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Relationship between trademarks and other means of individualization: the need of complex protection / Part I



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The present article concerns the novels appeared in the Russian Civil Code in regard of trademarks in particular and their relations with other means of individualization. In the 1st part of the article the author highlights general issues and relations of a trademark and a firm name. In the 2nd (final) part of the article the author will share his views on relations of a trade mark and an appellation of origin of goods and a trademark and a commercial designation. The recently revised Part IV of the Russian Civil Code devoted to «Rights to the Results of Intellectual Activities and Means of Individualization». The Civil Code (Art. 1225) lists the following rights to the results of intellectual activities and means of individualization: works of science, literature, » page 2

and art; computer programs; databases; performances; phonograms; communication over the air or by cable of radio- or television transmissions (broadcast by organizations of over-the-air or cable broadcasting); inventions; utility models; industrial designs; achievements of breeding; topology of integrated circuits; secrets

undesirable actions against them, what could result in expensive and time-consuming legal prosecution.

There are various points of contacts between different means of individualization. Within the framework of this article we will touch upon possible conflicts between trademarks and firm

names, trademarks and geographical names (particularly, appellations of origin or goods) and finally, between trademarks and commercial designations.

Before we proceed with reviewing possible conflicts it is reasonable to cite an exact definition of the term «trademark» (or «service mark») to be able to tell apart trademarks and other means of individualization easily. According to the Civil Code a trademark is «a designation serving for individualizing goods of legal entities or individual

entrepreneurs» (Art. 1477 of the Civil Code). Any protectable word, design, slogan, sound, symbol etc. could serve as a trademark that identifies goods or services.

Trademark vs a Firm Name

A firm name individualizes a commercial enterprise not a product. It is not only a right of a commercial enterprise to have a firm name, but also its obligation. A firm name of an enterprise is mentioned in its constituent documents and is included into the State Register of Legal Entities. Disposition of the exclusive right to a firm name to another entity is prohibited by the Law.

A firm name may also function as a trademark in a situation when an entrepreneur starts using it for products or services. Such use may potentially lead to an infringement of a registered third party's mark.

A trademark may also become a distinctive part of a firm name but not every firm name may be registered as a trademark. For example, «Coca-Cola» is a well-known trademark belonging to the Coca-Cola Company, i.e. the distinctive part of the firm name represents the trademark. But such a firm name as, for example, «Information Technologies Ltd.» could hardly serve as a trademark to identify a product or a service due to the lack in distinctiveness and a company with such a name should choose another means of individualization other than its firm name to market their goods or to provide their services to customers.

Generally speaking, a firm name does not afford any trademark protection or enforcement possibilities against the use of a similar or identical designation on counterfeit goods and in order to protect a firm name it is advisable to have a trademark registered. If a firm name is similar enough to another's trademark that it creates a likelihood of confusion in the mind of consumers, it may

be infringing the trademark. Nonetheless, firm name provides its owner with certain possibilities to act against a trademark registered in the name of another party on the basis of the principle of seniority of right. Thus, before adopting a word or a phrase to identify a company, a product, or a service, it is highly recommendable to conduct a clearance check among registered

trademarks and firm names to make sure that no prior rights exist or that the risk of existence of such prior rights is minimal.

Point 8 of Article 1483 of the Russian Civil Code reads that no trademark registration shall be granted for similar goods to designations identical or similar to the extent of confusion to

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of production (know-how); firm names; trademarks and service marks; appellations of origin of goods; commercial designations.

The Civil Code forms the basis for legal regulation of relations between the means of individualization. Legislation defines the following IP objects as «means of individualization», which could be characterized by the ability to identify something or somebody and may not result from the creative activity of a particular person or an author: firm names; trademarks and service marks; appellations of origin of goods; commercial designations.

When we speak about relationship between the aforementioned means of individualization or about collisions or overlaps between them, first of all we should mention a very important provision of the Civil Code, in particular, the so called principle of «seniority of right» (Art. 1252 p. 6 of The Civil Code). According to the Code if various means of individualization (firm name, trademark, service mark, commercial designation) are identical or similar to the point of confusion and as a result of such identity or similarity consumers and (or) contract partners may be led into confusion, the means of individualization the exclusive right to which arose earlier shall have priority. Thus, the Code makes it possible for the owner of such prior right to demand the recognition as invalid of the granting of legal protection to a trademark (or service mark) or the full or partial prohibition of the use of a trade name or commercial designation. The procedure of such invalidation or prohibition is established by the Civil Code.

The discussed provisions of the Code regulate the situations where different entities have obtained rights or are using confusingly similar or identical means of individualization of different type, what may lead to confusion among consumers. At that not only the date when the right for the means of individualization appeared

The simple fact of existence of the prior firm name does not form a good basis for invalidation of a trademark registration

is important but also many other factors such as actual use of the means of individualization, the field of the owner's activity etc. Every means of individualization has its particulars to be considered. It is essential that entrepreneurs have a good understanding of the many opportunities to defend or enforce their rights or avoid

a firm name or a commercial designation (specific elements of such names) protected in the Russian Federation... to which rights had emerged owned by other persons in the Russian Federation prior to the priority date of the trademark being registered. This provision of the Law seems to be simple and well-defined but how does this work in practice.

First of all, it should be mentioned that according to the provisions of the Paris Convention, to which Russia is a party, foreign entities have no obligation to register their firm names in Russia. Therefore, in practice someone could hardly make a complete search among firm names to find out whether there are any potential obstacles to his trademark. In its turn it might be quite complicated for a company to prevent registration or to achieve invalidation of a trademark registration which is confusingly similar or identical to the company's firm name existing in another country.

A very recent example of such a case initiated last year is an invalidation action filed by the company Locus Ltd. (Sarov, Russia) against the Russian trademark registration No. 452067 «Локус Locus Lokus»

The simple fact of existence of the prior firm name does not form a good basis for invalidation of a trademark registration. The cited articles of the Civil Code should be understood as an instrument to prevent confusion among consumers but the possibility of such confusion may occur only in case of real use of the firm name in respect of the goods and/or services similar to those, which the challenged trademark has been registered. Thus, the prior firm name should have been used by its owner before the challenged registration was filed for registration. At that it is important that if speak about challenging a Russian trademark registration on the basis of a firm name, then the use of such prior firm name should have occurred for similar goods and services on the territory of the Russian Federation.

The first instance for challenging a registered trademark on the basis of a firm name is the Russian Patent and Trademark Office, which considers such administrative disputes. Further the decision of the Russian PTO on a dispute connected with contesting a trademark may be appealed with the specialized Court on Intellectual Rights. Such disputes are not very rare.

A very recent example of such a case initiated last year is an invalidation action filed by the company Locus Ltd. (Sarov, Russia) against the Russian trademark registration No. 452067 «Локус Locus Lokus». The company was registered in 2005 whereas the priority date of the challenged trademark registration was August 2010 and the mark was registered in January 2012 in respect of class 05 goods (sanitary preparations for medical purposes etc.). The field of activity of the claimant was connected with production and promotion of medical appliances and according to Locus Ltd. the company had been using its firm name since 2007 as a distinguishing element. Locus Ltd. claimed that the distinctive part of its firm name «Locus» had acquired recognizability and reputation among consumers and therefore the registration of the challenged mark might lead to confusion among consumers in respect of the producer of goods since the trademark was registered in the name

of a company other than Locus Ltd. and having no relations to Locus Ltd. It is significant that while making a conclusion of on the invalidation action the panel of examiners of the Russian PTO was not only guided by the fact of existence of the prior firm name but also evaluated evidence of the actual prior use of this firm name by the claimant.

We see a similar approach towards consideration of other «firm name» cases. In some situations consideration could be complicated by the fact that the companies might have firm names, which include the same element representing the challenged trademark. Quite recently the owner of the firm name Lira Soft Ltd. (Ukraine) managed to invalidate the trademark registration «Lira» (in Cyrillic) registered in the name of Lira Sapr Ltd. (Russia) on the basis of its firm name. While making the decision the Russian PTO also took into account the fact that the firm name Lira Soft Ltd.

was registered earlier than the firm name Lira Sapr Ltd.

In another case a trademark has appeared to be a very effective instrument in a fight against a confusingly similar firm name used for similar services. The owner of the trademark «Festival» achieved a Court decision according to which the use of the firm name with the distinctive element «Festival» has been prohibited.

Nonetheless, in spite of the fact that the firm name provides for certain opportunities of removing a competing product from the market by means of cancellation of the respective trademark, a complex protection might be recommended. Registration of a trademark, which represents the distinctive part of the firm name, should provide its owner with stronger and broader protection and might enable its owner to enforce the right very efficiently and give its owner more options to proceed. In this instance it should be taken into account that it might appear to be very problematical to proceed against a similar firm name used by another entity on the basis on a prior firm name. Relying on a trademark in such a situation might be much more effective. *(to be continued)*

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Events

(conferences, seminars, news)

13.02.2015 // MOSCOW



Photo: Valery Medvedev speaking

Valery Medvedev,
Managing Partner,

Vladimir Biriulin, Partner, Head of Legal Practice, and Natalia Stepanova, Partner, Chief Lawyer (all from Gorodissky & Partners, Moscow) were among the speakers at the 3rd International IP Forum hosted by Kutafin Moscow State Law University. The Forum was organized together with Intellectual Property Court and ICC Russia. Gorodissky & Partners was the General Partner of the Forum.

5.02.2015 // MOSCOW

Gorodissky & Partners made the 5th IP webinar. Sergey Medvedev PhD, LL.M., Software/Database Attorney, Senior Lawyer gave presentation «Software Protection in Russia – Life of It After Civil Law Reform» where he focused on the recent changes in the Russian software and database protection as well as on amendments to national IP/IT licensing system associated with implementation of free licenses, open licenses and other related commercial tools. The legal and practical issues were also highlighted.

28.01.2015 // MOSCOW

Valery Narezhny, Counsel (Gorodissky & Partner, Moscow), gave a live interview to the City-FM radio station regarding the Draft Bill announced by the Russian Ministry of Labour which would allow the Pension Fund and Fund of Social Insurance to implement unscheduled inspections of ratepayers in case of revealing their payment so called «gray salaries». Valery clarified that under certain circumstances the said bodies could

implement such unscheduled inspections even now. Besides, the unscheduled inspections of documents on labour relations can be also implemented by tax bodies and procuracy authorities. So, as a whole the Draft Bill suggested by the Ministry of Labour would not sufficiently change the situation with «whitewashing» salaries but sooner make an additional administrative pressure on business.

22.12.2014 // MOSCOW

Valery Narezhny, PhD, Counsel, and Nikolay Harivulo, Lawyer, (both from Gorodissky & Partners, Moscow), with Polina Ulovkina, Tax Policy Department, Russian Ministry of Finance, and Igor Basargin, Partner, Incor Alliance, spoke at the seminar: «Deoffshorization: new rules of the game», held in the Moscow office of Gorodissky and Partners. Attendees considered the approved changes in the Russian tax legislation, aimed at deoffshorization of the Russian economy and possible ways of modernization of



Photo: Valery Narezhny (in the middle)

the corporate schemes of
owning intellectual property
assets using foreign companies. The Seminar gathered about 20 specialists from different Moscow firms and companies.



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