



WELL KNOWN,
BETTER PROTECTED



Two recent decisions mean greater protection for owners of well-known brands, as Kayin Pang explains.

On June 18, 2009, the European Court of Justice rendered a decision on a question between L'Oréal and Bellure about profiting from the success of a well-known brand.

L'Oréal is the owner of well-known trademarks for perfumes such as Trésor, Miracle, Anaïs-Anaïs and Noa Noa, and owns various trademark registrations for these well-known brands.

Bellure is a manufacturer of imitation perfumes—the so-called 'knock-offs'—and it has, among other things, developed an imitation of the Trésor perfume, which is sold under the name La Valeur. Both the bottle and the packaging of La Valeur are similar to the Trésor bottle and packaging.

In addition, Bellure also sells a perfume called Pink Wonder, which is an imitation of the Miracle perfume by L'Oréal. The bottle and packaging of Pink Wonder are also similar to those of Miracle.

For the purpose of selling the imitation perfumes, Bellure supplies comparison lists to retailers so that they know which scents are an imitation of the original perfumes. All of the above L'Oréal brands are mentioned on these lists, with Bellure's imitations indicated alongside them.

GREATER PROTECTION FOR BRAND OWNERS

Because it is not clear when a party gains an unfair advantage by using a sign that corresponds with the reputable brand, the court has now given further explanation and guidance on this issue.

According to the court, action can be taken on the basis of this unfair advantage if, by its use, a third party “attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard.”

It will not be required that the resemblance between the well-known mark and the name of the imitation product is similar to the extent that it may cause confusion among the public. It is sufficient that the public can make a link between the sign and the brand.

Consequently, it is not allowed to ride on the coat-tails of a well-known mark and benefit from the success of a mark with a reputation, without paying any financial compensation.

This is good news for all owners of well-known brands. Thanks to this judgment of the European

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Court of Justice, they can now take action if they can prove that another company is “riding on the coat-tails” of their well-known brand.

More positives for IP owners

Another recent case also represents good news for owners of well-known trademarks: the NASDAQ Stock Market, based in New York, has been involved in opposition proceedings in which it tried to prevent the registration of the European Community word mark NASDAQ.

NASDAQ’s Community Trademark ‘NASDAQ’ was registered for various goods and services, including computer programs, financial services, telecommunications and computer services.

The other party, Italian company Antartica, included in the list of products other items such as protective sports clothing, bicycles, chronometers, sports clothing and (winter) sports articles.

As its main grounds for opposition, NASDAQ cited the provision from the Regulation on the Community Trademark, which provides legal grounds for opposition against marks that take unfair advantage of the reputation of an earlier trademark. In this case, the registration of a trademark can be refused if it resembles a prior trademark and has been filed for goods or services that are not similar to those already registered.

To successfully use these grounds for opposition, evidence must be submitted that proves that the older trademark indeed has a reputation in the European Union (EU). According to the European Trademarks Office (OHIM), NASDAQ proved that it has a reputation in the EU and, on this basis, OHIM refused the application for the word mark NASDAQ.

GREATER PROTECTION FOR BRAND OWNERS

The applicant, Antartica, disagreed with the ruling and filed an appeal with the European Court of First Instance.

The appeal proceedings did not discuss the resemblance between the two trademarks. The discussion instead focused on the reputation of the NASDAQ trademark. The court stated that the NASDAQ trademark has a reputation among the public in the European Community for financial services and for price indication on the stock exchange.

Antartica appealed to the European Court of Justice. It argued that the use of a trademark can only be established if goods and/or services are sold under the trademark. The services under the NASDAQ trademark are provided free of charge.

The court decided on March 12, 2009 that even if some of the services are provided free of charge by the NASDAQ Stock Market, this did not mean that by offering these services, it was not trying to find a market for these services in competition with rival providers.

Antartica's second ground for appeal was based on the argument that users of its products are different to those of the other party. Therefore, Antartica

argued, it is unlikely that the public would make a link between its sports articles and the services of a stock exchange company.

The court pointed out that the case must be assessed from the perspective of buyers of sports articles and clothing. Such buyers can be regarded as reasonably well informed and observant, and are regularly confronted with reports about the NASDAQ trademark in the media. Buyers of clothing and sports articles are also interested in developments on the financial markets. The reputation of the NASDAQ trademark therefore extends wider than to just professionals who specialise in financial information.

This judgment throws light on the scope of trademark protection. The rules for trademark owners about the use of a trademark have been tightened slightly. In order to have protection for a trademark, it will not be necessary for the services or products for which it has been registered to be paid for. The commercial nature of the enterprise and the attempt to find a market for services are features of the use of a trademark and will therefore be sufficient for genuine use. With this decision, it is confirmed that the reputation of a Community Trademark reaches

further than just the boundaries of the owner's line of activities.

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