

ASEAN

**COMMON GUIDELINES FOR THE SUBSTANTIVE
EXAMINATION OF TRADEMARKS**

PART 2

**RELATIVE GROUNDS FOR THE REFUSAL
OF REGISTRATION OF TRADEMARKS**

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Abbreviations used in the Common Guidelines

ASEAN countries (Country Codes)

BN: Brunei Darussalam

ID: Indonesia

KH: Cambodia

LA: Laos

MM: Myanmar

MY: Malaysia

PH: Philippines

SG: Singapore

TH: Thailand

VN: Vietnam

Other abbreviations

CTMR: Council Regulation (EC) No. 207/2009 of 26 February 2009^[1] on the Community trade mark (European Community trademark regulation)

ECJ: Court of Justice of the European Union (European Court of Justice)

EU: European Union

GI: geographical indication

IPL: Intellectual Property Law

NCL: The International Classification of Goods and Services for the Purposes of the Registration of Marks, established under the Nice Agreement of 1957

Nice Classification: The International Classification of Goods and Services for the Purposes of the Registration of Marks, established under the Nice Agreement of 1957

OHIM: Office for the Harmonization of the Internal Market (European Community Office for industrial designs and marks)

PARIS CONVENTION: Paris Convention for the Protection of Industrial Property, concluded in 1883, last revised in Stockholm, 1967

SGT: Singapore Treaty on the Law of Trademark and the Regulations under that Treaty, concluded in 2006

TMA: Trade Mark(s) Act

TML: Trade Mark(s) Law

TMR: Trade Mark(s) Regulation(s) or Trade Mark Rules

TRIPS: Agreement on Trade-Related Aspects of Intellectual Property Rights

WHO: World Health Organization

WIPO: World Intellectual Property Organization

WTO: World Trade Organization

References

All websites references are current as on 30 September 2014.

RELATIVE GROUNDS FOR REFUSAL OF REGISTRATION

1 General considerations

A mark may not be registered if *the use* of the mark *in trade* would conflict with another person's earlier right. The fact that a sign is not objectionable on absolute grounds for refusal of registration will not overcome an objection based on the existence of third-party rights that would conflict with the use of that sign as a mark in commerce.

There are a number of different sorts of earlier rights held by persons unrelated to a trademark applicant that could conflict with the applicant's mark and prevent its registration. The types of earlier rights that may justify an objection on relative grounds for refusal are usually prescribed in trademark laws but are also found in other laws, for example, copyright laws and other intellectual property statutes.

Conflicting third-party rights may also be based on civil law, common law or other legislation dealing, for example, with personal rights, company names, unfair competition or passing off.

Grounds for refusal based on pre-existing rights of other persons are called 'relative grounds' because they do not refer to absolute objective grounds relating to the trademark sign itself, but are rather contingent on the existence of intervening third-party rights.

Relative grounds for refusal may be raised by the examiner *ex officio*, i.e. on the examiner's own initiative, or as a result of a third-party opposition or objection filed against the registration of a mark. Relative grounds may also be raised in requests for rectification, revocation, cancellation or invalidation of a registration after grant.

A refusal of a trademark registration on relative grounds will require the examiner to take into account all the circumstances that are relevant in each particular case. The examiner is required to prospectively imagine the likely situation if the mark were actually used in trade to distinguish the specified goods or services within the country. The analysis of all relevant factors should ultimately lead the examiner to answer the following question in order to decide whether to allow or object to the registration of a mark:

'If this mark (filed for registration) were used in trade in this country, in connection with the specified goods and services, would such use *unfairly* prejudice a third party?'

If the answer to that question is 'yes', registration of the mark should not be allowed.

It should however be recalled that in competition among suppliers operating in a market economy the success of one undertaking may entail economic detriment for another undertaking to the extent that the public may prefer certain goods or services and shun others among those on offer. However, any prejudice resulting from customer preference would be a normal consequence of competition in the market and cannot be regarded as 'unfair' if the rules of competition are respected. Those rules include honest trade practices and respect for intellectual property, in particular the laws that regulate the various business identifiers used in trade.

The following sections examine the main relative grounds for refusal that can sustain an objection against the registration of a mark, based on various categories of third-party rights.

2 Earlier registered marks

The most usual relative ground raised to refuse the registration of a mark is the existence of one or more earlier marks registered for the same or a similar specification of goods or services.¹

Trademark rights are always established for a particular sign in conjunction with a set of specified goods or services. Therefore, to assess the relevance of an earlier trademark right as a ground for refusal the examiner must necessarily consider the marks in conflict as well as the specifications of goods and services covered by those marks.

In this regard, the marks and the corresponding goods and services must be compared to determine whether they are close enough to cause prejudice to the holder of the earlier right. Two cases may be distinguished as a first step:

- *identity* of the signs and of the specified goods and services (i.e. *double identity*),
- *similarity* of the signs and of the specified goods and services.

2.1 Double identity

'Double identity' occurs when a mark contained in an application for registration is identical with an earlier mark, and the goods or services specified in that application are also identical to the goods or services covered by the earlier mark.²

Double identity is less frequent than partial identity and similarity. However when double identity is established there is no need to assess likelihood of confusion. The examiner can raise an *ex officio* objection and a third-party opposition to the registration of the later mark should be upheld.³

¹See the provisions in BN TMA s. 8(1) and (2); KH TML art. 4(g); ID TML art. 6(1).a); LA IPL art. 16.2 and 3, and 23.9; MY TMA s. 19(1) and (2); MM; PH IP Code s. 123.1(d); SG TMA s. 8(1) and (2); TH TMA s. 6(3); and VN IPL art.74(2).f).

²See the provisions in BN TMA s. 8(1); KH TML art. 4(g); ID TML art. 6(1).a); LA IPL art. 16.2 and 23.9 and Decision 753 art. 34(1).1; MY TMA s. 19(1)(a) and (2)(a); MM; PH IP Code, s. 123.1(d)(i); SG TMA s. 8(1); TH TMA s. 6(3); and VNIPL art.74(2).f).

³ In connection with the exclusive rights conferred by registration, the TRIPS Agreement (Article 16.1) deals with 'double identity' providing that: "In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed."

The examiner will establish whether a case of double identity exists applying the same analysis and criteria used to determine the degree of similarity between the signs in conflict and their respective lists of goods and services. That analysis must precede any finding of likelihood of confusion.

Examples of double identity are found in the following cases from Malaysia:⁴

Case I: Application N° 01011013

Mark : **PASSION**

Goods/Services: *Educational, training, teaching, hair dressing and beauty courses, school of hair design (class 41).*

Cited Mark N° 01008217

PASSION

Goods/Services: *Providing of training for hair and beauty care (class 41).*

In this case both marks are phonetically identical and the services covered are identical in respect of training/teaching/courses for hair/hair dressing/hair design and beauty care

Case II: Application N° 01012356

Mark: **DONNA**

Goods/Services: *Chemical preparations for medical purposes; medicines for human purposes; pharmaceutical preparations (class 5).*

Cited Mark: **DONAN**° M/091347, R/023492 & S/028241

Goods/Services: *Pharmaceutical preparations and drugs (class 5).*

⁴ Information provided by the Malaysia IP authorities.

In this case both marks are phonetically identical and the goods or services are identical as regards 'pharmaceutical preparations'. As regards 'chemical preparations for medical purposes and medicines for human purposes' they can be taken as synonyms of 'pharmaceutical preparations and drugs'.

2.2 Likelihood of confusion

2.2.1 General considerations

Most cases of conflict between marks will not present a double identity of signs and goods or services but rather a situation of similarity that will require closer analysis. In these cases an objection to the registration of the mark will be based on the broader standard of likelihood of confusion. This means that registration should only be refused where the circumstances indicate that, if the mark filed for registration were used in trade in the country, in connection with the specified goods or services, such use would be likely to cause confusion among the relevant sector of consumers.⁵

In this respect, confusion should be understood to include any assumption or perception by an average consumer that there is a connection between the marks in conflict, the holders of those marks or the commercial origin of the goods and services covered by the respective marks, where such connection in fact does not exist.

In the assessment of a likelihood of confusion both direct confusion and confusion by association must be covered, namely the cases where:

- a consumer would directly confuse the marks as used in trade (which could entail an erroneous purchasing decision), or
- a consumer would not confuse the marks but would assume that there is some connection or association between the commercial origin of the goods or services for which those marks are used, because they originate from the same undertaking or from two undertakings that are economically linked.

For trademark purposes, two undertakings must be regarded as '*economically linked*' if they are connected by virtue of any arrangement resulting in a single control of the marks in question or a common control of the marks through a third person. This would include, in particular, a parent-subsidiary relationship, a

⁵See the provisions in BN TMA s. 8(2); KH TML art. 4(g); ID TML art. 6(1).a); LA IPL art. 16.3 and 23.9, and Decision 753 art. 34(1).2, 35 and 36; MY TMA s. 19(1)(b) and (2)(b); MM; PH IP Code s. 123.1(d)(iii); SG TMA s. 8(2); TH TMA s. 6(3); and VN IPL art.74(2).f).

licence, a sponsorship arrangement, an exclusive distribution contract or other contractual arrangement, or undertakings belonging to a single economic group.

The examiner must therefore object the registration of a mark if -- having considered all the relevant factors -- he concludes that the use of that mark within the country is likely to cause any of the above-mentioned assumptions in the mind of the relevant consumers.

Unlike the case of 'double identity', which may be determined objectively, a determination of 'likelihood of confusion' will often require the examiner's analysis and appreciation of the circumstances involved in the case. Although this will involve a degree of subjectivity, the use of standard examination criteria will make the conclusions more predictable.

An example of divergent conclusions regarding the likelihood of confusion between marks in a particular market may be found in the following case from Malaysia: ⁶

Application N^o 04012671

Mark : **128 FAUBOURG**

Goods/Services: *Facial beauty treatment services, cosmetic treatment for the body medical services and therapeutic treatment off the body (class 44).*

Cited Mark N^o 95003014



Goods/Services: *Soaps; perfumes, articles of perfumery; essential oils; cosmetics, hair lotions, body lotions; deodorants; dentifrices (class 3).*

The facts of the case show (i) similarity between the signs (the word 'Faubourg' is identical in both marks) and (ii) a direct relationship between most of the goods covered by the cited mark and the services specified in the application.

On the basis of the similarity of the signs and the direct relationship between the goods and the services, the examiner refused the registration. However, the High

⁶Information provided by the Malaysia IP authorities.

Court reversed that decision for reason that ‘as a whole’ both marks were not similar, the services specified in the application were ‘different’ from the goods specified for the cited mark, and the marks were addressed to different customers. This decision was based on the conclusion that there was no likelihood that consumers would be confused if both marks were used in the marketplace for the respective goods and services, notwithstanding the similarities noted above.

A likelihood of confusion should only be found after a global assessment of all the factors and circumstances that are relevant in each particular case. Those factors are linked and interdependent, and include:

- the similarity of the *goods* or *services* involved,
- the similarity of the *signs* in conflict,
- the *relevant public* and consumers
- *other* relevant factors.

These factors are discussed in the following sections.⁷

2.2.2 Comparison of goods and services

2.2.2.1 *Definition of the relevant goods and services*

To assess the likelihood that a mark will cause confusion if used in competition with an earlier mark, it is necessary first to establish whether the goods and services in respect of which the conflicting marks will be used are identical or just similar.

If an opposition is filed against a registration on the basis of a prior mark that covers goods and services that are not identical, similar or otherwise materially related, the opposition should be dismissed. The *principle of ‘speciality’* of trademarkspostulates that the scope of protection of a mark is limited to the goods and services specifically covered by its registration or to those in respect of which the mark is used. This rule has an exception when the earlier mark is well known or enjoys a reputation that warrants an extended scope of protection.

⁷ Regarding the factors that need to be analysed to determine if there is a likelihood of confusion, some examples of analysis criteria are found in the following texts of some of the ASEAN countries: KH TM Manual p. 54 to 67; ID TM Guidelines chapter IV.B.2.1)a); LA Decision 753 art. 34, 35, 36 and 37; MY TM Manual chapter 11 paragraphs 11.5 to 11.45; PH TM Guidelines chapter X p. 89 to 118; SG TM Manual chapter 7 - ‘Relative Grounds for Refusal of Registration’; and VN Circular 01/2007 s. 39.8 and 9.

The principle of speciality also requires that the goods or services be clearly specified in an application. The examiner should not accept an application with broad or vague specification of goods or services, or blanket references to the classes of the International classification of goods and services (Nice Classification – NCL) such as “all other goods in class 1”.

The determination of whether the goods or services are identical or similar should also include the goods or services for which the sign is used in trade, if the earlier sign claims rights on the basis of use in addition to, or instead of, registration, for instance where an enhanced distinctiveness or reputation of the mark is claimed.

The comparison of goods and services must be objective, disregarding the similarity or degree of distinctiveness of the signs in conflict.

The comparison must be based on the specification of goods and services contained in the earlier registration (or application) and in the later application. If the examination of the relative grounds of refusal is prompted by an opposition, the comparison should be confined to the goods or services to which the opposition refers (partial opposition). The goods and services that have not been included in the opposition need not be examined for identity or similarity, unless the law requires the examiner to do otherwise.

The scope of the lists of goods and services contained the earlier registration and the opposed application should be analysed carefully taking into consideration the use of certain terms. The expressions ‘in particular’, ‘such as’, ‘including, and ‘for example’ do not affect or limit the scope of the list; they just add illustration or clarification. The examiner may disregard these expressions when determining the scope of the specification of goods or services, or may require those terms to be deleted if they make the specification unclear.

On the other hand, if the specification of goods and services includes the expressions ‘*namely*’ or ‘*exclusively*’, these should be interpreted in the sense that the coverage and scope of the specification is limited to the goods and services following those words.

For example, if the specification of goods and services covers “Scientific apparatuses and instruments, *namely* microscopes and optical instruments”, the examination should be confined to comparing only the goods “microscopes and optical instruments”. Likewise, the specification “Pharmaceutical products *exclusively* for dermatological use” should limit the comparison to the specifically indicated goods for dermatological use.

If the registration or the application contains a *disclaimer* that limits the scope of the goods or services covered by the registration or by the challenged application, this

must also be taken into account. A disclaimer is binding on the trademark holder and on the Office. This means, in particular, that an opposition cannot be based on the identity or similarity of goods or services that have been expressly disclaimed in the cited trademark registration.

2.2.2.2 *Classification of goods and services*

The Nice Classification(NCL) establishes 45 classes under which, in principle, all goods and services may be classified. However, the scope and structure of each of the classes is different because they were defined using different technical criteria.

The purpose of the NCL is primarily administrative, for use in structuring trademark databases and schedules of fees for the registration and renewal of marks, among other things. Although the NCL classes of goods and services will in many cases give an accurate indication of goods and services that are similar or related, those classes do not automatically determine the similarity or dissimilarity of the goods and services for purposes of establishing a likelihood of confusion between two marks.

In this connection it is noteworthy that the Singapore Treaty (SGT) Article 9(2) provides the following:

“(2) (a) Goods or services may not be considered as being similar to each other on the ground that, in any registration or publication by the Office, they appear in the same class of the Nice Classification.

(b) Goods or services may not be considered as being dissimilar from each other on the ground that, in any registration or publication by the Office, they appear in different classes of the Nice Classification.”

Although the classification of goods and services in accordance with the NCL should not be taken as the main criterion to decide whether goods or services are similar for purposes of finding a likelihood of confusion, the classification does provide a useful reference for this purpose. The classification of particular goods or services in a given class would still need to be weighed in with other relevant factors to conclude whether there is similarity or dissimilarity of goods and services in a particular case.

2.2.2.3 *Identity of goods and services*

In order to decide if there is identity with respect to goods and services, the examiner must interpret and understand the meaning and breadth of each term included in the specification. This should be done on the basis of references such as dictionaries and thesauruses, the Nice Classification, and the examiner's

knowledge of the use of words in the local language taking into account local trade practices.

The goods and services specified for two marks in conflict are to be considered 'identical' when they coincide entirely because the same terms -- or synonymous terms -- are used in the specifications of both marks. The following cases of total or partial identity of goods and services may occur:

- all the goods and services mentioned in both lists are the *same* (same terms or synonyms),
- a broad category of goods or services of the earlier, cited mark *fully includes* the goods or services of the later, contested mark,
- all the goods or services of the earlier, cited mark *fall entirely within* a broader category of goods or services covered by the later, contested mark,
- the goods or services of one mark *partly overlap* with goods or services of the other mark, in which case there is identity in respect of the overlapping goods or services.

Case 1: All the goods and services mentioned in both lists are the same (same terms or synonyms)

For example, the designation of 'automobiles' is identical to 'automobiles' and to its synonym 'cars'. 'Baby food' is synonym with 'infant food'. 'Gum solvents' is synonym with 'degumming preparations'. 'Sports shoes' and 'athletics shoes' are synonyms. 'Dentifrice' and 'toothpaste' are synonyms. Therefore, these goods can, respectively, be regarded as identical.

A coincidence in the terms or names used to designate the goods or services does not necessarily mean that the goods or services are identical. Identity will depend on the nature, purpose, use, composition or material and other characteristics of the goods or services.

For example, "solvents (for paints and varnishes)" are not identical with "solvents (for removing adhesive medical plasters)". "Blades" (for machine saws) and "blades" (for hand tools) are not identical.

Case 2: A broad category of goods or services of the earlier, cited mark *fully includes* the goods or services of the later, contested mark

For example, the earlier mark is registered for "pharmaceutical preparations" and the contested mark is requested for "antibiotic preparations". The category "pharmaceutical preparations" is broader than the category "antibiotic

preparations”, which is only one type of pharmaceutical product. “Footwear” is broader than, and includes, “sports shoes”.

In this case, the goods contained in the narrower category of the contested mark are identical with the goods covered by the cited mark.

Case 3: All the goods or services of the earlier, cited mark *fall entirely within* a broader category of goods or services covered by the later, contested mark

For example, the earlier mark is registered for “biological herbicides and fertilizers”, and the contested mark is applied for “chemicals used in industry, science, photography, agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry”.

As a first step, the goods mentioned in the broader claim that are inherently different from those in the earlier registration should be set aside because they are irrelevant for purposes of determining the *identity* of the goods (although those different goods may later be relevant to assess the similarity of the goods, and for the global assessment of likelihood of confusion). In this example, the following goods may therefore be disregarded: ‘chemicals used in industry, science and photography; unprocessed artificial resins, unprocessed plastics; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry’.

As regards “chemicals used in agriculture, horticulture and forestry” and “manures”, these goods may be regarded as identical to “biological herbicides and fertilizers”.

Case 4: The goods or services of one mark *partly overlap* with goods or services of the other mark

In the case of overlap, the specified goods or services will be regarded as identical if they are expressed in broad categories and it is not possible to separate conceptually the goods or services.

For example, if one of the marks in conflict is registered for “chemicals used in industry” and the other mark is applied for “unprocessed artificial resins”, the overlap would occur to the extent that both broad concepts can apply *simultaneously* to certain goods. Those goods will therefore fall under the coverage scope of *both* marks. For example, the goods “unprocessed artificial resins used in industry” would fall under both specifications because such goods would concurrently be “unprocessed artificial resins” and “chemicals used in industry”.

In these cases the examiner should not *ex officio* separate, dissect or limit the goods or services specified in the lists of goods and services of the conflicting marks.

To the extent that certain goods will fall under both categories, the examiner should regard both (broad) categories of goods as identical because the goods that could result from the overlap of those categories would fall within the scope of both lists of goods.

2.2.2.4 *Similarity of goods and services*

Goods and services will be regarded as 'similar' if they are not identical but have some connection by reason of their inherent characteristics or of other peripheral factors regarding their use or commercialization that link them.

The examination of similarity aims at establishing possible relevant links between the goods and services that will qualify them as 'similar'. This in turn will be a factor to decide, at the global assessment stage, whether there is a likelihood of confusion between the conflicting marks.

The examination of similarity requires the examiner to identify the characteristics or factors that connect the goods or services. In practice this means that the relevance of one or more factors will depend on the particular goods and services covered by the marks in conflict. Rarely will all the similarity factors be present in a single case.

Factors that should be taken into account to establish *similarity of goods and services* include the following, among others:⁸

- nature of the goods and services,
- intended purpose and method of use,
- complementarity,
- competition,
- distribution channels,
- relevant public and consumers,
- the origin, producer or provider of the goods or services.

⁸ In this regard see the OHIM Guidelines, Part C, Section 2, Chapter 2, item 3.1.1.

2.2.2.4.1 Nature of the goods and services

The inherent nature of goods and services is given by their specific characteristics, properties and qualities. These include a product's composition and material, and the way it functions (e.g. electric vs. manually operated).

The nature of a particular product or service is defined by reference to a broader category of goods or services to which it belongs. For instance the nature of a screwdriver is that of being a type of hand tool; the nature of a hat is that of a type of headgear.

However, to determine similarity of goods and services for the purposes of trademark registration, the mere nature of the goods or services will not always indicate that the goods are similar.

For instance, 'floor polishers', 'welding machines', 'hair clippers' and 'electric cars' are all in the nature of 'electric devices' as they operate using electricity. 'Paint brushes' and 'tooth brushes' are both in the nature of 'brushes'. Nevertheless, in spite of their common nature, those products would not be similar because other factors such as their purpose and method of use, usual consumers, producers and distribution channels, etc. will weigh in to make them dissimilar in the final analysis.

2.2.2.4.2 Intended purpose and method of use of the goods and services

The '*purpose*' of a product is the reason for which it was invented or manufactured, and also its intended function or use in practice. For example, the intended purpose of engine oils is to lubricate the interior of engines; the purpose of sunflower oil or olive oil is not to lubricate engines but to complement human foods.

However, the use to which a particular product may be put will not change the fundamental purpose or function of the product. For example, the purpose or function of a knife is to cut things, regardless of the fact that it could be used as a decorative device.

The '*method of use*' of a product refers to the manner in which the goods are used to realize their purpose. This in turn results from the intended purpose of the product or its inherent nature. However, method of use alone will not determine similarity of goods.

For instance, medicinal and cosmetic products for personal use in liquid, cream or solid presentation may be used and applied on a person's body by the same method, and nicotine patches are applied in the same way as adhesive bandages. However, those products cannot be regarded as similar because their purpose and manner of commercialization are quite different.

2.2.2.4.3 Complementarity of the goods and services

Goods and services may be similar if they are used together or in correlation so as to allow them to achieve their purpose, to function properly or to complement one another.

However, the fact that two products may be used at the same time or in combination, for convenience of the user, does not mean that the products are complementary if their combined use is not necessary for them to function properly. For example, 'rubber boots' and 'umbrellas' are not complementary or similar goods just because they may be used together on a rainy day. 'Soft drinks' and 'bottle openers' are complementary (the bottle must be opened to consume the drink). However, they are not similar because the manufacturers and the inherent nature of those products are different.

Products that are complementary may be regarded as 'similar' to determine likelihood of confusion, even if their inherent nature may be quite different. For example:

- 'toothpaste' and 'toothbrushes',
- 'spectacles (eye-glasses)' and 'spectacle cases'
- 'tennis racquets' and 'tennis balls'
- 'teaching material' and 'educational services'
- 'laundryservices' and 'washing powder'.

The goods and services in each tandem above have a different inherent nature (and may have different providers) but can be regarded as similar because they are conceived to work together, are complementary, are addressed to the same consumers or are commercialized through the same channels.

However, bottles, cans and other containers used together with of the goods they contain are not to be regarded as complementary products.

2.2.2.4.4 Competition between the goods and services

Goods or services are in competition when, notwithstanding their different inherent nature, they serve the same or a similar purpose and are addressed to the same sector of consumers. Such goods or services are effectively substitutes of each other and may be interchangeable.

Goods and services that are in direct competition because they are substitutes or surrogates of one another are in fact commercial equivalents and should be regarded as similar for trademark purposes.

For example:

- soya milk and dairy milk
- electric heaters and gas heaters
- hand razors and electric razors
- soft drinks and bottled sparkling water.

2.2.2.4.5 Channels of distribution of the goods and services

Similarity between goods or services will often result from the fact that they are commercialized or distributed through the same channels or in the same type of shops and points of sale. Channels of distribution, outlets and shops will bring together consumers who will be exposed to the goods (or services) offered at those points of sale. The public will tend to associate the goods by assuming that they have a common production or quality control.

For example:soaps, perfumery, cosmetics, hair lotions, dentifrices, vitamins, food supplements and over-the-counter medicinal products may be found together in the same types of outlet, for instancepharmacies and super market stores. Those goods may be regarded to be similar to the extent that they share common points of sale.

2.2.2.4.6 Relevant public and consumers of the goods and services

If goods or services are addressed to the same type of public or the same category of consumers, it may be argued that such fact makes thosegoods or services similar for purposes of finding a likelihood of confusion. The consumers addressed with particular goods or services may be the public at large or specialised consumers and business clients.

Conversely, the fact that two products or services are addressed to customers of very different nature would militate against a finding that the goods or services are 'similar'. For example, 'chemicals used in industry' and 'photographic film' are offered to very different types of consumers and are unlikely to be considered 'similar' goods.

2.2.2.4.7 Origin, producer or supplier of the goods or services

The usual origin of the type of goods or services can be a factor to determine their similarity. If goods or services are usually produced, manufactured or supplied by undertakings of the same type there is a strong indication that such goods or services should be regarded as similar or related.

The type of origin that is relevant for these purposes refers to the general arrangements that allow goods and services to come on the market. This includes the fact that goods are generated by undertakings of a certain type or that economically linked undertakings control the production of the goods and related services.

The geographic origin of the goods or the geographic location of the producers is irrelevant in this connection.

The factors that indicate a usual common origin for goods and services include:

- Type of producer. If different sorts of goods are produced by the same type of industry, those goods will be connected by that fact. For example, industries that provide health care goods are likely to produce not only 'pharmaceutical products', but also 'personal hygiene products', 'soaps', 'cosmetics', 'bandages', 'surgical instruments' and 'dental instruments' and 'orthopedic articles'. Agricultural cooperatives and agro-industries are the usual origin for food products. Products may be regarded as 'similar' to the extent that they are related by the type of industry that generated them.
- Method and technology used in manufacture. For example, textile factories and workshops may produce clothes and wearing items, as well as curtains and boat sails. Companies that have the technology to produce electric and electronic goods may produce a variety of related goods that would be 'similar' because of the technology used.
- Usual trade or marketing practices. It is predictable that certain industries will tend to expand to adjacent or related industries as they develop. Where such is the case, goods and services in these typically adjacent trade sectors would indicate that the goods or services are 'similar'. For example, the clothing industry and the leather accessory industries may connect as they expand. Producers of perfumes and cosmetics may launch a line of accessories including sunglasses.
- Same provider for services and related goods. It is usual that the provider of a service will also provide the goods that need to be used in connection with the purchase of the service. For example, undertakings offering 'spa and gym services' will also offer food supplements, cosmetic products or gym accessories. Those services and the related goods may be regarded as 'similar'.

2.2.3 Comparison of signs

In case of conflict between two marks, once it has been determined that the goods or services are identical or similar, it will be necessary to look at the marks to decide if they are identical, similar or dissimilar.

The initial objective comparison should include all the perceptible elements in the signs, regardless of their distinctive value. At this stage, the comparison of the signs should remain objective. Other factors such as the distinctiveness of the sign or the dominant or weak elements should only weigh in at a later stage for the final global assessment of likelihood of confusion.

The conflicting signs should be compared as they appear, respectively, in the application and on the register of marks. The examiner should presume that the marks are, or will be, used in trade as they appear on the file and on the register.

If the signs are clearly dissimilar, the examiner should finish the examination of the likelihood of confusion.

On the other hand, a finding of similarity should not, on its own, lead to a conclusion that the registration of the mark being examined would be likely to cause confusion. This conclusion should only come after the final, global assessment once all the relevant factors have been considered.

2.2.3.1 *Identity of signs*

If the examiner finds that the sign for which registration is sought is *identical* with an earlier mark, the registration should be refused in respect of the goods and services that are covered by both marks.

Although in principle a finding of 'identity' would require that the signs be identical in all respects, examination should proceed on the basis that *insignificant* differences that would be imperceptible to the average consumer for the relevant goods or services, should not be taken into account. Any difference that is *not perceptible* without careful, close, side-by-side examination of the marks, should be considered 'insignificant'.

Two signs that are identical *in all aspects*, or that present *differences that are insignificant* because they cannot be perceived or noticed by the relevant consumers, should therefore be regarded as 'identical'.

Identity in respect of only some elements (partial identity) is not to be regarded as identity but as similarity. For example, in the following cases the marks should not be considered identical:

- two marks consisting of words that sound the same but have different spelling,
- two marks consisting of words that are identical except for one letter or digit,
- one mark is included entirely in the other, but the other has an additional figurative element or is presented in different characters, style or colours.

However, as regards word marks, a variation of upper or lower case will not be taken into consideration: such variation should be treated as an insignificant difference.

2.2.3.2 *Similarity of signs*

In most cases of conflict between marks the opposition or objection will be based on the fact that the signs are similar and that such similarity (in conjunction with other relevant factors) is likely to cause confusion.

For these purposes 'similarity' means a situation where the two signs are less than totally identical; they are identical in respect of certain aspects but dissimilar as regards other aspects.

In comparing the signs, the examiner should disregard any negligible elements and features and focus on the elements that are clearly perceptible. An element or feature is to be regarded as 'negligible' if at first sight it is not noticeable on the sign. This may result from the feature's size or position in the mark. If a feature is only perceivable upon close and careful inspection, it is *prima facie* irrelevant for purposes of determining similarity.

Signs that consist of ideograms, characters or text written in a *foreign language* or in *foreign characters* that are unintelligible to the average consumer in a country should be treated as figurative signs as they cannot be compared phonetically or conceptually in the language of the country concerned. A translation would only serve for information purposes since the mark would be used in the marketplace in its original form (i.e. in its foreign language or foreign characters). In this connection, see item 1.1.1.2 in Part 1 of these Guidelines.

The aspects that need to be compared to determine similarity between the signs are their *visual* features, their *phonetic* features and their *conceptual* dimension. The examiner should consider the *overall impression* of the signs in conflict on the basis of their visual, phonetic and conceptual characteristics, and must also take

into account the level of inherent or acquired distinctiveness of the earlier (cited or opposing) sign.⁹

2.2.3.2.1 Visual comparison

The visual aspect or impression of a sign is relevant for the comparison of any visually-perceptible signs, whether word, figurative, mixed, tree-dimensional or colour signs. Visual comparison will determine how much the later mark *looks* like the earlier mark.

Visual similarity should be assessed taking into account different factors depending on the type of visual signs that are in conflict. Comparison between two purely word marks or two purely figurative marks will be more straight forward than comparisons between, for instance, a purely word mark and a mixed mark (a word plus figurative elements).

Visual similarity will depend on the elements that are common to both marks. However, visual similarity may also occur if, despite some differences in the individual elements contained in the marks, the overall layout, proportions and choice of colours make the marks, as a whole, look similar.

Word signs

(1) As regards a conflict between *two purely word marks* the visual comparison will be based on the number and sequence of the letters, digits and characters contained in the marks. The analysis will necessarily be made in the language (and alphabet) of the national office, as well as in other languages that are commonly used or understood in the country. However, a word transliterated from one alphabet to another may cease to be visually similar. (The signs may nevertheless remain phonetically similar – see below).

⁹In this regard see the judgement of the ECJ of 22 September 1999, case C-342/97, 'Lloyd Schuhfabrik Meyer', paragraph 26, in which the ECJ stated:

"[...] the global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the *overall impression* created by them, bearing in mind, in particular, their distinctive and dominant components. [...] {T}he *perception* of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. [...]"

The average consumer will see a mark as a whole and will not notice a small difference in the number of letters or their position. However, the letters at the beginning of a word will tend to be noticed more than the other letters in the word. In this respect, a difference in the initial letter may make the marks visually more dissimilar than a variation in one of the middle letters.

The length of the word and the splitting of a word are also factors that can affect the visual perception of word signs.

However, it is not possible to establish beforehand a fail-safe rule on the number of different letters in a word that will avoid a finding of visual similarity, or the number of identical letters that will determine visual similarity between two words.

(2) In case of a conflict between a *pure word mark* and a *mixed word sign* (i.e. a word presented in special characters, typeface, font or colour, or combined with a figurative element), the word element will normally be noticed and memorized more easily because consumers will tend to first read the words in the mark whenever possible.

Visual similarity will depend on whether the letters in the respective words of the marks are in the same position, and also on the strength of any special visual features, style of the letters or figurative elements of the mark. If the figurative elements or special characters are not strong enough to impress a difference between the two signs, the identity or similarity of the words would prevail.

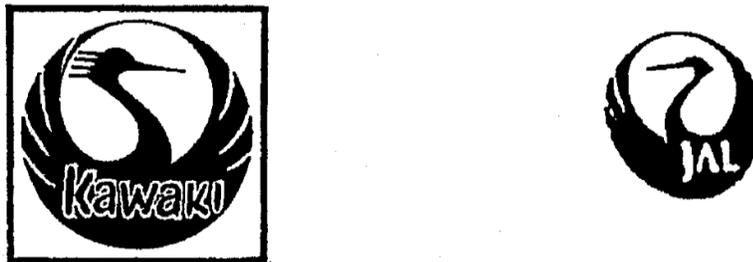
If the figurative elements of a mark are strong or its letters highly stylised, that mark may be found to be visually dissimilar from a pure word mark with no figurative elements.

(3) In case of conflict between *two mixed signs* (i.e. both marks have words with or without special characters, typeface, font or colour, and are combined with figurative elements) visual similarity may be found where the letters or words are the same, in the same position, and the figurative elements (typeface, font, colours) are not strong enough to impress a substantial difference.

For instance, the following mixed signs can be regarded as visually similar:



[Example provided by the Indonesia IP authorities]



(Japan Airlines' service mark)

[Example taken from the Trademarks Manual of Cambodia, p. 59]

However, if only some letters or only a part of the word or words are the same in the two marks and the style or the figurative elements are markedly different in each mark, they may be found to be visually dissimilar.

(4) In case of a *mixed sign in conflict with a purely figurative sign*, visual similarity will depend solely on the figurative elements since only one of the marks has a word element and the other mark has none. In this case, visual similarity may be found if the figurative elements in both marks are prominently visible and are the same or almost identical. However, if the word element in the mixed mark is more prominent than its figurative element, the visual similarity with the purely figurative mark may disappear.

Figurative signs and colour signs

(1) In case of conflict between *two purely figurative signs* (i.e. neither mark contains any word element) the figures may be regarded as visually similar if they conform to one another in shape, contours and proportions. A variation of the colours used, or a shift from black and white to colour, might not make the marks dissimilar.

(2) In case of marks consisting of a *combination of colours*, visual similarity will be found if the colours of the later mark are the same, or its colours are within a range of shades that cannot be distinguished from the earlier colours by an average consumer.

Three-dimensional signs

If both conflicting marks are *three-dimensional*, visual similarity will depend on correspondence of the shapes, proportions and choice of colours, if any.

The *first visual impression* of the marks should be decisive to find similarity. Any differences that are perceivable only after close examination, measurement or other verification will not cause dissimilarity.

In case of an earlier *three-dimensional mark opposed to a two-dimensional figurative* mark, visual similarity may be found if the two-dimensional mark effectively reproduces the shape of the earlier mark so it can be easily identified as a reproduction. Insignificant or irrelevant differences in the marks will not cause visual dissimilarity.

2.2.3.2.2 Phonetic comparison¹⁰

(1) A phonetic comparison of visually-perceptible signs may only be performed between signs that *contain* one or more *word elements* that can be read and *pronounced*. Such comparison is possible even if the word elements also contain a figurative element or use special characters, typeface, font or colour.

A phonetic comparison is not possible if one or both of the signs in conflict has no word element that can be read and pronounced. However, such signs may still be compared visually and conceptually.

(2) Phonetic comparison must be based on the pronunciation codes of the average consumers in the country concerned. Foreign words may be pronounced differently in different countries and the way in which a word is pronounced in the foreign country of origin is not always relevant.

For example: the words “LOVING KARE” may be *phonetically* similar or identical to “LAVIN-KER” when pronounced by consumers whose language is not English.

¹⁰In this connection see the OHIM Guidelines, Part C, Section 2, Chapter 3, item 3.5.

If required, a phonetic comparison should include a *transliteration* of the word elements and an assessment of the resulting sounds.

(3) The overall phonetic impression of a mark that contains a word element will depend on the number and sequence of the word's *syllables*, and the manner in which the word is *pronounced* in a particular country. Phonetic similarity will be found if the sound of the pronunciation of the word elements of the conflicting marks is the same, or close enough to be phonetically indistinguishable.

Common syllables found in both marks, their sequence and the total number of syllables that give rhythm of the words will influence phonetic similarity or dissimilarity.

(4) Graphic signs that can be read as part of a word or phrase must also be taken into account for a phonetic comparison. For example, signs such as '@', '&', '%', '+' and '#' have names ('at', 'and', 'per cent', 'plus', 'hash') and will normally be read by a consumer if they are part of a word mark. The same applies to loose letters ('Quali-T' may sound the same as 'quality'). The sound of those signs and letters must be taken into account for a full phonetic comparison. The actual sound of those graphic signs will depend on name given to the sign in the local language.

(5) Where the marks in opposition contain identical syllables or words but their sequence is inverted, that difference may not eliminate a finding of phonetic similarity.

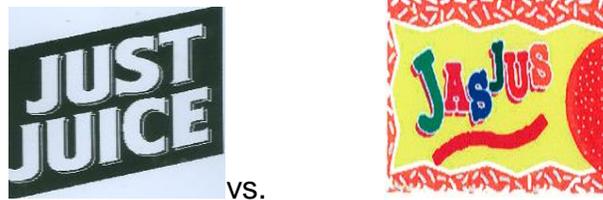
For example: **BLUE GINGER** vs. **GINGER BLUES**

(6) The phonetic value of a foreign word or of a fanciful word will be that of its pronunciation by the general public in the country concerned. However, where a significant portion of the relevant sector of consumers in a country also understand the foreign word and would pronounce it in the corresponding foreign language, this pronunciation must also be taken into consideration for the phonetic comparison.

(7) Account should be taken of different letters that produce identical or similar sounds when pronounced. For example, the sound of the letters "b" and "p", or "x" and "s" may be identical or confusingly similar when pronounced in a particular context. This difference of letters may not suffice to avoid a finding of phonetic similarity.

(8) When comparing two mixed signs for phonetic similarity, the word elements will normally prevail over the figurative elements because the consumers will tend to read and retain the words rather than the accompanying visual elements. For

example, in Indonesia the following mixed signs were found to be phonetically similar notwithstanding of their different visual appearance:



2.2.3.2.3 Conceptual comparison

Signs with semantic content

Similarity between two marks may be caused by a similarity in the concept or meaning of the signs, as understood by the average consumers in the country concerned.

A conceptual assessment may only be performed in respect of signs that have a semantic content, namely signs that have at least one *meaning* generally understood by consumers in a particular country. Such signs with a meaning will be:

- signs that contain a *word* element that has a meaning in the language, or one of the languages, of the country concerned, or
- signs that have a *figurative* element that represents something that has a meaning, i.e. something that can be recognised and described or named in words.

If only one of the signs in conflict has a meaning, a comparison cannot be performed. The conclusion of the comparison between such signs will be that they are not conceptually similar.

Factors relevant for conceptual comparison

(1) A conceptual similarity between *two word marks* may be found if both words have the same meaning, are synonyms, or refer to concepts or ideas that are close enough to be associated.

For example: PANTHER vs. PUMA

HEAVEN vs. PARADISE

Sunlight



[Image taken from <http://www.oneclueanswer.com/tag/emoji-pop-sunlight/>]

(2) In case of a *compound word mark comprising two or more words* that are used together and have a specific meaning that is different from the meaning of its individual component words, only that specific meaning should be taken into account. There is no conceptual similarity between two word marks if the similarity is based only on one of the component words considered separately.

For example: FIREWORKS vs. SKUNK WORKS

DARKROOM vs. DARK SAND

However, if the mark consists of a composite word or expression in a foreign language, and the average consumers in the country are only able to understand the part of the word that is common to both marks but do not understand the complete expression, conceptual similarity can only be assessed with respect to the parts that have a meaning for those consumers. Conceptual similarity may be found to the extent that only the meaning of the common part will be considered.

For example: GAMEBUDDY vs. GAMEWAY

In this example, if only the word 'game' is understood by the relevant sector of consumers, that element would introduce a degree of conceptual similarity. However, depending on the other parts of the marks involved and their overall perception, that similarity may not lead to a finding of likelihood of confusion if there is no visual or phonetic similarity between the signs.

(3) As regards marks that consist of *names of persons*, conceptual similarity may be found where one name is the root or a derivative of the other name, or where different spelling is given to the same name.

For example: JAMIE vs.JAMES

CAROLE vs.KAROLE

KLAMBERT vs.KLAMBERTON

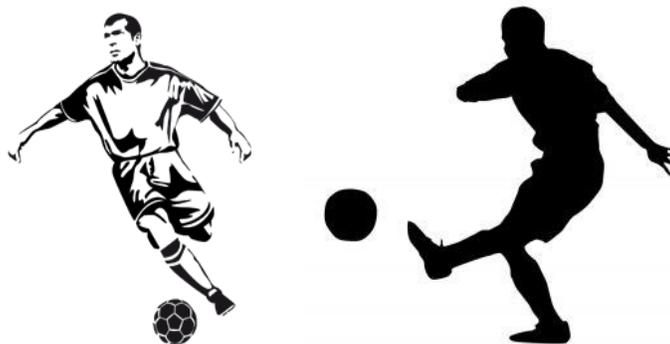
(4) Conceptual similarity may be found between two signs composed of *numbers* or *letters*. In this case, the conceptual similarity will result from the fact that the numbers' meaning is the same or easily related, or that the letter is the same. A variation of style, typeface, font or colour may not dispel similarity because the meaning of the number or letter would prevail.

For example: JIM-1000 vs.JIM THOUSAND

MK-200 vs.MK2000

(5) Conceptual similarity can be found between signs that contain *figurative elements* where the *meaning or concept represented* by the figurative elements is the same in both marks, or their meanings can be directly associated, even if the images are not visually similar.

For example:



[Images taken, respectively, from <http://www.dezignwithaz.com/soccer-player-wall-stickers-p-1210.htm> and <http://www.clipartpanda.com/categories/soccer-player-silhouette>]



[Images taken, respectively, from <http://yamisnuffles.deviantart.com/art/Hummingbird-Tattoo-388443390> and <http://www.thisiscolossal.com/2012/09/gorgeous-painted-birds-by-adam-s-doyle/>]

(6) Conceptual similarity between a *word mark* and a mark that contains a *figurative element* with or without words, can be found if the word mark corresponds to the *meaning or concept represented* by the figurative element, or if the meaning of the figurative elements can be directly associated with the word mark.

For example:

RED SAMURAI



[Image taken from <http://www.dreamstime.com/royalty-free-stock-photo-samurai-warrior-cute-image12292605>]



[Examples provided by the Philippines IP authorities]

(7) Conceptual similarity between two *mixedmarks* may be found if the word elements in both marks are conceptually synonymous. If the word elements are conceptually dissimilar, the *figurative elements* could lead to a finding of similarity in the signs if those elements are prominent enough to be perceived over and above the dissimilar but less perceptible word elements. If the *meaning* or *concept represented* by the figures is identical or similar, and the figurative elements are prominent in both signs, there could be a finding of conceptual similarity.

For example:



[Example provided by the Indonesia IP authorities]

2.2.3.3 *Distinctive and weak elements of signs*

When two marks are compared in order to determine likelihood of confusion, the distinctive strength of the elements contained in the marks must be taken into account.

If the identity or similarity in the signs resides in an inherently strong, distinctive element contained in the earlier mark that is reproduced entirely or substantially in

the later mark, this would make the marks substantially identical or similar. The identity or similarity in respect of that strong, distinctive element would be likely to cause confusion if both signs were used in the market.

Conversely, if the words or figurative elements that are identical or similar in both marks are not themselves distinctive, or have only weak distinctiveness, then the identity or similarity of the marks would be based on elements that cannot be claimed in exclusivity by either party. Such similarity cannot normally sustain a finding of likelihood of confusion.

In particular, any elements in a mark that are generic, descriptive, laudatory or allusive with respect of the specified goods or services, have a low level of distinctiveness and will not support a finding of likelihood of confusion.

For example, if two marks contain the same figurative element so that they may be considered visually similar, but such common element is inherently non-distinctive in relation to the relevant goods or services, no likelihood of confusion can be found between those marks. They may be allowed to coexist in the market.

The following is an example of signs that contain shared elements that are *generic* or commonplace:

MOVIE FAN

vs.

MOVIEPLEX



[Images taken, respectively from <http://www.dreamstime.com/royalty-free-stock-images-spaghetti-pasta-bakery-labels-pack-spaghet-windmill-field-bread-image35508609> and <http://www.dreamstime.com/stock-images-spaghetti-pasta-bakery-labels-pack-spaghet-windmill-field-bread-image35507744>]

The following is an example of word marks that have common elements that are *descriptive*: the words 'protection screen' and 'protective screen' as parts of marks applied to that type of goods merely describe the products. Those marks may coexist in the market.

Nivea protection screen vs. **Coral** protective screen

The following is an example of signs that contain shared elements that are *laudatory*: in this case, the expression 'supreme' used in both marks is not distinctive and cannot be used to base a finding of similarity between the signs.



[Images taken, respectively from <http://www.residentadvisor.net/record-label.aspx?id=1896> and <http://www.residentadvisor.net/record-label.aspx?id=6082>]

2.2.3.4 *Relevance of enhanced distinctiveness of a sign*

Distinctiveness of a mark is its ability to link or associate, in the mind of consumers, the relevant goods or services to a particular commercial origin and, consequently, to distinguish those goods and services from the goods and services of other persons offered in the same market.

Signs have varying degrees of distinctiveness:

- ❖ Signs that are merely generic, descriptive or functional have *no distinctiveness*.
- ❖ Signs that are *allusive* of the nature, use, kind, quality or other characteristics of the relevant goods or services, but are not entirely generic,

descriptive or functional, have a *low* level of distinctiveness. They may be registered as marks but will remain '*weak*' because they will not be able to oppose later marks that are not very closely similar or identical.

- ❖ Signs that are *fanciful* or '*arbitrary*' are *inherently* distinctive and have a 'standard' level of distinctiveness in connection with the specified or similar goods and. Their existence is a ground for refusal of later marks that relate to the same goods or services.

A sign that is not inherently distinctive may nevertheless *acquire distinctiveness* through use in trade. Acquired distinctiveness should be recognised by the examiner to the extent that it is invoked and proven by the interested party. If the evidence demonstrates acquired distinctiveness, the sign may be cited against the registration of a later conflicting mark.

A registered mark should be *presumed* to have at least a minimum degree of inherent (or acquired) distinctiveness. This is the baseline on which the examiner will assess a likelihood of confusion in case of conflict with a later mark.

- ❖ A mark that, through use and market promotion, has become *well known* to the relevant consumers enjoys '*enhanced distinctiveness*' or '*reputation*'. Enhanced distinctiveness or reputation may warrant a finding of likelihood of confusion with respect to a later mark even in respect of dissimilar goods or services (see item 3, below).

With respect to marks that have enhanced distinctiveness (inherent or acquired) the ECJ has held that:

“... marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character.

... the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.”¹¹

In case of conflict between two marks, the reputation or enhanced distinctiveness of the earlier mark will be relevant to determine likelihood of confusion. The reputation of the contested mark is irrelevant for the purposes of this assessment.

¹¹Decision of 29 September 1998, case C-39/97, 'Canon', paragraphs 18 and 24:

It is the scope of protection of the earlier, cited mark that will determine whether the use of the contested mark would cause a likelihood of confusion, because the earlier mark enjoys an exclusive right that prevails over the later applicant's right.

2.2.4 Relevant public and consumers

Goods and services in the marketplace are offered to the public and to consumers that have different characteristics. The question of likelihood of confusion focuses on the possibility that goods or services put on the market in a particular country may be perceived by the relevant public or consumers as originating from a particular commercial undertaking. In this regard, the characteristics of the relevant sector of consumers to which the goods and services are addressed will be an important factor in deciding whether there is a likelihood of confusion if a later mark were to coexist with an earlier mark.¹²

2.2.4.1 Relevant sector of consumers

In case of conflict between two marks, the 'likelihood of confusion' to be established refers to the possible confusion affecting the consumers and the public of the country where the examination takes place.

The relevant public is the sector of consumers of the identical or similar goods or services specified for the marks in conflict. The likelihood of confusion should be determined on the basis of the *average* consumer. This includes both *actual* and *potential* consumers.

A likelihood of confusion should be recognised only if a *significant* part of the relevant consumers in the country would be confused. It is not necessary that all or most of the actual or potential consumers would be confused.

When defining the 'relevant sector of the public' or 'relevant consumers', it is necessary to distinguish between the *general* public and consumers that belong to *professional* or *specialised* sectors, depending on who the goods or services are addressed to.

- If the similar goods or services covered by *both* marks are addressed to consumers of the *general public*, then the likelihood of confusion should be assessed from the perspective of that type of consumers. Likewise, if the goods or services covered by *both* marks are directed only to professional or specialised consumers, for example, the medical profession, engineers, computer experts, etc. this profile should be considered.

¹²In this regard see, for example, the OHIM Guidelines, Part C, Section 2, Chapter 6.

- If the goods or services covered by both marks in conflict are directed equally to the *general public as well as professional or specialised consumers*, then the standard to be applied should be the perception of the goods or services by the general public, which is presumed to have a lower degree of attentiveness.
- If the goods or services covered by one of the marks in conflict are directed to the *general public* and the other mark is used for goods or services that target the *professional or specialised consumers*, then the standard to be used is the perception by the professional or specialised consumers. In this case it is understood that, although the goods or services intended for the general public could also reach the professional sectors, the converse would be quite unlikely because the goods or services for a sector of specialised consumers will normally not be offered to the general public. Therefore, the perception of consumers of the general public is not relevant as they would not be exposed to offers of those goods or services addressed to a professional or specialised sector.

For example, if the earlier mark covers ‘adhesives for industrial and surgical use’ and the later mark covers ‘adhesives and glues for stationery and household purposes’, the relevant consumers of reference will be those that could be exposed to offers of both types of goods, in this case the professional consumers. The general public is unlikely to be exposed to offers of products for industrial use.

Likewise, if the earlier mark covers ‘machines and machine tools; motors and engines; agricultural motorized implements’, and the later mark covers ‘household appliances, namely blenders, cutters and mixers’, the reference group for perception analysis purposes will be the consumers that could be interested in both types of products, namely the professional consumers. The general public would not normally be exposed to offers of industrial or agricultural machinery.

2.2.4.2 *Relevance of consumers in determining likelihood of confusion*

2.2.4.2.1 Similarity of goods and services

In deciding whether goods or services are similar the relevant consumers of the goods and services will be a factor to consider. In particular, depending on whether the consumer is an intermediate or a final consumer, the goods or services will be more or less likely to be related. Goods that are raw materials or starting inputs to manufacture other products are addressed to industrial, professional or manufacturing customers. Finished products will be addressed and offered to final consumers.

For example, producers of plate glass will normally have as their clients, manufacturers of windows, window panes, mirrors, etc. Plate glass is not sold to

end-users. Similarly, the profile of customers that buy building materials is different to that of buyers of houses or of building services.

Where the relevant consumers of the specified goods or services are materially different, the likelihood that confusion may occur will be commensurately lower.

2.2.4.2.2 Similarity of signs

The characteristics of the consumers in a particular sector will also determine the perception of similarity of the signs in conflict. For instance, the meaning and the phonetic features of a sign will be understood and perceived differently depending on the culture and language of the consumers (see item 2.2.3, above).

Signs that are clearly distinct to the average consumer in one country may be confusingly similar to consumers in another country. The examiner must consider the profile of the consumers in the country of filing.

2.2.4.2.3 Distinctiveness of signs

The characteristics of the consumers in the relevant sector of the public in a particular country will determine their perception of the signs in conflict. This perception will determine the level of inherent distinctiveness of a sign in respect of those consumers in that country.

For example, the word mark 'GOURMET – Moderna' for 'food products' may be perceived as generic, descriptive, weakly distinctive or inherently distinctive by consumers in different countries, depending on their knowledge or perception of the words involved.

2.2.4.3 *Degree of attention of consumers*

When analysing the likelihood of confusion of (identical or similar) marks that are used on goods or services that are similar, it is necessary to consider the degree of attention that is usually exercised by the relevant consumers.

The consumer of reference in each case should be the *average consumer* of the type or category of goods or services in question. The consumer should be presumed to be reasonably 'well informed', reasonably 'observant' and 'circumspect'. The level of attention of the consumer should be expected to vary depending on the type of goods or services to be purchased.¹³

While the degree of attention of a purchaser may depend on the type of goods and services and on whether the consumers are professional or specialised, other

¹³ See the comments in the OHIM Guidelines, Part C, Section 2, Chapter 6, item 3.

factors can come into play. The degree of attention of an individual purchaser will depend on factors that are independent of the business specialisation of the person. However, it may be assumed that consumers that are active in a professional or specialised field will be less likely to be confused when they purchase goods or services that are familiar to them or that they are used to purchase.

One factor determining the consumer's degree of attention is his *level* of *involvement* in the purchase of the goods or services. This depends on the degree to which a purchase is important to a particular consumer. The greater the importance of the purchase of a product or service, the greater the purchaser's attention is likely to be. This in turn will reduce the likelihood that the purchaser will be deceived or confused if exposed to similar marks.

A high degree of attention can be expected from consumers that purchase goods or services that are expensive, infrequent or potentially dangerous or hazardous. For instance, purchases of goods such as a house or an automobile, or services such as medical or financial advice, will be looked at more carefully. The same applies to goods such as pharmaceutical products as regards the medical professional that prescribes the product or the consumers that buy those products 'over the counter'.

Conversely, a lower level of attention can be expected in respect of routine purchases of inexpensive goods.

2.2.5 Other factors relevant for a likelihood of confusion

Other factors that are relevant to a decision of likelihood of confusion include the following:

- Families and series of marks
- Coexistence of the marks in conflict in the same country
- Prior decisions involving the same or similar marks

2.2.5.1 Families and series of marks¹⁴

- ❖ A ‘family’ of marks is a group of marks that share one or more common distinctive elements and are owned by the same person. Those common elements may be inherently distinctive or may have acquired distinctiveness through use or by advertising in the country. The specific distinctive elements shared by all the marks belonging to the same family reinforce the information conveyed by those marks regarding the commercial origin of the goods or services. The marks that form a family of marks will generally be registered (and may be associated to each other for purposes of their assignment), but it is not excluded that some of the marks in a family may be unregistered. Marks that form a ‘family’ of marks may also be characterized as ‘integrated marks’ or ‘association marks’.¹⁵
- ❖ A ‘series’ of marks is a group of marks that have either been registered simultaneously or have been registered successively and subsequently been associated as a series by a decision of the Office. The marks that constitute a series must all have the same distinctive elements in common. Their variations or differences must relate only to matters that are not distinctive. One practical consequence of having registrations in a series is that the various registrations of the marks that compose the series are ‘associated’ on the trademark register and cannot be assigned or transferred separately. The marks in a series will always be registered, since the series is a formal link established only among registered marks.

The existence of a family or a series of marks could reinforce a finding of likelihood of confusion. If the contested mark contains the same distinctive element that characterises all the marks that belong to the family or series, consumers could believe that the contested mark also belongs to that family or series. Consumers could assume that the goods or services bearing the contested mark have the same commercial origin of the other goods or services. Such erroneous association should be avoided.

Where an objection or opposition to the registration of a later mark is raised on the basis of an earlier mark that belongs to a family of marks, this fact must be invoked and substantiated by the opponent. If the existence of a family or series of marks is established, the examiner should compare the contested mark with the family of marks as a *whole*. The analysis should determine whether the later mark contains

¹⁴See the provisions in BN TMA s. 42(1)(c) and (2), TMR r. 17; MY TMA s. 24; MM; SG TMA s. 17, TM Manual Relative Grounds for Refusal of Registration p. 39; TH TMA s. 14 and 50; and VN IPL art. 4.19 and Circular 01/2007 s. 37.4.b..

¹⁵ See for instance the provisions in Vietnam IPL art. 4.19 and Circular 01/2007 s. 37.4.b.

the features that are specific of the marks that belong to the family, such that it is likely that consumers would mistakenly believe that the contested mark is a new addition to the family.

The element that is common to the marks that belong to a family or a series of marks must be *distinctive*. A family or series of marks cannot successfully challenge a later mark on the basis of elements that are generic, descriptive or weakly distinctive.

A family of word marks that is based on a *prefix* or a *suffix* that is fanciful or arbitrary in connection with the type of goods will create a strong case for a finding of likelihood of confusion. For example, the following family/series of marks is based on the fanciful suffix 'KAST':

PanaKast, MyroKast, FramaKast, SaniKast

The following family of marks is based on the main element 'BAY' taken from the name of the BAYER company:¹⁶

Baydur, Bayfil, Baycoll, Baygon, Baysol, Baypran, Baytril, Bayga, Bayfol, Bayflex, etc.

A likelihood of confusion based on a prior series of marks will require that the later mark include the distinctive element of the series in identical form or in a form that is very closely similar. This may include the position of prefixes and suffixes, since the position of the distinctive element is one of the factors that characterises the marks in the family or series. This may have an exception where the affixed element is so strongly distinctive that it can stand on its own. In this case, a shift in its position will not remove the likelihood of association.

2.2.5.2 Prior coexistence of the marks in conflict in the same country

The fact that the marks in conflict have coexisted in the same market for a substantial period of time is a factor that should be taken into account.

For coexistence to be relevant as a factor that militates against a finding of likelihood of confusion, it must be based on simultaneous use in the marketplace within the national territory. The applicant must prove that the mark had already

¹⁶See <http://www.bayer.com/en/products-from-a-to-z.aspx> .

been used in the country and that no confusion or likelihood of confusion has been noticed.

The period of coexistence should be sufficiently long to allow for an assessment of the effects of such situation. Moreover, that coexistence must be peaceful, in the sense that it is accepted or tolerated by the parties involved. Coexistence in the midst of *inter partes* proceedings would not be a valid coexistence for purposes of dispelling a likelihood of confusion.

This will also bring into play the provisions of national law relating to the rights that derive from the use of *unregistered* marks. Where the law provides that rights accrue from use in the market, or that '*honest concurrent use*' generates common law rights, these factors may be dispositive in the opposition.¹⁷

2.2.5.3 *Prior decisions involving the same or similar marks*

If the mark filed for registration and the earlier, cited mark have already been confronted on an earlier occasion in the country, and a decision has already been issued in that connection, this fact should be taken into account by the examiner. The examiner should consider with special care whether a similar decision should be taken in the case on hand.

A decision taken by the trademark office or by another authority in an earlier case will normally *not* be binding on the examiner or the office in deciding a later case. However, for reasons of legal security and predictability, the office's decisions should be coherent and consistent, and the same facts should result in the same solution, where applicable. In taking its decisions the office should adhere to the principles of equal treatment and sound administration.

The examiner should therefore assess the relevance of the facts of the earlier case and the analysis and legal reasoning sustaining the earlier decision. If the facts and the reasoning of the earlier case are also applicable to the case under consideration, the earlier decision should be taken into account and the examiner's decision should, where relevant, be consistent with the earlier decision on the similar case.

However, the examiner should distinguish a prior case from the one on hand where the facts and circumstances cannot be assimilated. The examiner's conclusions should be based on the facts and circumstances of the case under examination, even if this leads to a decision that is different from the prior decision on the similar earlier case. The examiner should exercise caution because an identity of marks and goods or services in two cases coming up at different times may hide factual and legal circumstances that are materially different in each case.

¹⁷See the provisions in BN TMA, s. 10; MY TMA s. 20; SG TMAs. 9.

2.2.6 Global assessment of likelihood of confusion

2.2.6.1 Need for a global assessment

The ultimate purpose of the substantive examination of the various factors relating to conflicting signs is to determine whether there is a likelihood that confusion may occur in trade if both signs were allowed to coexist in the marketplace in a particular country. This requires that all the relevant circumstances be taken into consideration in a single global assessment.

In this connection, the fact that two signs may be visually, phonetically or conceptually similar, or that the relevant goods or services are identical or similar, will not necessarily determine a likelihood of confusion. Other factors, in particular the distinctiveness and reputation of the earlier sign will play a major role.

A likelihood of confusion may only be established after a global assessment is made considering all the factors and circumstances that are relevant in each particular case. Those factors include:

- the similarity of the goods or services involved,
- the similarity of the signs in conflict,
- the relevant public and consumers
- other relevant factors.

It is recalled that the global analysis approach means that a later mark should not be refused registration just because it is similar to an earlier mark, or because the goods or services covered are identical or similar. Rather, the ground for refusal should be that -- if the later, contested mark were to be used in the market in the country concerned -- there is a likelihood that the relevant consumers would be confused as to the commercial origin of the goods or services. The registration should be refused to prevent a likelihood of confusion in the marketplace.

2.2.6.2 The principle of interdependence of factors

The abovementioned factors that may indicate the existence of a likelihood of confusion are *linked* and *interdependent*. The principle of interdependence means that all factors need to be weighed and that some of them have a greater influence in finding a likelihood of confusion, in particular the similarity of the relevant goods and the similarity between the signs in conflict.

Interdependence also means that, in preparing the global analysis, the lower impact of one of the factors may be balanced by the higher impact of one or more of the other factors. In this regard the European Court of Justice has held as follows:

“19 That **global assessment** implies some **interdependence** between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. The interdependence of these factors is expressly mentioned in the tenth recital in the preamble to the Directive [First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1)], which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified.”¹⁸

For the final global assessment of likelihood of confusion, the examiner should combine the conclusions arrived at with respect to the individual factors that were analysed. The examiner should, in particular:

- evaluate the degree of similarity between the goods and services and factor in the level of attention of the relevant consumers in respect of those goods or services;
- consider whether the signs in conflict have elements that are identical or only similar, and weigh the degree of similarity between the signs and the elements of each sign that sustain such similarity (are those elements distinctive, or merely descriptive or laudatory?); and
- consider the degree of distinctiveness of the earlier, cited mark as a whole (is that mark weak, inherently distinctive, or well-known?).

The examiner must arrive at a conclusion based on his personal assessment of all the above-mentioned factors. Each case will be different and seldom will a case be so clear-cut that it can be dismissed without a full analysis of all the factors.

¹⁸See paragraph 19 of the judgment of 22 June 1999 in the case C-342/97, Lloyd Schuhfabrik Meyer vs. Klijsen Handel, regarding their marks LLOYD and LOINT'S to distinguish shoes.

3 Well-known signs

3.1 *General considerations*

The existence of a sign that has enhanced distinctiveness or reputation may be a ground for refusal of the registration of a later mark if the use of the later mark is likely to cause confusion in the marketplace as to the commercial provenance of the goods or services in question.

Signs that have enhanced distinctiveness or reputation are also referred to in these Guidelines as 'well-known signs'. Such signs will usually be trademarks, but they may also consist of trade names, geographical indications or other business identifiers.

The Paris Convention and the TRIPS Agreement establish an international obligation to give protection to well-known marks (no express reference is made to other well-known signs). That protection is regarded as a minimum. National laws may and often do protect well-known signs above that minimum level.

The international minimum protection refers to both unauthorised use and to unauthorised *registration* of a well-known mark. The relevant provisions of the Paris Convention read as the follows:

Article 6*bis*

(1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

The supplementary provisions of the TRIPS Agreement are the following:

Article 16
Rights Conferred

1. [...]
2. Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.
3. Article 6*bis* of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

These international standards have been taken up by the ASEAN countries and are reflected in their trademark laws and administrative provisions.¹⁹

3.2 Obligation to refuse registration of a conflicting mark

The implementation of the international provisions quoted above require that an unauthorized application to register a mark that contains, or is confusingly similar to, a mark that is well-known in the country be refused.

Under those provisions and the corresponding provisions in the national law, a decision to refuse the registration of a conflicting mark should be taken at least where the following conditions occur:

¹⁹ See the provisions in the laws of BN TMA s. 8(3), 9(1)(b) and 54; KH TML art. 4(e) and (f), 25 and 26, TM Manual p. 48 to 53; ID TML art.4, 6(1).b), 6(2), and TM Guidelines chapter IV.B.2.1).b); LA IPL art. 3.13, 16 first paragraph items 2 and 3, and second paragraph, 23.10 and 23.12, Decision 753 art. 38; MY TMA s.14(1)(d) and (e) and 14(2), 70B, TMR r. 13A and 13B; MM; PH IP Code s. 123.1.e and f, TMR r. 102, TM Guidelines chapter XI, p. 119 to 121; SG Act s. 2(1) – ‘well-known trade mark’, 8(4), (5) and (6), TM Manual ‘Relative Grounds for Refusal of Registration’ p. 13 and 37; TH; and VN IPL art. 4.20, 74.2.i) and 75, Decree 103/2006 art. 6.2, Circular 01/2007 s. 42.

- (i) the conflicting mark contains, or is confusingly similar to, the well-known mark,
- (ii) the essential part of the conflicting mark constitutes a reproduction of the well-known mark, or
- (iii) the conflicting mark constitutes an imitation liable to create confusion with the well-known mark;

and

- (a) the conflicting mark is to be used on identical or similar goods or services, or
- (b) the conflicting mark is to be used on goods or services which are not similar to those in respect of which the well-known mark is registered, if that use of the conflicting mark in relation to those goods or services would indicate a *connection* between those goods or services and the owner of the registered well-known mark, and provided that the interests of the owner of the registered well-known mark are likely to be *damaged* by such use.

A substantial part of the examination to refuse a registration on the basis of a prior well-known mark will be performed using the same criteria that have been discussed above as regards the identity or similarity of goods and services and the identity or similarity of marks.

Where an opposition is based on a well-known mark that covers goods or services that are not identical or similar to those of the challenged mark, the examination must also deal with the following matters and the corresponding evidence:

- the extent to which the *mark is well known*,
- the extent to which the use of the conflicting mark on dissimilar goods or services would *indicate a connection* with the owner of the well-known mark, and
- the extent to which such connection would *damage the interests* of the owner of the well-known mark.

The *connection* between the use of the conflicting mark on dissimilar goods or services and the owner of the earlier well-known mark will depend, among other factors, on the degree of similarity between the conflicting marks, the similarity between the respective goods or services, the distinctiveness of the earlier mark

and the strength and scope of the reputation of the earlier mark. These questions relating to the required connection are dealt with under item 2.2, above.

The following sections deal with the questions of the extent to which the earlier mark is *well known*, and the extent to which the interests of the owner of the well-known mark could be *damaged* by a connection with the opposed mark.

3.3 Determining whether a mark is well known

An opponent that claims extended protection for a mark on grounds that it is well known or has a reputation must submit evidence to support the allegation. The examiner must examine the evidence submitted, which should be clear and convincing. The examiner is not required to perform research *ex officio* on the facts of the case, but may use any relevant information that is public knowledge.

All evidence may be useful in establishing the status of a mark as being well known. The opponent may submit evidence of any nature that may show that his mark is well known or has enhanced distinctiveness or a reputation. The evidence must be examined as a whole, weighing the probative value of different elements. The evidence may focus on one or more of the following facts that relate to the extent to which the mark is known to the public:²⁰

- the degree of knowledge or recognition of the mark in the relevant sector of the public in the country, as a result of use in trade or promotion and advertising;
- the duration, extent and geographical area of any use of the well-known mark in trade, in the country or in other countries;
- the duration, extent and geographical area of any promotion of the well-known mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;
- the duration and geographical area of any registrations and applications for registration of the well-known mark;

²⁰See the provisions of KHTM Manual p. 48 to 53; IDTM Guidelines chapter IV.B.2.1).b; LA IPL art. 16 second paragraph, Decision 753 art. 38; MY TMR r. 13B; MM; PHTMR r. 102, TM Guidelines chapter XI, p. 119 to 121; and VN IPL art. 75, Circular 01/2007 s. 42.3. Also the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of WIPO, 1999 (hereinafter called “the WIPO Joint Recommendation”).

- the record of successful enforcement of rights in the well-known mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
- the value associated with the well-known mark.

These factors should not be regarded as cumulative or exclusive conditions to determine whether a mark is well-known. The determination in each case will depend upon the particular circumstances. In some cases all of the factors may be relevant, and a decision may be based on additional factors that are relevant to the case.²¹

Bad faith

In establishing whether a mark is well known, an opponent may also submit evidence that the application for registration of a mark that is identical or confusingly similar to a well-known sign was filed in *bad faith*. Possible bad faith by the applicant is a factor that the examiner should consider when analysing the conflicting interests in an opposition based on a prior well-known sign. In this connection see also item 3.5.4 and chapter 10, below.²²

For example, in Indonesia the following mark (on the left) was refused on grounds that the applicant had filed for registration in bad faith, considering his knowledge of the existence of the earlier well-known sign (on the right):

²¹ See the WIPO Joint Recommendation, Article 2(1)(c).

²²Regarding bad faith the WIPO Joint Recommendation, Article 3(2), provides:

“(2) [*Consideration of Bad Faith*] Bad faith may be considered as one factor among others in assessing competing interests in applying Part II of these Provisions.”

Also see the provisions in BN TMA s. 6(6); KH TML, art. 14.e; ID TML art.4; LA Decision 753, art 36, paragraph. 6, item 7; SG TMA, s. 7(6) and 8(5) and (6).



for restaurant services

Well-known sign belonging to Major League Baseball Properties, Inc., USA

Means of evidence

The opponent is free to submit means of evidence that tend to demonstrate that the opposing sign is well known in the country. The evidence will aim at persuading the examiner that the opposition should be upheld because the opponent's mark is well known as claimed and could suffer prejudice if the opposed mark were used.

The type of evidence that could be submitted by the opponent may include:

- affidavits and sworn statements from competent bodies, e.g. chambers of commerce or associations of producers
- earlier decisions of courts or administrative authorities, including the Office that is hearing the case
- opinion polls and market surveys
- audits and inspections
- experts' certifications and awards
- articles in the press or in specialised publications
- advertising and promotional material
- reports on expenditure in promotion and advertising of the mark
- reports on economic results, sales figures

- company profiles
- invoices and other commercial documents.²³

However, to determine that a mark is well known, the examiner may not request or expect evidence relating to the following facts:

- that the opponent's mark has been used in the country (the mark's reputation in the country may have been obtained without any actual use therein);
- that the mark has been registered or that an application for registration of the mark has been filed in or for the country;
- that the mark is well known in another country,
- or that the mark has been registered or that an application for registration of the mark has been filed in or for a foreign country
- that the mark is well known by the public at large in the country.²⁴

Those facts go beyond the standard requirements for the purposes of receiving legal recognition of a well-known mark and would not be relevant to the issue of whether a mark is well known to a particular sector of consumers in the examiner's country.

In particular, it should be noted that the protection that is due to a well-known sign is based on the fact that it is well known or enjoys a reputation in the country where protection is sought. Registration should not be required.

3.4 Determining the 'relevant sector of the public'

The relevant sector of the public in cases of opposition based on an earlier well-known mark are the average consumers of the goods and services for which the well-known mark is used or registered. This is the sector of *actual* or *potential* consumers to which the goods or services are normally directed, or who are familiar with the goods or services for professional or commercial reasons.

²³ See the OHIM Guidelines, Part C, Section 5, Chapter 6, item 3.1.4.4.

²⁴ See the WIPO Joint Recommendation, Article 2(3)(a).

Relevant sectors of the public include, but are not necessarily be limited to:

- actual and potential consumers of the type of goods or services to which the well-known mark applies;
- persons involved in channels of distribution of the type of goods or services to which the mark applies;
- business circles dealing with the type of goods or services to which the mark applies.²⁵

Knowledge of the mark by onerelevant sector of the public in the country will be enough to consider the mark aswell-known. For example, if a mark is well known by the members of the business community that deal or trade in the country with the type of goods or services in question, that knowledge should be regarded as sufficient.

The standard for a mark to be regarded as ‘well known’ is set at the level of ‘knowledge by the *relevant sector* of the public’. Knowledge by all relevant sectors of the public in the country is not necessary. Therefore, the ‘relevant sector’ of the public will never mean that the general public at large must be familiar with the mark. Such widespread knowledge is unlikely to occur in most cases, and only a few famous marks would be able to meet that standard.

3.5 Damage to the interests of the owner of a well-known mark

3.5.1 Types of possible damage to owner of a well-known mark

An opposition based on an earlier mark that has reputation or is well known should submit at least *prima facie* evidence that use of the contested mark would cause damage or prejudice to the holder of the earlier well-known mark.

Damage or prejudice to the holder of an earlier well-known mark may result from one or more of the following undesired effects that are likely to derive from an unauthorised use of that mark:

- ❖ a detriment to the *distinctiveness* of the well-known mark, or dilution by *blurring*,
- ❖ a detriment to the *reputation* of the well-known mark, or dilution by *tarnishing*,

²⁵See the WIPO Joint Recommendation, Article 2(2).

- ❖ taking *unfair advantage* from the unauthorised use of the well-known mark, also referred to as *free-riding* or commercial *parasitism*.

In any case of unauthorised use of a well-known sign, one or more of those undesired effects may occur simultaneously.

The following example illustrates the case where the above-mentioned levels of prejudice may concur to the detriment of the holder of a well-known sign:

“STARBUCKS COFFEE” vs “STAR BACK CAFÉ”



[Illustration provided by the Brunei Darussalam IP authorities]

3.5.2 Detriment to the *distinctiveness* of a well-known mark

The unauthorised use of a well-known mark is likely to affect negatively the distinctiveness of that mark. This adverse effect may also be described as a dilution of the distinctiveness of the mark by a blurring of the unique identity of the sign. The uniqueness and distinctive strength of the well-known mark are lessened, ‘whittled away’ as a consequence of the uncontrolled use of the well-known mark.

The dilution of the distinctiveness of the well-known mark has the effect that the unique distinctive strength and identity of the mark ceases to be capable of evoking in the mind of the consumers an immediate and unambiguous association with the goods or services that the mark covers. As the uniqueness of the well-known mark is blurred by the arrival and presence on the market of other identical or similar

signs for the same or similar goods or services, the earlier mark ceases to have a strong presence in the minds of the consumers, and the immediate connection of the mark to the goods and services of the holder will start to fade.

This effect is detrimental to the holder of the well-known mark because it effectively diminishes the distinctive and commercial value of the mark. The distinctiveness that allowed the owner of the mark to attach consumers to the goods and services covered by that mark is reduced. The distinctive value of a well-known sign is built through heavy investment in the quality of goods and services and in promotion and advertising sustained over time. If the status of distinctiveness of the mark is diluted, that investment is lost to a substantial extent.

When the opponent raises an issue of detriment or dilution of the distinctiveness of a well-known mark by blurring, he must prove the allegations. Ideally this would be done by submitting evidence to indicate that the relevant consumers have changed their behaviour and consumption pattern moving away or approaching less the goods or services identified by the well-known mark, as an effect of the mark's strength having diminished.

However, the opponent is not required to prove actual detriment or dilution of the distinctiveness of the mark. It is enough if evidence is submitted of the *likelihood* that such dilution would occur if the contested mark were used. The examiner must be persuaded that there is a *serious risk* that such damage could occur. The likelihood of detriment may be based on logical inferences from an analysis of the possible adverse effect on the distinctiveness of the mark. This should take into account the normal practice and operation of the market for the goods and services concerned, and the relevant consumers.

The so-called '*avalanche effect*' may also be considered as a justification for the opposition. The danger of allowing a first instance of dilution of the distinctive uniqueness of a well-known mark is that other cases may follow at an increasing rate. The ultimate effect could be that the distinctiveness of the well-known mark would disappear under an 'avalanche' of unauthorised, uncontrolled uses by other traders operating with identical or similar signs. Therefore, the first use of a sign identical or similar to the well-known mark can already give rise to a serious likelihood that dilution would in fact occur.

Detriment to, or dilution of, the distinctiveness of a well-known mark is all the more likely where that mark is highly distinctive, in particular where such distinctiveness is inherent. The stronger the distinctiveness and uniqueness of the mark, the likelier it is that an unauthorised use of the mark or of a similar sign would be detrimental to that distinctiveness.

Conversely, if the well-known mark is not inherently distinctive, or is composed of elements that are commonplace or descriptive, other traders may find themselves

in the need to use those expressions to operate normally in trade. In such cases, an argument of dilution by blurring may be harder to substantiate.

3.5.3 Detriment to the *reputation* of a well-known mark

Detriment to the *reputation* of a well-known mark means that the good image and positive associations evoked by that mark become *tarnished*, tainted or degraded by an unauthorised use of the mark or of a similar mark. Such use would cause the good image and positive associations of the mark to be replaced in the mind of the consumers by associations with negative values or connections that are injurious to the good name of the mark.

This dilution by *tarnishing* would occur, in particular, if the contested mark were to be used in connection with goods or services that are incompatible with the image that the well-known mark has in the eyes of the public, or used in a context that is degrading, obscene or otherwise inappropriate for that image. It is not necessary that the goods or services be of a kind that would be used in activities that are inherently of low moral value. It is enough that the nature and intended use of the goods or services be in contradiction or in contrast with the overall message conveyed by the well-known mark.

For instance, if a well-known mark is used for perfumes, fragrances and cosmetics that convey a message of glamour and exclusivity, the use of the same or a similar mark for household disinfectant products would, in the mind of the relevant consumers, associate the well-known mark to goods and services far removed from the image built by the holder of the well-known mark for its goods and services.

If the opposition is based on dilution by tarnishing, the opponent should submit arguments and evidence that will persuade the examiner that the use of the contested mark would be likely to conjure in the mind of the relevant consumers associations with values or images that could be destructive or conflictive with the image conveyed by the well-known mark. The opposition must argue and show that the goods or services of the contested mark have characteristics that are negative in relation to the goods or services of the well-known mark.

For example, the reputation of a mark applied to higher educational services and related academic activities would be degraded or tarnished if a third party were allowed to use that mark for bar and night-club entertainment services. Such association would predictably be detrimental to the reputation of the well-known mark.

It should be noted that damage to the reputation of a mark may also spill over to affect the reputation of the owner of that mark. Therefore, depending on the nature

of the unauthorised use of a well-known mark, the disrepute of that might not easily be contained and could effectively have an impact on the overall image and reputation of the undertaking to which that mark belongs.

3.5.4 Taking *unfair advantage* from a well-known mark

Taking *unfair advantage* of the distinctiveness or the reputation of a well-known mark is a particular case of encroachment on the rights in a well-known mark. This covers the cases where an unauthorised third party uses the well-known mark, or a sign that is very similar to it, in a way that is commercially beneficial to that party and to its goods or services, and such use *free-rides* on the distinctiveness and reputation of the well-known mark.

This unfair practice relies on sponging benefits from the image, attractiveness and reputation of another person's well-known mark. By using the well-known mark, the sponger *transfers* or takes over a part of the image and good name of the earlier mark for his own goods or services. There is a misappropriation or 'abduction' of the earlier mark's distinctiveness and reputation.

Such use by the third party is unfair because it will not require any major investment or effort in creating or maintaining the distinctive strength and reputation of the well-known mark, and because it is not authorised by the owner of that mark. This behaviour is characterised as *commercial parasitism* and, under the provisions of the relevant laws, such unauthorised use could be an actionable act of unfair competition.²⁶

²⁶ See the decision of the Supreme Court of the Philippines on 18 August 2004, in the case G.R. No. 143993, McDONALD'S CORPORATION et al. vs. ^[L]_[SEP] L.C. BIG MAK BURGER, INC. et al. ("Big Mac" case), at http://www.lawphil.net/judjuris/juri2004/aug2004/gr_143993_2004.html.

In this case the first instance trial court stated that:

"The [...] provision of the law concerning unfair competition is broader and more inclusive than the law concerning the infringement of trademark, which is of more limited range, but within its narrower range recognizes a more exclusive right derived by the adoption and registration of the trademark by the person whose goods or services are first associated therewith. [...] Notwithstanding the distinction between an action for trademark infringement and an action for unfair competition, however, the law extends substantially the same relief to the injured party for both cases. [...]"

Any conduct may be said to constitute unfair competition if the effect is to pass off on the public the goods of one man as the goods of another. The choice of "B[ig] M[ak]" as tradename by defendant corporation is not merely for sentimental

Where the opponent argues that the use of the challenged mark would entail taking unfair advantage of the distinctiveness or reputation of the well-known mark, he should provide evidence that may allow the examiner to arrive at that conclusion.

The evidence should show that the association of the contested mark with the well-known mark would transfer the distinctive strength and reputation from one to the other. To this effect proof should be directed to the strong inherent or acquired distinctiveness of the mark that would be misappropriated, the similarity of the signs, and the connection or link between the goods and services of the two marks.

In this respect, if there were a likelihood of *crossover* between *neighbouringmarkets* or consumer habits or trends that connect the respective goods and services, this must be evidenced as the unfair image transfer would occur more easily in these cases. Actual or potential uses of the well-known mark in licensing and *merchandising* arrangements would also be indicative of this.

Unlike the cases of detriment to the distinctive character or the reputation of a well-known mark, the free-riding on that distinctive character or reputation would not, in itself, directly cause an economic damage to the mark or to its holder. Rather, it affords an economic benefit to a third party; such benefit is unfair because it does not derive from any significant effort or investment made by that that party. Nevertheless, such 'parasitic' benefit does not cause a direct, coterminous economic prejudice to the well-known mark or to its holder (unless the distinctiveness or reputation of that mark is impaired).

Therefore, the rationale behind refusing a registration on grounds of free-riding on the distinctive character or reputation of a well-known mark is based mainly on public policy that aims at preserving a level playing field among competitors, and preventing acts that would constitute or support unfair commercial practices or unfair competition.

reasons but was clearly made to take advantage of the reputation, popularity and the established goodwill of plaintiff McDonald's." [...]

The Supreme Court added that:

"Absent proof that respondents' adoption of the "Big Mak" mark was due to honest mistake or was fortuitous, the inescapable conclusion is that respondents adopted the "Big Mak" mark to "ride on the coattails" of the more established "Big Mac" mark. This saves respondents much of the expense in advertising to create market recognition of their mark and hamburgers."

4 Earlier unregistered marks

An opposition and the refusal of a registration may be based on a prior right in an unregistered mark. This will depend on the extent to which, under the applicable law, the *use of a mark in trade* gives the user an exclusive right in that mark in connection with particular goods or services, or at least the right to oppose the unauthorized registration of the earlier used sign.

This includes cases where, as provided in the applicable law, the use of a mark in trade within the country confers on the user a *right to prevent* third parties from using the same or a similar mark in a way that would cause confusion in the marketplace or among the relevant consumers,

Recognition of rights in earlier unregistered marks may be implied in provisions that proscribe registrations applied for '*in bad faith*' (see chapter 10, below). In this context bad faith refers to the knowledge by the applicant of the existence of an earlier unregistered mark that is identical or confusingly similar to the mark that is filed, owned or used by another person who has a legitimate claim to that mark.

Rights in earlier unregistered marks are also indirectly recognised in laws that prohibit '*passing off*' goods or services as those of someone else, and in provisions that deal with '*honest concurrent use*' of the same or a similar mark by two different persons in the same country.²⁷

In these cases, the opposition to the registration will be based on the precise scope of the prior use, as there would be no registration to serve as a basis. The opponent would have to prove both that he is using the mark in the country and that such use relates to goods and services that are identical or similar to those specified in the application.

The opponent must submit the relevant evidence and the examiner would need to establish, as a first step, that the alleged use and the alleged scope of such use are actually taking place. Only the factual situation within the country at the time of the opposition would be relevant to this effect.

Once the facts that determine the contour and scope of the user-based rights have been established, the examination should proceed in the usual manner to decide

²⁷ In this connection see the provisions in BN TMA s. 5(2), 8(4)(a) and 10; KH TML art. 26; ID TML art.4; MY TMA s.14(1)(a), 19(4) and 20, TM Manual chapter 13 – items 13.65 to 13.76 on 'Honest concurrent use'; MM; SG TMAs. 8(7)(a) and 9, TM Manual chapter 7 p. 13 item (h) and p. 37 item (d); TH TMA s. 46 second paragraph; and VN IPL art. 74.2.g.

whether the mark presented for registration would create a likelihood of confusion with the earlier unregistered mark.

If the law recognises rights deriving from the 'honest concurrent use' of a mark, the examiner should apply the relevant provisions accordingly.

The following cases from Malaysia provide examples of rights resulting from honest concurrent use of marks: ²⁸

Case I: Application N^o03011102

Mark:



Goods/Services: Wheat flour (class 30).

Cited Mark –93009760



Goods/Services: Rice (class 30).

In this case both marks were allowed to co-exist on the basis of honest concurrent use.

²⁸ Information provided by the Malaysia IP authorities.

Case II: Application N°91001563

Mark:



Goods/Services: *Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks (class 16).*

Registered Cited Mark – R/024683**HOTEL SHANGRI-LA**

Goods/Services: *Paper and paper articles, photographs and stationery and playing cards (class 16).*

In this case the mark for which registration was sought had been continuously used in trade in Malaysia prior to the registration of the cited registered mark. Both were allowed to coexist in the Malaysian market.

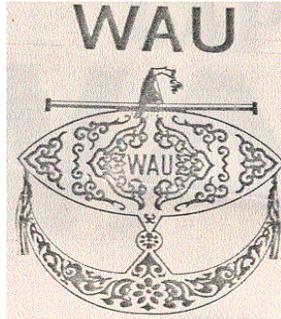
Case III: Application N°90000355

Mark:



Goods/Services: *Edible oil (class 29).*

Earlier registered mark: - M/083601



Goods/Services: *Edible oil (class 29).*

These marks were allowed to coexist on the basis of consent from the holder of the earlier registered mark. The condition to allow the registration of the later mark was that the mark should be only in relation to goods manufactured and sold in the West Coast of Malaysia.

5 Earlier geographical indications

Geographical indications are recognised and protected in the ASEAN countries. In most of them geographical indications may be registered as such and exclusive rights to their commercial use may be established.

Where geographical indications (GIs) can be registered as such, an opposition to the registration of a mark may be based on an earlier registered geographical indication, in the same way as an earlier registered mark. A well-known GI could be cited against the registration of a mark that would cause confusion or take unfair advantage of the reputation of the GI.²⁹

Unlike trademarks, geographical indications are extremely focussed in their coverage of goods (services are generally not covered in GI registrations). Because of their nature, GIs distinguish only a precise category of goods having very specific characteristics and originating from a precisely defined area of production.

A geographical indication cannot be used to distinguish goods or services different from those expressly specified in the registration of the GI. This will usually confine the issue of similarity of goods to those specified in the registration of the GI, and to goods closely related or derived from them, as well as ancillary and related services. The fact that a GI is registered for only one or a few specific goods does not mean that the GI cannot be protected against a trademark registration that would affect its exclusive commercial exploitation rights.

Where a GI is highly distinctive, has a reputation or is well known, the extended protection afforded to well-known marks would apply equally to GIs. In this case, the same issues of similarity or broader likelihood of connection or association with other goods or services would have to be considered. Like with well-known marks, a contested mark may have to be refused registration or limited where there is a risk of unfair transfer of distinctiveness and reputation from a well-known GI to an unauthorised third party's trademark.

When performing the global assessment to decide on the likelihood of confusion, the examiner should bear in mind a particular factor that is specific to GIs. Unlike trademarks, tradenames and other business identifiers, the producers that use a GI

²⁹See the provisions in KH Law on Geographical Indications Art. 31 first and second paragraphs; ID TML art. 6(1).c); LA IPL art. 3.18, 23.13 and 23.14, Decision 753 art. 44; MY TMA s. 3 – 'geographical indication', s. 10(1)(d), 14(1)(f) and (g); MM; PH IP Code s. 123.1(g) and (j); SG TMA s. 2(1) – 'geographical indication', s. 7(7) and (8), Geographical Indications Act of 1999 s. 2 – 'geographical indication' and s. 3(2) and (4); TH TMA s. 8(12); and VN IPL art. 4.22 and 74.2.e), k) and L), Circular 01/2007 s. 39.12.a.ii).

do not have flexibility to choose their sign. A GI will necessarily consist of, or include, a geographical name derived from the name of the region or location where the relevant goods are produced. Commercial companies and other undertakings, by contrast, have unlimited freedom to create or choose the signs that will constitute their trademarks.

Under these circumstances, the a successful defence of a GI can be especially critical for the commercial viability of the GI. A trademark that contains or is similar to a protected GI, applied to the same or similar products, could directly affect the distinctiveness and reputation of the GI.

A trader that adopts a mark is presumed to have a broad freedom to choose a sign or to create his trademark. If he purposely choses a sign that is identical with, or similar to, the protected GI (for the same, similar or related goods or services) that choice could be regarded as an attempt to free-ride on the GI's reputation. An opponent could make a case that the registration of a GI as a trademark is a registration in 'bad faith'.

6 Earlier trade names and names of other entities

Prior rights that may be invoked as relative grounds to refuse a trademark registration include rights acquired in business identifiers such as:

- trade names
- company names
- names of unincorporated entities
- domain names.

6.1 Trade names and company names

A *trade name* is the name that identifies a trader or a business that operates in the marketplace in a particular country. It is a flexible concept that does not have an agreed definition in any international agreement, but is recognized and defined in many IP laws.

An exclusive right in a trade name is acquired by the first use of the name in the territory of the country. Use of the trade name will usually need to be at a national level or at least more than just of local level.

A trade name must be protected even if the name is not registered, and regardless of whether the same name is used or registered as a mark. In this respect, the Paris Convention provides as follows:

Article 8
[Trade Names]

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.

A *company name* is the official name of a company or similar organisation as it appears on its articles of incorporation. The company name is established under its statutes and is included among the particulars of the company when it is entered on the register of companies.

Unlike a trade name, a company name is not necessarily the name by which a company or trader is known by the public in a particular market. However, often the official name of incorporation or an abbreviated version thereof, becomes the trade name of the company. The trade name may in turn be adopted as a

company's 'house mark' and be registered as a mark or become the basis for a family of marks.

To the extent that a person has acquired an exclusive right in a trade name or in a company name, that person may invoke that right in opposition proceedings. The examiner should raise an objection against a mark that reproduces or includes a trade name or a company name where the use of such mark for the specified goods or services is likely to cause confusion or a false impression of association or of commercial connection with the owner of the trade name.³⁰

The examiner should consider the line of business and the actual commercial activity of the trader or company that owns the trade name, and compare them to the goods and services specified in the challenged application. If the nature of the goods and services is such that they would be identical, similar or substantially related to the business activity of the trade name holder, an objection should be raised.

As regards the similarity of signs, it is often the case that a trade name and, even more so, a company name will consist of elements that are generic, descriptive or otherwise devoid of any distinctive character. In these cases, the trade name or company name would only be protected if both signs were identical.

Where the trade name or company name includes one or more distinctive elements, these elements should be the basis for a comparison of the signs in conflict. However, it is usually the case that such distinctive elements of trade names are also registered as trademarks.

6.2 Names of unincorporated entities

The names of unincorporated and not-for-profit organisations such as sports associations, foundations, cooperatives, clubs, also attach exclusive rights that can justify an opposition to the registration of a mark that is identical or similar.

As with trade names, the question of the possible connection between the activities of the opposing entity and the goods or services contained in the trademark application would have to be examined by the Office.

³⁰See the provisions in BN TMA s. 8(4)(a) and (b); KH TML art. 2(c), 4(e) and (f), and 2; ID TML art.6(3).a); LA Law art. 3.14 and 23.11, Decision 753, art. 37; MY TMA s. 14(1)(a); MM; PH IP Code s.165.2; SG Act s. 8(7)(a) and (b), and s. 8(8); TH TMA s.8(9); and VN IPL art. 4.21, 6.3.b) and 74.2.j), Circular 01/2007 s. 1.6, 39.2.h) and 39.12.a).iii).

6.3 Domain names

A domain names has been defined as “a series of alphanumeric strings separated by periods, [...] that is an address of a computer network connection and that identifies the owner of the address”.³¹A domain name will usually serve to identify an internet website or a series of pages in a website.

A domain name as such is not an object of intellectual property. Registration of a domain name with a registration authority does not generate exclusive rights.

However, it is often the case that domain names are formed by inserting, among its constitutive elements, a trade name or a trademark belonging to the user of the domain name. In this case, any unauthorised use of a domain name that contains another person’s trademark or trade name could be regarded as an unauthorised use of that trademark or trade name .

An attempt to register as a trademark a domain name that includes a mark or a trade name that belongs to another person could give rise to an opposition on the basis of the exclusive rights in the mark or trade name.

Moreover, if a distinctive domain name were used in trade or on the internet in such a way that it becomes well known within the territory of a country, such use may generate prior user rights akin to those of an unregistered mark. This would depend on the provisions in the laws of the countries concerned. Where such rights are established, they could be the basis for an opposition to challenge the registration of a mark that would be likely to cause confusion with the domain name as used by its proprietor.

³¹<http://www.thefreedictionary.com/domain+name>

7 Other earlier intellectual property rights

A mark may conflict with the exclusive rights conferred under other intellectual property rights, in particular rights acquired under the laws of industrial designs and of copyright that protect certain works that could be used as trademarks.³²

7.1 *Industrial designs*

If the shape of a product is registered as an industrial design, or otherwise protected as an unregistered design under the applicable law, that shape may not be commercially used without authorisation from the design right holder. That shape may not be registered, in particular, as a three-dimensional mark without due authorisation or consent of the holder of the exclusive right in the design.

Depending on the scope of the exclusive rights provided under the design law, the design right may apply regardless of the goods for which a trademark would be registered, or could be confined to the category of products in which the design is embodied.

Even if the trademark law does not expressly mention prior design rights as a basis to refuse the registration of a mark, such grounds for refusal would result directly from the provisions of the design law itself. An opposition to the registration of a mark could therefore be filed on the basis of an earlier design right, in particular where the shape of the trademark is identical or cannot be distinguished from the protected design.

7.2 *Works protected by copyright*

Copyright in works may be the basis for an opposition to the registration of a mark. This may be the case, in particular where works or the titles of works are used in trademarks without due authorisation.

7.2.1 Works included in trademarks

Figurative and three-dimensional works can, and often are, used as trademarks or as parts of trademarks.

³²See the provisions in BN TMA, s. 8(4)(b); KH art. 14(e); ID TML art. 4; LA IPL art. 23.3; MY TMA s. 14(1)(a); MM; PH IP Code s. 4.1.d; ; SG TMA s. 8(7)(b); TH TMA s. 8(9); and VN IPL art. 74.2.m), Circular 01/2007 s. 39.4.e) and 39.12.a)(v).

Figurative and three-dimensional elements of marks may consist of artistic works that are commissioned or used to create a logo, label or other figurative or mixed trademark. Those artistic works are protected by copyright and their use requires the rights to be assigned or licensed.

Typically, the person that commissions the artwork used to create a new logo, figurative or mixed mark will own the economic rights in that artwork. However, where that is not the case, or a pre-existing work is picked up by a trader and used as a mark without authorization, the copyright holder may take action.

An opposition may be filed by the holder of copyright in a work, against the registration of a mark that contains the protected work without proper authorisation. Such opposition would proceed regardless of the goods or services on which the contested mark would be used, because the holder of copyright is entitled to control any economic exploitation or commercial use of the work that is not covered by the limitations and exceptions provided under copyright law.

Where the opponent proves his copyright in the work that is used in the mark that is filed for registration, the applicant is required to justify that use of the mark. If the applicant fails to submit sufficient justification, the examiner should raise an objection to the registration.

7.2.2 Titles of works

The titles of works such as books, films, music, video games and software are an important part of those works. They can be regarded as an essential element of a work to the extent that they identify and represent the work and will, in practice, facilitate its commercial exploitation. Moreover, under many copyright laws the titles of works are as such also protected as works if they meet the required standard of originality.

The titles of the works may become the basis of extended marketing strategies, including merchandising and licensing agreements. The titles of works can, and often do, become the trademarks under which the works are offered in the market as they become commercial products. Such products include, in particular, any physical support for the copyrighted works, for example: books, DVDs and other carriers (memory sticks, mini-disks, cartridges, etc.) that contain works such as digital books, music, audio-visual works, video games and software.

If registration is applied for a mark that contains the title of a work, and the mark is to be used for goods or services that could overlap or interfere with the normal or extended exploitation of, in particular, a literary, audio-visual or musical work, the holder of the copyright in that work could oppose the registration.

The examiner should examine the extent to which the title of the work is original and distinctive, and the nature of the goods or services covered by the mark. Where the title of a work consists of commonplace or unoriginal words or other elements, or does not evoke in the mind of consumers the work of the author, the mark would not interfere with the normal exploitation of the work. In these cases the opposition could be rejected and the mark registered.

An example of the operation of this ground for refusal is given by the case of the “007” titles of Ian Fleming’s spy novels. The 007 device below was filed for trademark registration in the Philippines by DANJAQ, LLC for scientific, nautical, surveying and electrical apparatus and instruments (Class 9) and for education and entertainment services (Class 41).³³

The image shows the iconic '007' logo. The numbers '007' are rendered in a bold, italicized, serif font. The final '7' is stylized to resemble a gun barrel, with a small rectangular detail at its base that looks like a trigger guard.

This application was initially objected to by the examiner on the ground that it falsely suggested a connection with Ian Fleming, the author of the James Bond 007 novels and movies protected by copyright.

DANJAQ provided evidence that it was the holding company responsible for the trademarks and copyright of all characters and materials relating to the James Bond 007 works of Ian Fleming. The registration was allowed to proceed. However, if DANJAQ had not been related to the James Bond works or to Ian Fleming, the objection to registration would have been maintained.

³³ Information provided by the Philippines IP authorities.

8 Personal names, identity and likeness

Individual persons, in particular if they are well known by segments of the public for their activities in the world of sports, art, business or politics, have a personal right to prevent the appropriation and commercial use of their names, pseudonyms, artistic names, portraits, likeness or other representations of their persons or identity.

This right may derive from provisions in the trademark law, civil law, privacy laws or special laws that protect the image of national or foreign public authorities, dignitaries or other persons in high-ranking positions. However, the same ground may apply regardless of the statute of the person whose identity is used if such use is without authorization and the use would create the perception that there is an association, connection, affiliation, sponsorship or other relation between that person and the unauthorized user.³⁴

An application to register a mark that contains the name, pseudonym, portrait, likeness or other representation that is sufficient to *identify clearly* a particular person or dignitary may be opposed by the interested party and the examiner may raise an objection *ex officio*. If the applicant's entitlement is not cleared, the registration of the mark should be refused.

The examiner should examine, in particular, if the sign effectively identifies an individual person who has not given his consent to register for such registration.

If the sign that is filed for registration consists of a name that does not correspond to that of the applicant, the examiner may require that the applicant submit proof of *consent* from the person named or from that person's legal representative. In this case the examiner should verify compliance with that formal requirement.

This ground for objection or opposition will not apply if the mark refers to a name that is *fanciful* or *fictitious*, or is insufficient to identify a particular person, or if the mark represents a character or portrait that is *fictitious* or that will not be associated to a particular person. If the name is fanciful, the examiner may require that this be stated or clarified in the application. (See item 2.4 in Part 1 of these Guidelines).

If the sign consists of a personal name (first name, surname or full name) of an individual person, the sign should be regarded as inherently distinctive, regardless

³⁴See the provisions in BN TMR, r. 12(1); KH TMA art. 14(e); ID TML art. 6(3).a); LA IPL art. 23.7 and 8, Decision 753 art. 42.4; MY TMA s. 16, TM Manual items 5.40 to 5.43; MM; PH IP Code s. 123.1(c), TM Guidelines chapter IX item 6; SG TMR r. 11 and 14, TM Manual chapter 10 – 'Names and representations of famous people'; TH TMA s.7(1), (4) and (5); and VN IPL art. 73.3 Circular 01/2007 s. 39.4.f) and 39.12.a)(iv).

of the commonality of its occurrence in the country concerned. In this case, a first-come-first-served approach would prevail, in respect of the specified goods or services or beyond if the mark is well-known.

An opposition based on a prior right over a mark or trade name consisting of the same or a confusingly similar name should be decided applying the standard criteria on likelihood of confusion.

An opposition based on an opponent's personal name should not be upheld if there is no reason to assume that the relevant consumers will associate the mark with the opponent in the course of trade. For example, an application to register the mark "FORD" for motor vehicles could not be opposed successfully by a [hypothetical] Mr. Albert J. Ford merely because that person's name includes the word 'Ford', unless that person is active and widely known in the automobile business and there is a risk that the relevant sector of the public would associate the mark "FORD" with Mr. Albert J. Ford.

An attempt to register as a mark a *distorted* or *parodic* version of the name of a well-known personality could also give rise to an objection. For example, an application to register the mark "PARES HILTON" could be objected by Ms. Paris Hilton on the basis that such mark could be associated with Ms. Hilton's own marks or could cause disrepute or dilution of those marks.

9 Names and symbols of certain communities

Within most countries there are groups and communities of people that are culturally, linguistically or ethnically distinct from the rest of the population of that country. Those groups or communities, sometimes known as ‘local communities’ or ‘indigenous communities’, typically have their own identity and name, as well as symbols, codes, insignia, cultural expressions, ritual terms and other signs. Those communities have legitimate expectations to control the use of such signs -- including any commercial exploitation -- and to restrict unauthorised access to, or dissemination of, those signs by persons unrelated to the communities.

The right of local, indigenous and other communities to control the access, dissemination and use of their symbols, codes, cultural expressions, ritual terms and other signs is recognised in many countries and the issues related to such control are under discussion at the international level.³⁵ The identity of those communities and their symbols and signs -- whether sacred, secret or publicly used -- have been claimed to deserve respect and protection from misappropriation or unauthorised use.

At the WIPO Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore it is proposed that traditional cultural expressions, which include traditional and sacred signs and icons, be protected against the following, in particular:³⁶

“[...] any [false or misleading] uses of [protected] traditional cultural expressions, in relation to goods and services, that suggest endorsement by or linkage with the beneficiaries” [...]

One of the means to avoid or reduce the occurrence of unauthorised access, use or dissemination of such symbols and signs of indigenous communities is to disallow their appropriation as trademarks (or trade names) by persons unrelated to the communities. While such policy objective could be implemented in IP law as an absolute ground for refusal of registration of marks based on reasons of public order or public policy, that policy can also be implemented as a relative ground for refusal to the extent that controlling such access, use and dissemination is a

³⁵ See work of the Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Folklore at WIPO. In particular, the documents in the series WIPO/GRTKF/28 found at http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=276220

³⁶ See WIPO document WIPO/GRTKF/28/6, article 3.1(a)(iv) and 3.2(d).

subjective collective right that can be claimed by particular communities, groups or peoples.³⁷

On the basis of the rights of communities to control the use of their identity and their symbols and signs, the examiner should -- upon opposition or *ex officio* -- raise an objection to the registration of a mark if it consists of, or includes, a sign that is identical with, or confusingly similar to, the name of a local or indigenous community or one of its symbols, codes, insignia, cultural expressions, ritual terms or other signs. Use of a mark that includes one of those signs would falsely suggest a connection with a particular community or people, or be misleading as to possible sponsorship, patronage, affiliation or other connection.

For example, in the United States of America, in 2012, the Navajo nation sued the company Urban Outfitters for unauthorised use of the name "Navajo" and "Navaho" as trademarks for goods including clothes and wearing apparel. The plaintiffs claimed, *inter alia*, that "when the defendant used the 'Navajo' and 'Navaho' marks with its goods and services, a connection with the Navajo nation is falsely presumed." The court upheld the complaint.³⁸

The same rationale could be applied to object to the registration of marks that contain signs belonging to indigenous or other communities, in the country or abroad.

³⁷See the provisions in KH TML art. 4(b); ID TML art. 5.a); LA IPL art. 23.8 and 18, Decision 753 art. 37 and 46; MY TMA s. 14(1)(b); MM; PH IP Code s. 123.1.a; SG Act s. 7(4)(a); TH TMA s. 8(9); and VN IPL art. 73.2.

³⁸ See <http://www.law360.com/articles/429688/urban-outfitters-loses-bid-to-toss-navajo-trademark-suit> and <http://www.theguardian.com/world/2012/mar/01/navajo-nation-sues-urban-outfitters> .

10 Applying for registration in bad faith

Several ASEAN countries have provisions or practice that take into account the possibility that an application be filed in bad faith. Some of those countries' trademark provisions contain an express or implied reference to an applicant's 'bad faith' or 'fraudulent intent' as a factor that can impede or vitiate a trademark registration.³⁹

In this respect, 'bad faith' is understood as the situation where an applicant knows that the mark that is applied for registration already belongs to another person who has a genuine claim to that mark and has not consented to such registration. 'Fraudulent intent' refers to an applicant's intention to obtain a registration where that would infringe legal provisions or prior rights.

Knowledge of the mark may result from the fact that the mark is well known in the country or abroad, or has reputation in the country. Knowledge may also result from the fact that the applicant has had some sort of connection or business relationship with the owner of the mark he is trying to register.

The WIPO Joint Recommendation, Article 3(2), provides as follows in connection with the protection of well-known marks:

(2) [*Consideration of Bad Faith*] Bad faith may be considered as one factor among others in assessing competing interests in applying Part II of these Provisions.

Where in opposition proceedings the evidence submitted demonstrates that the application was filed in bad faith, this factor should be considered by the examiner at the time of making a global assessment of the likelihood of confusion if the contested mark were registered.

The effect of bad faith (or the absence of good faith) on the registration of a mark may be illustrated by the case of Shangri-La International Hotel Management, Ltd., Shangri-La Properties, Inc., Makati Shangri-La Hotel & Resort, Inc., and Kuok Philippines Properties, Inc., vs. ~~SEF~~ Developers Group of Companies, Inc., decided by the Supreme Court of the Philippines in 2006.⁴⁰ The court decided, among other

³⁹For instance, see the relevant provisions in BN TMA s. 6(6); KH TML, art. 14.e and TM Manual p. 107; ID TML art.4; LA Decision 753, art 36, paragraph. 6, item 7; MY TMA s. 25(1), 37(a) and 45(1)(c); SG TMA, s. 7(6) and 8(5) and (6).

⁴⁰Decision of the Supreme Court of the Philippines, on 31 March 2006, case G.R. No. 159938, SHANGRI-LA INTERNATIONAL HOTEL MANAGEMENT, LTD., et al. vs. ~~SEF~~ DEVELOPERS GROUP OF COMPANIES, INC ("Shangri-La case"). See http://www.lawphil.net/judjuris/juri2006/mar2006/gr_159938_2006.html .

points, that the registrant of the mark (reproduced below) had acted in bad faith because it was aware of the prior existence of the earlier mark and proceeded to obtain registration in its name in spite of that knowledge.



[Information provided by the Philippines IP authorities]

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