

G-NEWS

#3 (122) 2017, MOSCOW, RUSSIA

GORODISSKY & PARTNERS
PATENT AND TRADEMARK ATTORNEYS
IP LAWYERS



Merry Christmas and a Happy New Year!

There's only one "Health Formula"



Ekaterina Solonitsyna
Senior Lawyer,
Russian Patent Attorney
Gorodissky & Partners
(Ekaterinburg)



Nikolay Roschyupkin
Lawyer
Gorodissky & Partners
(Ekaterinburg)

Russian law (Clause 6 of Article 1252 of the Civil Code) equally protects all means of individualization (trademarks and service marks, firm names, commercial designations). At the same time priority is given to those means of individualization the right to which emerged earlier. Although the wording is clear, in practice, sometimes one encounters difficulties in defending the rights to a particular means of individualization. In one of such cases, experts of the Gorodissky branch office in Ekaterinburg represented the company providing medical services.

The company used the designation "Health Formula" (let us name it Health Formula No. 1) as a company name in the provision of services: The company used this designation in advertising, in documents and on signboards for 10 years, but did not register a trademark.

In 2016, the company received a claim demanding it to stop illegal use of the trademark. As it turned out, this trademark belonged to another company. It included the verbal element "Health Formula" and was registered with respect to medical services: This company also had a company name "Health Formula" (let us name it Health Formula No. 2).

This resulted in a situation where company Health Formula No.1 had a company name being identical to the company name of company Health Formula No. 2 and confusingly similar to the trademark of the latter. » page 2

The review of the claims of company Health Formula No. 2 showed that the company name of company Health Formula No.1

Health
Formula No. 1



Health Formula
No. 2



had been registered earlier than the company name of company Health Formula No.2 and, consequently, prior to the date of priority of the trademark owned by the latter.

It would seem that the solution was obvious and the truth was supposed to be on the side of Health Formula No.1. However, it wasn't that easy.

It was seen enough to file a claim against company Health Formula No. 2 demanding it to cancel its company name. However, aside from proving “similarity” of the activities of two companies there other unexpected difficulties emerged.

1. The relationship of means of individualization

Company Health Formula No. 2 referred to the fact that in providing medical services, it did not use a company name, but a trademark with the word element “Health Formula”, and, since the right to the trademark had not been questioned it was impossible to prohibit the use of these words.

Hence it is necessary to distinguish between the actions of trademark owner and those of the owner of the company name.

A company name and a trademark are different means of individualization.

A company name individualizes a legal entity and it operates under its corporate name. A trademark individualizes the goods (services).

The arguments of the company Health Formula No. 2 that it did not use the company name, but the trademark contradict the law, because it operates under its company name regardless of anyone's opinion.

Thus in order to establish infringement of right for the company name the existence or absence of a trademark of company Health Formula No. 2 did not matter.

2. Limitation of action

One of the complicated issues was the limitation period. Health Formula No. 2 argued that the limitation of time expired. The company relied on the fact that the plaintiff could have become aware of the violation of his exclusive right to the company name from 2008 (the date of state registration of company Healthy Formula No. 2) as well as from the date of entering information about the company in the Trade Register.

Health Formula No. 2 actively promoted information about its activities, carried out a large-scale advertising campaign and actively posted information about itself on the Internet. So in the opinion of the company, Health Formula 1 could had learned about the existence of such an economic entity with the same name almost 10 years ago and therefore, the claim of Health Formula No. 1 should be rejected for this reason.

It has to be said that the judicial practice is contradictory on this issue. On the one hand, courts sometimes reject the

arguments of the parties about the expiry of the limitation period in the disputes on protection of right to any means of individualization because of the continuing nature of the offence.

On the other hand, the courts indicate that there are no exceptions in such cases in calculating the limitation period and general approach should be applied. Therefore, each particular case should be based on actual circumstances confirming or refuting arguments of the parties about the expiry of the limitation period.

In this case, the company Health Formula No. 2 invoked expiry of the limitation period but did not take into account that according to Cl. 1 of Article 200 of the Civil Code the commencement of the period of limitation of actions is calculated from the day the person learned or should have learned about the violation of his right. The commencement of the limitation period depends on the circumstances by virtue of which the person applying for the defense had to learn about the violation of his right reliably, and not on when he hypothetically could do it.

It is assumed that the parties in civil relations must act in good faith when protecting their rights. The general rule of Article 10, p. 5 of the Civil Code assumes good faith of participants in civil

Although the wording is clear, in practice, sometimes one encounters difficulties in defending the rights to a particular means of individualization

relations and the rationality of their actions, until proven otherwise.

With respect to protection of the right to a company name, this means that:

- Due to the presumption of good faith of participants in civil relations, a legal entity is assumed to carry out its activities without violating the right to means of individualization of other entities. Responsibility for the choice of means of individualization free from the rights of third parties, a company name in particular, rests with the subject of civil relations.
- The law does oblige a party to continuously monitor any sources of information to search for indications of violation of its rights, because it is assumed that other participants in civil relations will use their civil rights in good faith.
- Claims for suppressing violation of the right to a company name can be submitted only after the alleged infringer has commenced actual activity similar to the rights holder's (and not from the moment of making an entry on the establishment of a legal entity in the Trade Register.

In this case, the company Health Formula No. 1 found out about violation of its right to the company name by the company Health Formula No. 2 only after receiving a warning letter. Health Formula No. 1 should not have known about the violation of its right to the company name earlier than the specified date. Therefore, it is impossible to talk about the expiry of the limitation period at the time of the claim for protection of the exclusive right to the company name.

3. Chances of misleading consumers

The company Health Formula No. 2 stated that the plaintiff did not provide evidence that consumers had been misled about the subject of medical services. Besides, both companies entities carried out their activities in different territories.

The law indicates three aspects of illegal use of the right holder's company name by another person: first, the same designation or a confusingly similar designation; second, carrying out similar activities by legal entities; third, later registration of the company name of another person in the trade register

The law indicates three aspects of illegal use of the right holder's company name by another person: first, the same designation or a confusingly similar designation; second, carrying out similar activities by legal entities; third, later registration of the company name of another person in the trade register.

Therefore, the right to a company name is subject to protection if all three aspects are evident. The absence of one of them makes it impossible to protect the right (CIP decision of 22 March 2017 in case N A40-71001 / 2016).

4. Similarity of activities in the consideration of disputes

According to provisions of Article 1474 of the Civil Code the performance of similar activities by a third party is one of the indications of unlawful use of a company name.

The Court found violation of Para 3 of Art. 1474 of the Civil Code In the case under consideration the respondent proposed to compare the particular services provided by him and the plaintiff, rather than the types of economic activity, but it was obvious that the concept of "similar activities" was a broader concept than "identical service".

According to the extract of the Trade Register, the company Health Formula No. 1, declared "Healthcare Activities" as the main type of economic activity.

Consequently, the company has the right to prohibit any third parties to use their firm name (identical or confusingly similar) with respect to "health activities" if it actually carries out the declared activity; while such a prohibition will apply to any services that constitute this type of economic activity.

This type of activity can be represented by services with varying names and types (for example, a consultation by doctors, diagnostics, taking analysis, etc.), but all of them belong to the same activity – "healthcare activity".

Therefore, the subject of evidence in the case included establishing the fact that the services provided by the plaintiff

and the respondent were referred to as "healthcare activities" or "medical activities", but not establishing "the identical nature of the services provided by these entities.

Thus, in this case it was proved that the company Health Formula No. 1 and the company Health Formula No. 2 carried out medical activities (provide medical services that are part of the medical nature), that is, the activities of these companies were similar.

The defendant did not prove that any services provided by him or by the plaintiff were not perceived by consumers as medical services that constitute medical activity, but as a different kind of activity (that is, the use of the company name cannot be prohibited in relation to the performance of these activities).

It should be noted that in addition to the claim for suppressing violation of the exclusive right to the company name, the company Health Formula No. 1 filed an objection to the Russian PTO against granting legal protection to the trademark with the word element "Health Formula" by virtue of discrepancy of the indicated trademark with

the requirements provided by cl. 8 of Article 1483 of the Civil Code.

The main issue considered at the Chamber of Patent Dispute of the Russian PTO was the similarity of services in respect of which the disputed trademark and the services provided by the company Health Formula No. 1 were registered. Upon reviewing the objection, the Russian PTO concluded "... the services in respect of which the entity who filed the objection and the services of Class 44 of the Nice Classification referred to in the disputed registration relate to one category of services (medical services), have the same function (maintenance and (or) recovery of health), one range of consumers, i.e. are recognized as similar". Based on this, the Russian PTO accepted the objection of the company Health Formula No. 1 and recognized the grant of legal protection to the trademark with the word element "Health Formula" as invalid.

As a result, the company with a prior exclusive right to the company name "Health Formula" was able to use provisions of the law in order to confirm its legal monopoly to use this designation in its activities.

The company used this designation in advertising, in documents and on signboards for 10 years, but did not register a trademark

Events

(conferences, seminars, news)

7-8.12.2017 // BRUSSELS

Alexander Vasilets, Partner, Design Attorney (Gorodissky & Partners, Moscow), gave a presentation on “How to obtain and protect your design rights in Russia and the EU” at the Pan-European Intellectual Property Summit held in Brussels.

2-3.12.2017 // IRKUTSK

Sergey Medvedev, PhD, LL.M., Senior Lawyer (Gorodissky & Partners, Moscow), and Denis Titov, Regional Director (Gorodissky & Partners, Novosibirsk), participated in the II International Baikal Franchise Fair – BAIKALBRAND, held by Irkutsk Regional Entrepreneurship Support Fund in cooperation with the Ministry of Economics of Irkutsk Region and Russian Franchise Association in Irkutsk, where Sergey Medvedev spoke on “Legal aspects of franchising. Franchise agreement. IP legal protection practice”. The Conference covered regulatory, commercial and legal aspects of franchising and gathered over 400 participants.



Photo: The audience

28.11-1.12.2017 // MOSCOW

Vladimir Mescheryakov, Counsel (Gorodissky & Partners, Moscow), and Viktor Stankovsky, Partner, Russian & Eurasian Patent Attorney, Regional Director (Gorodissky & Partners, St. Petersburg), attended the VIII (XXIII) Annual Conference of Patent Attorneys, where Vladimir Mescheryakov gave a presentation on “Some topical patent law issues”. The Conference was organized by the Russian Chamber of Patent Attorneys in Moscow Region and gathered around 100 participants.

27-29.11.2017 // MUNICH

Sergey Abubakirov, Partner, Russian & Eurasian Patent Attorney, Trademark & Design Attorney, Eteri Murusidze, Trademark Attorney, Elizaveta Popova, Russian & Eurasian Patent Attorney, Veniamin Kazakov, Lawyer (all of Gorodissky & Partners, Moscow), and Dmitry Yakovlev, Russian & Eurasian Patent Attorney (Gorodissky & Partners, St. Petersburg), attended the IP Service World 2017 Conference, held in Munich, where Dmitry Yakovlev gave a presentation “When the Subject is a Patent, Translation is an Art”. Over 500 companies participated in the Conference and over 70, including Gorodissky firm, presented their stands in the exhibition.

15.11.2017 // MOSCOW

November 15, 2017 during a visit to the Eurasian Patent Office (EAPO), Senior Partners of IP law firm Gorodissky and Partners Valery Medvedev and Yury Kuznetsov held a working meeting with the President of the EAPO Saule Tlevlesova. The parties discussed current activities under the Eurasian patent procedure, expressed satisfaction with the level of bilateral cooperation aimed at popularizing the Eurasian patent system and attracting new perspective users.

30-31.10.2017 // PARIS

Gorodissky and Partners (Russia), Daniel Legal & IP Strategy (Brazil), Remfry & Sagar (India), CCPIT (China) and Spoor & Fisher (South Africa) hosted the 9th BRICS IP Forum (BIPF) in Paris. The Forum covered topical IP issues, such as: recent IP developments in BRICS countries, compulsory licensing, trademarks outside the Latin alphabet, technoparks, free economic zones and other measures stimulating IP activity and foreign investments to emerging markets, IP on the Internet.

Vladimir Biriulin, Partner, Head of Legal Practice, Ilya Goryachev, Senior Lawyer, Dmitry Klimenko, Ph.D, Russian & Eurasian Patent Attorney, Alexey Kratiuk, Partner, Trademark & Design Attorney (all of Gorodissky & Partners, Moscow), and Anand Saini, Regional Director (Gorodissky & Partners, Dubna), were among the speakers.



129090, **MOSCOW**, RUSSIA
B. Spasskaya str., 25, bldg. 3
Phone: +7 (495) 937-61-16 / 61-09
Fax: +7 (495) 937-61-04 / 61-23
e-mail: pat@gorodissky.ru
www.gorodissky.com

197046, **ST. PETERSBURG**, RUSSIA
Kamennooostrovsky prosp., 1/3, of. 30
Phone: +7 (812) 327-50-56
Fax: +7 (812) 324-74-65
e-mail: spb@gorodissky.ru

141980, **DUBNA**, RUSSIA
Flerova str., 11, office 33,
Moscow region,
Phone: +7 (496) 219-92-99 / 92-29
e-mail: Dubna@gorodissky.ru

350000, **KRASNOGAR**, RUSSIA
Krasnoarmeiskaya str., 91
Phone: +7 (861) 210-08-66
Fax: +7 (861) 210-08-65
e-mail: krasnodar@gorodissky.ru

620026, **EKATERINBURG**, RUSSIA
Rosa Luxemburg str., 49
Phone: +7 (343) 351-13-83
Fax: +7 (343) 351-13-84
e-mail: ekaterinburg@gorodissky.ru

603000, **N. NOVGOROD**, RUSSIA
Il'inskaya str., 105A
Phone: +7 (831) 430-73-39
Fax: +7 (831) 411-55-60
e-mail: nnovgorod@gorodissky.ru

630099, **NOVOSIBIRSK**, RUSSIA
Deputatskaya str., 46, of.1204
Business center Citicenter
Phone / Fax: +7 (383) 209-30-45
e-mail: Novosibirsk@gorodissky.ru

607328, **SAROV TECHNO PARK**, RUSSIA
N.Novgorod region, Diveevo, Satis
Parkovaya str., 1, bldg. 3, office 14
Phone / Fax: +7 (83130) 674-75
e-mail: sarov@gorodissky.ru

443096, **SAMARA**, RUSSIA
Ossipenko str., 11, offices 410-412
Phone: +7 (846) 270-26-12
Fax: +7 (846) 270-26-13
e-mail: samara@gorodissky.ru

420015, **KAZAN**, RUSSIA
Zhukovskogo str., 26
Phone: +7 (843) 236-32-32
Fax: +7 (843) 237-92-16
e-mail: kazan@gorodissky.ru

690091, **VLADIVOSTOK**, RUSSIA
Oceansky prospect, 17, office 1003
Phone: +7 (423) 246-91-00
Факс: +7 (423) 246-91-03
e-mail: vladivostok@gorodissky.ru

614015, **PERM**, RUSSIA
Topoleviy per., 5,
Astra apartment house, office 4.8
Phone: +7 (342) 259-54-38
Fax: +7 (342) 259-54-39
e-mail: perm@gorodissky.ru

01135, **KIEV**, UKRAINE
V. Chornovola str., 25, office 3
Phone: +380 (44) 278-49-58
Fax: +380 (44) 503-37-99
e-mail: office@gorodissky.ua
www.gorodissky.ua