specific procedural rules that are related to the specific form of proceedings

II Policy considerations and proposals for improvements of the current law

11)	Should there be protection against:
-----	-------------------------------------

a)	the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or
	yes Why?:
	There should be definitely protection against the taking of unfair advantage of trademarks as defined in the Working Guidelines. The reason for this is that trademarks often acquire their

reputation and goodwill through high investment efforts and costs. These investment efforts have to be protected, especially in today's digital environment, that provides many new ways of taking unfair advantage of trademarks.

b) use that is similar but outside the scope of the definition in these Working Guidelines?

yes
Why?:

Famous trademarks should also be protected against the detrimental use of their fame and dilution, for the same reasons explained above under 11) a.

12) Is the basis for protection or the cause of action relevant?

yes
Why?:

The basis for the protection and the cause of action should be relevant, as any legal basis provided must be interpreted within the context of the legal system foreseeing the protection. However, it is suggested that the protection under unfair competition law foresees a broader definition of the competitive relationship, in order to take also those cases into account, where there is no direct competition between the trademark owner and the infringer.

13) Should it be possible to invoke the protection in all types of proceedings mentioned above under 9) above?

yes
Why?:

It should be possible to invoke the protection discussed in all types of proceedings mentioned under 9), as the opposite would jeopardize the effectiveness of the protection. For example, if the trademark infringer was banned from using the mark but had the right to register a trademark of its own, the protection granted by the civil courts would be contrary to the exclusive rights provided by the trademark registration. In the other side, if the trademark infringer could not register a trademark but was able to use the infringing sign, the protection of the famous registered mark would be weakened.

14) How can your current law as it applies to the taking of unfair advantage of trademarks and/or the interpretation thereof (in particular, in case law) be improved?

The current law practice could be improved by broadening the scope of the competition, as referred to in the current unfair competition law, in order to include cases where there is no direct competition between the trademark owner and the infringer

III Proposals for harmonisation

15) Is harmonisation in this area desirable?

yes
Please comment:

We believe that harmonization in this area is desirable. However, it is necessary to take particularities of local laws into account, especially those that refer to the interpretation by the courts of general terms,

such as “due cause”, “purpose of competition”, “unfairness” etc.

If yes, please respond to the following questions without regard to your national or regional laws. Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

16) If your answer to question 11) is no in respect of a. and/or b., is it your view that no such protection should be available anywhere?

Not applicable.

17) Should there be harmonisation of the definition of:

a) the taking of unfair advantage of trademarks as defined in these Working Guidelines; and/or

yes

If so, please provide any definition you consider to be appropriate.:

There should be harmonization of the definition of the taking of unfair advantage of trademarks, in order to facilitate cross-border transactions and marketing and offer both competitors and trademark owners more security as to the scope and limits of the protection available.

b) use that you consider similar but outside the scope of the definition in these Working Guidelines?

yes

If so, please provide any definition you consider to be appropriate.:

There should be also harmonization as to further uses of famous marks, also including dilution and detrimental use of famous marks, for the same reasons explained above under 17) a.

18) What should the basis for protection/cause(s) of action be?

The basis for protection should include trademark law, unfair competition law and consumer protection law. As there is currently a difference between various jurisdictions as to the scope and basis of protection, it is necessary to proceed to an overall harmonization effort, without leaving out parts of the law that may refer to the matter discussed.

19) What should the requirements for protection be? In your answer, please address at least the following, in addition to any other relevant factors: what level of reputation, if any, in the trademark should be required, and who should bear the burden of proof?

A relatively high level of reputation should be required, in order to justify the broader protection granted to the owners of famous marks. However, additional factors that may prove the intention to take unfair advantage of a trademark should “make up for” a lower level of reputation.

The burden of proof for the taking unfair advantage of the reputation should be borne by the plaintiff, namely the owner of the trademark. This solution is consistent with the general principles of procedural law. We do not believe that there exists any particular reason that would justify shifting the burden of proof in the matter discussed.

20) What defences against and/or limitations to the protection should be available? Please state the proposed requirements for any defence/limitation, and the effect of any defence/limitation.

We believe that the notion of “due cause” should be clarified by the addition of examples in the legal texts, including the use in parody, the descriptive use and permissible comparative advertising. However, we also think that the general notion of due cause should remain as a limitation of protection, considering the possibility of appearance of new cases –now unknown to us in the current marketing and digital environment- that may justify the limitation of protection granted to famous marks.

21) Who should bear the burden of proof in respect of any defences and/or limitations?

The burden of proof in respect of any defences or limitations should be borne by the defendant, i.e. the person accused of having taken unfair advantage of a trademark. This solution is compatible with the general principles of procedural laws on the burden of proof.

22) In what type(s) of proceedings should it be possible to invoke the protection?

The protection granted to famous marks in the case discussed should be able to be invoked in all types of proceedings, namely civil, administrative and criminal proceedings.

Summary

Famous trademarks should be protected against both taking of unfair advantage and against the detrimental use of their fame and dilution. The protection under unfair competition law should foresee a broader definition of the competitive relationship. The protection should be possible in administrative, civil and criminal court proceedings.

Harmonization in this area is desirable, taking, however, particularities of local laws into account. The harmonization should be extended in the definition of the taking of unfair advantage of trademarks and further uses of famous marks, also including dilution and detrimental use of famous marks.

The basis for protection should include trademark, unfair competition and consumer protection law.

A relatively high level of reputation of the mark should be required. However, additional factors that may prove the intention to take unfair advantage of a trademark should “make up for” a lower level of reputation.

The burden of proof for the taking unfair advantage of the reputation should be borne by the trademark owner, whereas the burden of proof in respect of any defences or limitations should be borne by the infringer.

The notion of “due cause” should be clarified by the addition of examples, including the use in parody, the descriptive use and permissible comparative advertising. However, the general notion of due cause should remain as a limitation of protection.

The protection granted to famous marks in the case discussed should be able to be invoked in all types of proceedings, namely civil, administrative and criminal proceedings.

Please comment on any additional issues concerning the taking advantage of trademarks in the sense of parasitism and free riding you consider relevant to this Working Question.

Not applicable.

AIPPI