

MARQUES

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New MARQUES chair appointed

Guido Baumgartner of Coty Prestige Lancaster Group was elected **MARQUES** Chair for a period of two years at the Winter Meeting in Venice this month.



Guido was previously one of two Vice Chairs. He takes over from Jane Collins of Syngenta, who stepped down after her two-year term.

He said his objectives, which are shared by the **MARQUES** Council, are threefold.

First, he will focus on the financial well being of the Association: **"Given the economic situation, we need to keep this aspect constantly in mind and work on it."** He added that the Treasurer and Vice-Chair will take the main responsibility for this.

Second, **MARQUES** has announced the so-called VIP programme (to gain visibility in the IP world). This includes addressing new and interesting topics through the **MARQUES** teams and holding successful local seminars, such as the judges seminars in Alicante and Venice.

This work will be coordinated by the external relations officer and development executive, with the cooperation of the various teams.

Third, there will be an emphasis on team building. This includes keeping the existing teams focused on their work and adding new teams where appropriate. The most recent team to be added is the China Team, which was announced in Venice.

Guido added that more plans would be clarified over the next few months: **"MARQUES is a team organisation and we certainly have more to contribute or give details."** He also thanked Jane and his co-Vice Chair Susane Skov Nilsson for their work over the past few years and said he hoped to build on what they had achieved.

Guido will provide more details about his plans for **MARQUES** in the next Newsletter, available in April. That will also include a full report from the Winter Meeting.

Guido was interviewed in Newsletter 95, available on the **MARQUES** website.

<http://www.marques.org/Newsletters/NewsletterDownloads.asp>

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MARQUES gains OHIM observer status

MARQUES is one of five trade mark users' organisations that has been granted observer status on OHIM's Administrative Board.

The move means that a **MARQUES** representative will be able to take part in discussions along with representatives of EU member states and the Commission at Board meetings, which normally take place two times a year. The next meeting is in May.

The decision comes nearly a year after **MARQUES** wrote a letter proposing that users be more involved in discussions about OHIM's future.

MARQUES has nominated former Chairman Tove Graulund to be its representative for the two-year term. Tove is Acting Director Trademark & Legal at Zacco. The other four organisations that will be invited to send observers are AIM, BusinessEurope, ECTA and INTA.

António Campinos, chair of OHIM's Administrative Board, said the decision to invite users as observers, which was taken by the Board in December, was long overdue:



"The absence of observers at a higher level did not favour transparency, cooperation or communication with users. After all, they are our major stakeholders."

The Board represents all 27 EU member states and the European Commission. WIPO and the Benelux Trademark Office also participate as observers.

Campinos said the decision to invite the five users groups was unanimous: **"I want to underline the constructive spirit of all member states, without exception, as well as the President of OHIM and in particular Margot Fröhlinger from the Commission."**

He added that, at its extraordinary meeting in September last year, member states called for further engagement with users:

"With the discussions about the fee reduction and the cooperation fund, we are facing significant discussions and changes, so it is really important to have the users on board."

MARQUES Chairman Jane Collins said:

"I welcome very much that MARQUES has been invited as an observer. We look forward to working with the member states and it shows that the Administrative Board wants to take the wishes and needs of brand owners very seriously."

"This is a very special moment for us."

We have been working to strengthen our relationship and dialogue with the European national offices for a number of years, including through the Forum meetings, and I believe that it has been rewarding for all. In view of the complicated discussions that lie ahead, I'm delighted to see that member states value having users' contributions," added Tove Graulund.

One of the main tasks of the Board this year will be to build on the CTM fee reduction and establishment of a cooperation fund that were agreed at September's meeting.

"We don't all necessarily like all aspects of the compromise solution," said Tove. **"But it is a compromise that we support and will continue to support. Now is the time to build up trust in a positive environment."**

António Campinos said his experience of chairing WIPO's Working Group on the Madrid Protocol convinced him of the benefit of involving users: **"I have seen that a constructive dialogue between the representatives of the member states and the representatives of the NGOs can result in significant improvements of existing systems. We must seize this opportunity to create a more modern and user-friendly European trade mark and design system at all levels. I look forward to experiencing what we did with WIPO again in Alicante."**

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Improving Europe's trade mark systems

MARQUES External Relations Officer Cristina Duch introduces a project that aims to provide a comparative analysis of European IP offices



Among its diverse activities within the IP field, **MARQUES** organises twice a year the so-called Trade Mark Users' Forum. The 1st Forum was held in 2005, and the Forum receives continued support from most national patent and trade mark offices (NPTOs) in Europe. The Forum is chaired by Tove Graulund (Past Chairman of **MARQUES**) and gathers representatives of the NPTOs together with AIM (Association des Industries de Marque) and BusinessEurope (the Confederation of European Business). The Forum aims to serve as a tool to discuss the future role of national offices in Europe and to approach issues of interest for the IP community that go across borders.

One of the topics discussed at the fourth meeting in 2006 was the funding system of NPTOs in Europe.

MARQUES had issued a position paper supporting financial independence for NPTOs as **MARQUES** believed that these were best equipped to respond to users' needs and to adapt to changes in the market. In the light of the discussions regarding the operating system and resources of these offices, one of the speakers at that meeting, Professor Eusebi Nomen (Chair of the Intangible Assets Analysis Faculty, ESADE-Business School, Barcelona) suggested working on a comparative analysis of the functioning of the European offices. One aim of such a project should be to study the quality, efficiency and cost/income structure of those offices so as to have guidance on the efforts required by users and society in general. Another aim would be to examine whether financially independent offices were in fact more efficient and cost-effective than offices with a state budget and without control of their own income.

ESADE and **MARQUES** decided to jointly carry on this academic project as part of the work of the Forum, and thus drafted a questionnaire that was sent to the 27 NPTOs in Europe. The questionnaire included data relating to operational performance, to the accessibility of SMEs to register and enforce their rights, to quality control measures and to budget-related issues.

So far, **MARQUES** has received completed questionnaires from 17 of those offices.

All these responses have been gathered, analysed and processed. During the eighth **MARQUES** Trademark Users' Forum that was held in Brussels on 3rd December 2008, Professor Nomen explained some of the provisional results.

As an example, the study showed that the average time for a national trade mark registration in Europe is between five and 10 months.

Some countries take between 15 and 20 months to resolve trade mark oppositions and the same lengths of time apply to decide the appeals filed against those decisions.

MARQUES wishes to sincerely thank all those who participated in the Project and provide us with the information to complete the questionnaires:

*Jonas Rechtsanwaltsgesellschaft mbH (Germany),
Ratza & Ratza (Romania),
Item Patent and Trademark Agency (Slovenia),
Ganado Sammut Advocates (Malta),
Kulikowska & Kulikowski (Poland),
Patendibüroo TURVAJA OÜ (Estonia),
Baker & McKenzie (Barcelona - Spain).*

Trade mark systems continued

On a separate issue, the study also shows the excessive length of time that enforcement proceedings brought before national courts take.

Paradoxically, only a few national trade mark and patent offices offer mediation and arbitration centres for trade mark disputes.

Finally, it was interesting to see that most of the national offices examined did not prioritise the promotion of the negative effects of piracy and counterfeiting.

The presentation of the provisional results was followed by a lively debate. It was agreed that the results could still only be viewed as provisional, but that some of the indications were very interesting for future analysis. It was generally admitted that there are some areas that could be further developed by NPTOs.

As an example, national offices can be of greater help to SMEs in the enforcement of their rights in the sense that SMEs do not only need protection. What they need is easier access to protection and enforcement of their rights.

It was agreed that the Forum would study the ways of finding solutions to this problem.

Thus, one of the conclusions of the debate was that the Forum will continue to consider the role of the national offices and in particular if there is a role for NPTOs to play in mediation and arbitration in the future.

Building on the IAM Tool Kit

Following the success of the IAM Tool Kit USB drive at the Noordwijk Conference in September last year, the IAM Team is now planning to bring **MARQUES** members overviews of various topics.

The aim is to produce a series of short articles on IAM-related subjects. These will be published in the **MARQUES** newsletter.

They will provide a summary of the key issues, not necessarily a profound exploration and debate, but more of an aerial overview map. Links and pointers will be provided to where the interested reader can find more depth of exploration of individual issues.

We propose to start with these topics:

- Valuing brands: what are the key issues?
- IP due diligence: what to look out for
- Brands in the Virtual World: Second Life
- New product development: ensuring the IP aspects are considered throughout the process
- Branding an ingredient or component (e.g. NUTRASWEET, INTEL)
- Bridging the understanding gap between marketing and legal departments
- Top tips on ways to leverage the value of your brand
- Security rights over IP
- Managing historic brands
- IP and tax
- Managing geographically split brands

Our hope is that once we have built up a series of useful articles, they could perhaps be collected together into a booklet.

Certainly they will all be gathered together and made available on the **MARQUES** website. We welcome any suggestions for topics not included in the above list which we could cover. Please send your suggestions to: Ben Goodger (Rouse), IAM Team Chair, bgoodger@iprights.com

GeoNews – a review by the GI Team

By Paul Reeskamp, partner of Allen & Overy in Amsterdam



Bud v Budweiser update

On 16th December 2008 the Court of First Instance rendered a decision in the long-running legal battle between the Czech company Budějovický Budvar and US beer giant Anheuser-Busch. The main issue was whether Budvar could oppose Anheuser-Busch's CTM registrations for BUDWEISER. Unlike the OHIM Board of Appeal, the CFI upheld Budvar's oppositions. Budvar relied on the protection of BUD in France, Portugal and Italy as an appellation of origin under the Lisbon Agreement and under a bilateral treaty between Czech Republic and Austria.

The opposition was based on article 8(4) CTMR, holding that the owner of a sign of mere than local significance ("local plus signs") can oppose the registration of a CTM if he has the right to prohibit the use of the subsequent trade mark under the applicable national laws.

In this respect the CFI held that:

- although in France and Austria the courts have dismissed Budvar's claims to prohibit the use of "Budweiser", these decisions could not be taken into account since they were not irrevocable yet;
- unlike a normal trade mark, for local plus signs there is no requirement of genuine use under 8(4) CTMR. It is sufficient that the local plus sign has ever been used in the course of trade;
- the local plus requirement does not relate to the extent of use but to the nature of the sign. The nature of "bud" was local plus;
- the Board of Appeal failed to investigate whether "bud" could be considered a local plus sign in Italy and Portugal.

Hence, a big victory for Budvar and a huge blow for Anheuser-Busch. Anheuser-Busch has until 16th February 2009 to appeal.

To be continued.



Expansion of the Champagne region*

As a consequence of the fast-growing demand for Champagne – reportedly mainly by Russian and Chinese consumers – in 2003 the Institut National des Appellations d'Origine (INAO) was requested to review the Champagne area.

A group of experts was commissioned by INAO to come up with recommendations.

In March 2008 this group recommended two former Champagne villages be de-listed and 40 new villages be added for the vineyards. Adding these villages will mean gaps in the Champagne region will be filled but it will not be expanded.

The group of experts will now further examine the new villages. If everything goes well for these villages, it will be about 2020 at the earliest that the first bottles of Champagne from the new vineyards will be ready for sale.

* by Keri Johnston, partner of Johnston Wassenaar LLP, US. More information about the Champagne changes is available in the GI Team section of the **MARQUES** website.

GeoNews continued

Position paper submitted

In December 2008 **MARQUES** (represented by Jane Collins, Chair, and Miguel Angel Medina, Chair of the GI Team) submitted a position paper regarding the EU Commission Green Paper on agricultural product quality.

According to **MARQUES**:

- for determining the scope of protection of GIs, a distinction might be made between strong GIs and weak GIs;
- protecting GIs as collective trade marks should be taken into consideration;
- unlike PDOs, PGIs can be misleading for the consumer as to which aspect there is a link with the geographical area (the raw materials, the process, etc.);
- the three EU systems for protection of GI's should be harmonised.

Get updates on GIs at the **MARQUES** GI Team page.

MARQUES events

Designs forum in London

In the lead up to the **MARQUES** Annual Meeting in Brighton in September 2009, the **MARQUES** Designs Team hosted a forum in London on 4th December 2008, entitled "Brand Owners' Guide to Community Design Law".

After a generous welcome by **MARQUES** Chairman, Jane Collins, the forum heard from Dolores Moro, Head of IP at BATMark and a member of the **MARQUES** Designs Team. Dolores spoke of some creative ways that BATMark and other brand owners are using Registered Community Designs (RCDs) to help protect product get-up. There was also an interesting discussion on whether RCDs should sit within businesses and firms with the patent function, or with the trade mark and branding function – no consensus emerged.

The forum was honoured to hear from Martin Schlöttelburg, a member of the Invalidity Division at OHIM and one of the leading authors of OHIM's jurisprudence on RCD validity. It was a rare treat to hear from Martin – and all present were grateful for his candour.

Martin particularly addressed the inter-relation of trade marks and designs, and the somewhat contentious decisions involving DANONE and MIDAS.

Concluding, David Stone, a partner at Simmons & Simmons and Chair of the **MARQUES** Designs Team, discussed some of the emerging jurisprudence of Community Design courts, and highlighted some of the very different approaches adopted to such key aspects of the law as "overall impression" and "informed user". Lively questions followed.

MARQUES is grateful to Simmons & Simmons for hosting the forum - hopefully the first of many across Europe.

GI seminar in Geneva

On 20th November a seminar on geographical indications was held. The seminar was organised by **MARQUES** and the GI Team devised the programme. The Chair of the Team, Miguel Angel Medina of Elzaburu, gave one of the speeches and moderated much of the seminar.

Jane Collins introduced the seminar with a few words on the balance between protection for GIs and for trade marks. The first speech was given by Matthijs Geuze, Senior Counsellor of WIPO, who described the international legal framework of GIs and discussed the various systems of protection with particular reference to the TRIPS Agreement and the Lisbon Agreement. Several countries have become signatories to the Lisbon Agreement over the last few years and WIPO will set up working groups in 2009 to prepare for its re-launch.

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MARQUES events cont.

Miguel Angel Medina provided an overview of the protection of GIs in the EU and its different regulations and cited some case law. Peter Wild, Vice Chair of the **MARQUES** Programming Team, and partner of Wild & Schnyder, spoke about the protection of GIs and some Swiss symbols in Switzerland while Lionel Lalagüe, Deputy Head of the Access to Markets and International Relationship Office at the Bureau National Interprofessionnel du Cognac and former legal counsel at INAO, talked about the protection of designations of origin, giving examples of the worldwide defence of Cognac.

Later, Massimo Vitori, Secretary General of orlGin, gave a speech from the perspective of GI producers, explaining the value of GIs to producers, particularly in developing countries, and the importance of offering them fair protection against attempts to take unfair advantage. Finally, Oxana Pishvanova of Salans and a member of the **MARQUES** Anti-Counterfeiting & Parallel Trade Team, explained the protection of GIs in Russia and the former USSR, with reference to some intriguing examples.

There were more than 20 attendees from Europe, Asia and the US, including representatives of international organisations such as WTO and UNO.

Denmark raises counterfeiting penalties

The Danish government has passed a bill to improve IP enforcement. Hanne Weywardt, partner of MAQS Law Firm and Chair of the Publications and Website Team, explains the details



The Danish government in December adopted an important bill to strengthen the fight against violators of IP rights. The bill, which came into effect on 1st January, is part of the government's list of initiatives set out specifically to strengthen the efforts to prevent counterfeiting.

The bill includes amendments to the Danish IP legislation strengthening the general level of penalties and fines and extending the legal basis of liability for violation of IP rights. The changes will equalise the level of penalties for infringement of trade mark, patent, design and utility model rights with the existing levels for infringements of copyrights. The higher penalties will improve the Danish police authority's ability to investigate and act in cases of violation of all IP rights including in cases of counterfeiting.

The bill also includes an important new rule, which enables the Danish customs and tax authorities to alert the owners of IP rights directly if they discover possible infringements while performing their duties inside the Danish territory or at the Danish borders. So far this right has only covered goods imported from non-EU countries when crossing the Danish borders. The extended authority will help the owners of IP rights to discover possible infringements more easily thereby facilitating the enforcement of their rights.

The Danish police are already dealing with infringements and counterfeits including by actively targeting street sellers engaged in selling obvious counterfeits on the Danish streets by conducting numerous seizures of their products. A new ruling from the Copenhagen city court also shows that infringers now face high damages claims in Denmark. It is our hope that the new bill will put even more focus on the ever-growing problem of IP infringements among not only the Danish authorities and the infringers but also in Danish society as a whole.

Links:

The bill is available in Danish at the **Danish Parliament's homepage**

ECJ delivers landmark decision on trade mark dilution

Louise O'Callaghan of Hardwicke Building examines the impact of the eagerly awaited ECJ ruling in the INTEL case



Trade mark dilution has not received much attention in the EU compared to the US, which in 2006 reversed an actual dilution standard by enacting the Trademark Dilution Revision Act. In Europe, Article 4(4)(a) of Council Directive 89/104 left it unclear how the owner of an earlier mark should safeguard a mark against dilution, the conditions of invocation of dilution and the scope of protection. Previously, it was thought that well-known brands enjoyed automatic protection due to their reputation.

This matter was clarified by the ECJ on 27th November 2008 in Case C 252/07 *Intel Corp v CPM Ltd*. To succeed in a trade mark dilution claim, brand owners must now prove likelihood of economic damage in the marketplace by showing a change in consumer behaviour.

Background

In 2003 Intel, which holds a number of UK trade marks and CTMs, applied to the UK TM Registry for a declaration of invalidity against INTEL MARK, owned by telemarketing company CPM, claiming use of INTEL MARK would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the INTEL trade mark, under the Trade Marks Act Section 5(3). The respective marks were for dissimilar goods and services. This application was dismissed, as was Intel's High Court appeal. Intel further appealed to the Court of Appeal, arguing that Article 4(4)(a) and Article 5(2) of the Directive seek to protect an owner of a trade mark with a reputation against the risk of dilution. The case was referred to the ECJ for a preliminary ruling concerning the interpretation of Article 4(4)(a), the wider protection than Article 4(1) for trade marks with a reputation.

The ruling

Dilution or detriment means that the mark's ability to identify goods or services is weakened because use of the later mark can lead to dispersion of identity and hold upon the public mind of the earlier mark, to the point where the earlier mark no longer raises an immediate association with the goods/services for which it was registered.

The ECJ outlined a number of tests required to establish dilution.

Regarding the concept of "link", the ECJ confirmed that "bringing to mind" of the earlier mark with reputation, by the later mark, is synonymous with establishing a link; but establishing a link is not tantamount to dilution.

To establish a link there must be a "global assessment" of all factors including: the degree of similarity between the marks; the nature of the goods/services for which the marks were registered, including the degree of closeness/dissimilarity between those goods/services and the relevant section of the public; the strength of the earlier mark's reputation; the degree of the earlier mark's distinctive character, whether inherent or acquired through use; and the likelihood of public confusion. This approach allows national courts to decide what constitutes a link.

Perception of a link and the existence of injury must be made by the reasonably informed, observant and circumspect "relevant public", defined as the average consumers of the goods/services associated with the earlier mark.

Article 4(4)(a) does not require likelihood of confusion to operate. Confusion is described simply as a situation where the relevant public believes, or might believe, that the goods marketed have economically linked undertakings.

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ECJ continued

While demonstrating actual injury is not required, for dilution to occur there must be a serious risk of economic impact on the earlier mark due to the use of the later mark and there must be proof of such an impact or change in the relevant consumer's economic behaviour for which the earlier mark was registered. What constitutes such proof remains unclear. Although Intel argued, and the ECJ agreed, that dilution should be actionable on the first use of a later mark to avoid a "death by a thousand cuts", that decision is viewed as contrary to the requirement to prove potential economic detriment. For this reason the ruling is facing criticism; some commentators believe it offers less protection for big brands unless they can prove the threat of economic damage, while others maintain that automatic protection was never intended and the ECJ merely clarified, rather than removed, a right.

When addressing unfair advantage and detriment, the ECJ reiterated the importance of belief in the mind of the relevant public that undertakings are economically linked. The Court stated that even where a mark is not unique, use of that mark may still be detrimental to distinctive character; first use is sufficient; and proof of detriment to distinctive character requires evidence of at least a serious likelihood of change in the economic behaviour of consumers of the earlier mark.

This is the only direction the ECJ provided on unfair advantage. Brand owners can expect further clarification when the ECJ rules in Case C-487/07 *L'Oreal v Bellure*.

Links

[Read the Intel decision here](#)
[Monitor the L'Oreal case here](#)

Do criminal decisions make bad trade mark law?

David Stone, of Simmons & Simmons in London, and Giovanna Murador, of the firm's Padua office, ask whether recent criminal decisions in trade mark cases raise uncomfortable questions.



Two recent criminal cases highlight some of the creative arguments being put forward by counterfeiters in an attempt to avoid convictions for trade mark infringement.

While both counterfeiters were convicted, the decisions show some worrying confusion over trade mark law concepts.

In *R v Boulter* [2008] EWCA Crim 2375, Mr Boulter was convicted of 19 counts of unauthorised use of a trade mark, with a further 144 similar offences taken into account. Police and Trading Standards officers had seized counterfeit and pirated goods at Mr Boulter's home: 1640 DVDs of feature films, 457 pornographic DVDs and 232 CDs, together with counterfeiting equipment.

Mr Boulter attempted to argue that the items bearing the trade marks were of such poor quality that no one could think that their trade origin was that of the trade mark owner.

Thus, he argued, the use of the signs on the counterfeit goods was not likely to jeopardise the guarantee of origin that constituted the essential function of the trade mark owners' rights in their trade marks. The trial judge ruled that Mr Boulter's defence could not constitute a defence as a matter of law, so Mr Boulter pleaded guilty, was convicted, then appealed the trial judge's legal ruling.

On appeal, the Court of Appeal Criminal Division rejected both of Mr Boulter's arguments. First, in relation to the submission that the bad copy of the trade mark meant there would be no confusion, the Court rightly noted that confusion is not necessary for trade mark infringement where the goods and marks are identical.

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Criminal decisions continued

Second, in relation to the claim that the copied trade marks were not being used to indicate source of origin, because of the poor quality of the representation, the Court reviewed some of the recent and unsatisfactory English jurisprudence on “use as a trade mark”.

This expression, which is not found in the Trade Marks Directive, or the UK Trade Marks Act, has caused some difficulties for UK lawyers, particularly following the House of Lords’ ruling in *R v Johnstone* [2003] UKHL 28, delivered the day after the Court of Appeal decided the Arsenal case [2003] EWCA 696 following the receipt of the views of the ECJ (C-206/01).

Helpfully, but perhaps obscuring the differences between the approaches of the House of Lords and the ECJ, the Court of Appeal in this case noted that both approaches led to the same conclusion: poor quality counterfeiting is still counterfeiting.

The Italian Supreme Court recently dealt with a similar issue on 9th July 2008, Sez II, 09-07-2008, No 34846. The local court at Sanremo, Ventimiglia division, had acquitted Mr MBDP under Articles 473 and 474 of the Italian Criminal Code on the

basis that no luxury goods consumer would have considered that the counterfeit GUCCI, CALVIN KLEIN, LACOSTE, CARTIER and ROLEX watches received and stored by the defendant were genuine goods. The Supreme Court ruled that even if lack of confusion on the part of the purchaser was not made out, post-sale confusion was sufficient to establish the criminal offence. The Attorney-General’s appeal was therefore allowed.

Both decisions serve to assist authorities in obtaining criminal convictions against counterfeiters. But there are some worrying aspects to the courts’ reasoning.

It is a little surprising that these sorts of defences that appear ridiculous to trade mark lawyers are able to make their way to superior courts. The additional costs of these proceedings and the time taken to conclude them (Boulton took three years) will not encourage government agencies to bring more prosecutions.

Further, it is of concern that criminal courts are making trade mark law which impacts on civil enforcement of trade mark rights. Non-specialist judges, aided by specialist criminal advocates, are not best placed to make trade mark law. Criminal law is also an area largely unaffected by EU-wide provisions, so these cases appear to have scant regard to the assistance provided by the ECJ on the issues before the courts.

In our opinion, the House of Lords in *R v Johnstone* was inconsistent with the ECJ’s Arsenal decision and is therefore not good guidance for either criminal or civil courts. The UK notion of “trade mark use” should now be dead – it is the ECJ’s guidance in Arsenal that should be followed.

Further, the tacit suggestion in Boulton that poor quality counterfeits may avoid punishment if the marks were confusingly similar but not identical must be a nonsense. The Italian court’s reliance on post-sale confusion, rather than upholding the primacy of identical marks/identical goods infringement is also suspect. Although the courts in these two cases appear to have reached the correct conclusions, they did not, in our view, do so by the correct trade mark means.

*These cases are also a salient reminder to the ECJ that it needs to be as clear as possible when interpreting EU-wide law – the intricacies of Arsenal may be explicable in civil proceedings, but have clearly caused difficulties in giving clear directions to juries in criminal trials: in *R v Isaac* [2004] EWCA Crim 1082, a counterfeiting market trader escaped his conviction because the jury direction on “the function of a trade mark” was ruled unclear by the Court of Appeal, despite the jury direction having been agreed between the parties.*

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Reverse domain hijacking in India

Manisha Singh of Lex Orbis reviews recent domain name cases in India, which cast light on the problem of reverse hijacking



The recent ruling of the arbitrator in *New Delhi Television Limited v Canadian Niagara Hotels* [2008 (36) PTC 683 (NIXI)], raises the concern of reverse domain hijacking. The judgment also elucidates the feasibility of obtaining domain name registrations on acronyms owned by a company, thereby creating a hurdle for other organisations wanting to use the same or similar domain names.

The NDTV clash

New Delhi Television Limited is the owner of the trade mark NDTV and owner of the domain name www.ndtv.com. However, Canadian Niagara Hotels argued that the domain name www.ndtv.co.in as registered and used by them referred to an acronym for Niagara District Travel Venue.

Consequently, NDTV Ltd asserted that Canadian Niagara Hotels' domain name was confusingly similar to its domain name www.ndtv.com and

that the same second-level domain name was being used with an intention to mislead the public. The response of Canadian Niagara included an averment that simply because a company had a registered trade mark in an acronym, it could not claim ownership over all acronyms that are similar to its trade mark.

The arbitrator found a lack of evidence as to the mala fide use of the domain name by Canadian Niagara. However, he decided on the facts that a misrepresentation had been made in the course of trade that was bound to have left unwary users in confusion. NDTV was accused of having committed reverse domain hijacking.

Reverse domain name hijacking occurs where someone makes a mala fide complaint of cybersquatting by accusing another of violating weak or non-existent trade marks related to the domain name. Typical cases involve trade mark owners asserting expansive trade mark rights to strip legitimate holders of their domain names. However, it is difficult to decipher a judicial trend. The landmark judgments include *Yahoo v Akash Arora* [1999 PTC 201] and *Rediff Communication Ltd v Cyberbooth and Anr* [2000 PTC 209], which pertain to straightforward cases of cybersquatting. The ruling here was in favour of NDTV Ltd.

The case of *Oki Electrical Industry Co Ltd v Chris Walton* [2008 (36) PTC 510(NIXI)] highlights the

approach taken by the courts. It involved a dispute between the two parties with respect to the domain name www.oki.in. The arbitrator held that the domain name of the respondent was similar to that of the complainant and consequently the respondent's domain name was to be transferred on payment of the requisite fee to the registry.

The solution

In deciding a dispute the courts need to consider whether the defendants have legitimate interest in the mark. If some interest in the domain name is shown, is that served by the domain name? Is the domain name being utilized to further the interest of the defendants? If the answer is yes, the courts may not hesitate to decide the dispute in their favour. The court also has the option of insisting on a disclaimer to be put up by the defendants as was ruled in the India TV dispute where the domain name indiatvlive.com was put to use by the US-based India Broadcast Live.

However, in cases where one of the parties to the dispute has enormous goodwill in the country or across the globe, this test may not prove viable. These decisions seem to extend the privilege of owning a domain name corresponding to a trade mark to registered trade mark owners. Although it may seem that every use of a domain name which exists as a trade mark would encourage reverse domain hijacking, the judiciary seems to make a prudent analysis with a test of usage, purpose and intention, thereby curtailing frivolous litigation.