

Question Q234

National Group: The Swedish AIPPI Group

Title: **Relevant public for determining the degree of recognition of famous marks, well-known marks and marks with reputation**

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Questions

The Groups are invited to answer the following questions under their national laws.

I. Analysis of current law and case law

- 1) How is the relevant public for purposes of determining the degree of recognition of famous, well-known and reputed marks defined in your jurisdiction? Is it the general public at large or a relevant sector of the public that is considered to be the relevant public in determining the knowledge, recognition or fame of a mark?

The relevant public when determining the knowledge, recognition or fame of a mark shall according to Swedish law be the public concerned by the goods and services covered by the mark in question. The relevant public may be either the general public or a limited sector of the public consisting of e.g. traders and consumers in a certain industry.

In order to enjoy additional protection, the mark must according to the Swedish Trademark Act (SFS 2010:1877), "STA", be known by "a significant part of the public concerned" which is the same criteria that is used when determining if a mark has been established by use. The provision is based on Article 5, Section 2 of the Trademarks Directive (First Council Directive of 21 December 1988 to approximate the laws of the Member States relating to trade marks, 89/104/EEC), which allows Member States to protect trademarks that have "a reputation".

- 2) Please clarify whether your jurisdiction uses several of the terms discussed in sections 22-26. If so, is the “relevant public” construed differently when determining the recognition of famous marks, well-known marks and marks with reputation respectively (and, if applicable, marks subject to another term)? Is the assessment made based on the same criteria?

Trademarks that are known by a significant part of the public concerned are often called well-known marks. The term “has a reputation” (Sw. “*väl ansett*”) was used in the earlier STA (SFS 1960:644). The differences in wording shall not affect the application and interpretation of the provisions, the meaning remains the same. Accordingly, the relevant public is construed on the same basis in Sweden regardless of which term that is used.

Several other terms are used by courts and in legal literature to describe the trademark’s degree of recognition or fame. In this context, the term “notoriously known” (Sw. “*notoriskt känt*”) is sometimes used to describe a trademark that is known to the general public at large (and not only to the part of the public concerned). If a trademark is regarded as notoriously known, no proof is needed to support the fact that the trademark has an extended protection (cf. Chapter 35, Section 2 of the Swedish Code of Judicial Procedure (SFS 1942:740) and the Court of Patent Appeal’s judgment in case no 07-077 FANTA).

- 3) If the relevant public can be a limited sector of the public please respond (if applicable with reference to statutory provisions and/or case law) to the following questions

According to Swedish law the relevant public can be a limited sector of the public. (General Motors v. Yplon C-375/97)

- a) Please briefly describe the criteria for determining the relevant public. Is consideration taken e.g. to age, gender, geography, culture, groups with special interests, sophistication/skill of the consumer? Is consideration taken to the way the goods or services with the trademark in question are marketed?

The preparatory work to the STA (prop 2009/10:225 s 125) “Preparatory Work” states that, in order for a trademark to be considered to be well-known, it should be known within a significant part of the public concerned. There is no further description of the relevant public in the Preparatory Work; however, a reference is made to General Motors.

Also Swedish case law include factors that can be used when determining the relevant public:

When the product marketed under a certain trademark was an alcoholic liquor, the relevant public was determined as “with the exception for people that in their profession work with distilled spirits – adults in Sweden that by their own consumption or in other ways come in contact with such beverages. It is thus a great majority of the population of this country” (NJA 2003 s 163 Jägermeister). The relevant public in relation to energy drinks sold under the trademark RED BULL was determined to be “the population at large and all age groups” in a case before the Court of Patent Appeals (PBR 08-200, Red Bull) . “Advertisers to whom Google addresses” was defined to be the relevant public when determining whether the trademark AdWords was known by a significant part of the relevant

public (PBR 09-150 AdWords). The relevant public for financial business and financial services marketed under a certain trademark was defined by the parties and then confirmed by the court to be “adult consumers and end consumers, i.e. the Swedish public, including men and women living in Sweden with an age of 18 years and above” (T-12057-11 Folksam). In a case from 2005, the Court of Patent Appeals defined the relevant public in relation to periodicals to be “all those who buy or may buy copies of or advertising space in periodicals of the current type and of those who at any stage of the distribution has anything to do with such periodicals”. In the same case, the Court of Patent Appeals defined the relevant public for bags and shoes of the defendant’s trademark to be “all those who buy or may buy bags and shoes of the kind that the mark concerns and of those who at any stage of the distribution has anything to do with such goods” (PBR 02-199, Amelia). In another case, concerning tobacco products, the Court of Patents Appeals defined the relevant public as “those who smoke and have reached the age of 18 and therefore legally are allowed to buy goods of this kind, even though it is not unusual that children and young people occasionally use cigarettes”. The relevant public for food in the form of appetizers consisting of potatoes, coffee, chocolate, biscuits and non-alcoholic beverages such as tonic water was determined to be “consumers in general and children as well as adults”. Furthermore the court stated that, “Even when the goods are intended to be consumed by children they are often purchased by adult consumers” (PBR 04-249, Prince).

According to the European Court of Justice (“ECJ”) the degree of knowledge required shall be considered to have been reached when the earlier mark is known by a “significant part of the public concerned by the products or services covered by that trade mark” (General Motors). In C-252/07 Intel, ECJ referred to the relevant public as “average consumers of the goods and services for which that mark is registered, who are reasonably well informed and reasonably observant and circumspect”.

- b) Would the relevant public be populated by actual/potential consumers/buyers of the products/services in question only or a larger public? Please explain how the delimitation is made.

The ‘public concerned’ includes either the public at large or a more specialized public, for example traders in a specific sector (General Motors, and Study on the Overall Functioning of the European Trade Mark System, presented by Max Planck Institute for Intellectual Property and Competition Law, Munich, 15.02.2011). Even though the relevant public is defined as the actual/potential consumers/buyers of the products/services in question, the definition of who this public actually is might be defined in broad terms such as “consumers in general and children as well as adults” (PBR 04-249 Prince) or “the population at large and all age groups” (PBR 08-200 Red Bull).

- c) Could the relevant public be composed of business /professional end consumers?

Yes. The Preparatory Works refer to the ECJ’s judgment General Motors, according to which the relevant public depends on the product or service marketed, and that the relevant public could be the public at large or a more specialized public, for example traders in a specific sector.

- d) Could the relevant public be composed of people in the trade of the goods or services in question, such as distributors, licensees and retailers?

Yes. Please see answer to question I.3.c above.

- e) Could the relevant public be "mixed" in a sense that it is composed of persons involved in trade, professional/business end customers and private end customers?

Yes. According to the ECJ (C-371-02 Björnekulla) and (C-412/05 Trivastan/Travatan) the relevant public may consist of both consumers or end users and intermediaries such as distributors. This view is also confirmed in a national judgment from Svea Court of Appeal (T 2056-11 Aroma).

According to the judgment in C-371-02 Björnekulla, the court determined that the relevant public, in cases where there are several stages in the supply chain before the product reaches the consumer or end user, includes all consumers and end users, and depending on the characteristics of the market for the product in question, all traders that market or sell the product.

In C-412/05 Trivastan/Travatan, the relevant public in respect of "ophthalmic pharmaceutical products" was determined to be both end-users and of professionals; doctors who prescribe the product and pharmacists who sell that prescribed product. The reason for also including end-users in the relevant public was according to the ECJ that the products in question are meant for the end-users' acquisition and therefore their perception is of relevance, even though their choice is influenced or determined by intermediaries. Cf. with the case PBR 05-315 Cederroth, in which the relevant public for patch packaging was limited to business authorities and organisations.

- f) How limited in terms of quantification can the relevant sector of the public be to constitute the relevant public? Is there a clear established "lowest level"?

There is no clear established "lowest level" in terms of quantification for how limited the relevant sector of the public can be to constitute the relevant public. According to Swedish case law, the relevant sector can be very limited as long as it is justified by the goods or services the trademark is used for. In Court of Patent Appeals Case No. 11-201, the relevant public for magazines etc. under the trademark BÅTLIV (Eng. "boat life") was set to be the part of the public who have an interest in boats and outdoor life. In Case No. 11-104, the relevant public for services related to animal breeding under the mark KOKONTROLLEN FÖR OPTIMAL LÖNSAMHET (Eng. "the cow control for optimized profitability") was considered to be stakeholders in agriculture, animal husbandry and breeding activities. In the Prince case, the relevant public for cigarettes under the trademark Prince was determined to be those who smoke and who are at least 18 years old and therefore legally allowed to buy goods of this kind. Another example of a limited sector was set in Case No. 09-326 regarding the trademark COMPLEXX. In that case, the relevant sector for metalworking machines etc. was defined to those who buy metalworking machinery and those who need parts for such machines.

- g) Is it possible to see any differences for different products/ industry sectors in respect of the delimitation of the relevant public?

Yes. The relevant public is assessed on a case by case basis with regard to the specific product in question. Generally, the relevant public is determined to comprise at least actors in the distribution chain as well as end users, thus being delimited to the average consumers or to the population as a whole. However, more special products (as opposed to daily consumer goods) may induce a narrower delimitation. All such delimitations are however related directly to the product in question and its presumed distributors and end users, and it does not in any way reflect varied legal principles for delimitation related to product or industry sector.

- 4) Are there any differences between the "relevant public" concept when assessing the recognition of trademarks in respect of e.g. dilution, free riding, or when determining likelihood of confusion in infringement proceedings?

No. Swedish courts apply EU practice in their rulings. In for example the Intel case, previously mentioned in section 3 (a), the court held that the existence of injury consisting of detriment to the distinctive character or the repute of the earlier mark must be assessed by reference to average consumers of the goods and services for which that mark is registered. When it comes to injury consisting of unfair advantage taken of the distinctive character or the repute of the earlier mark, in so far as what is prohibited is the drawing of benefit from that mark by the proprietor of the later mark, the existence of such injury must however according to the court be assessed by reference to average consumers of the goods or services for which the later mark is registered.

In its judgment in case no 08-287 Snille och Smak (fig), the Court of Patent Appeals referred to the Intel case and held that the assessment of whether or not a later trademark takes unfair advantage of the distinctiveness or reputation of an earlier trademark – bearing in mind that it is the advantage that the holder of the later trademark draws from the earlier trademark that is forbidden – shall be based on the relevant public of the later trademark.

As a consequence, the court held that the opponent's earlier trademark Snille och Smak was well known in relation to e.g. books and publishing and that the relevant public was the public in general. The later mark, SNILLE OCH SAK (fig) was registered in relation to e.g. retail of antique furniture, dissimilar goods, however the relevant public of the later trademark was held to be the same as for the earlier trademark. The court concluded that there was a connection which could create an impression that there is a connection between later trademark and the earlier trademark, thus the use of the later trademark took unfair advantage of the reputation of the earlier trademark.

In sum, aside from the reference to the Intel case made by the Court of Patent Appeals in the above referred case, which findings can be found in other cases, the question has not been further clarified by the Swedish courts.

- 5) When does the assessment of the relevant public come into play e.g. in registration matters, proceedings in respect of wrongful use such as free riding, dilution, infringement proceedings, and opposition proceedings?

Registration matters: Enhanced distinctiveness is only considered after the applicant has submitted evidence thereof. Accordingly, a high degree of recognition is only relevant for the purposes of assessing registrability of a mark lacking inherent distinctiveness. With regard to relative grounds during ex officio examination, the relevant public is assessed with an assumption of a degree of recognition which is normal/average.

Opposition proceedings: The assessment of the relevant public comes into play when the court determines issues as the likelihood of confusion, whether the earlier mark is established on the market by use, the reputation of earlier mark and whether the younger mark would take unfair advantage or be detrimental to the distinctive character or reputation of the earlier mark.

Infringement proceedings: The assessment of the relevant public comes into play when issues as the likelihood of confusion, whether the earlier mark is established on the market by use, the reputation of earlier mark and whether the younger mark takes unfair advantage or is detrimental to the distinctive character or reputation of the earlier mark are determined.

Cancellation proceedings: Issues where the relevant public can be determined are when a mark has become the common name in the trade for its registered goods/services, determination of the likelihood of confusion, whether the earlier mark is established on the market by use, when determining the reputation of earlier mark and whether the younger mark takes unfair advantage or is detrimental to the distinctive character or reputation of the earlier mark

All the above situations differ and in the group's view the determination of what the relevant public is in these situations should vary depending on the situation at hand and depending on whether the relevant mark is established through use or whether it is well-known.

- 6) Is the relevant public determined by a test, a specific procedure or in some similar manner, or rather on a case-by-case basis? Please give a brief description of how the test or analysis is made.

The relevant public is determined on a case-by-case basis.

Thus, there is no specific procedure when determining the relevant public. To ensure consistent judgements, the determination of the relevant public is however made in accordance with certain criteria specified in Preparatory Works and case law (see under Question 3). These criteria set out the framework for the determination of the relevant public.

II. Proposals for harmonisation

Is harmonisation desired? If yes, please respond to the following questions.

- 1) Is it the general public at large or a particular sector of the public that should be considered as the relevant public in determining the knowledge, recognition or fame of a mark?

The group proposes that the relevant public should be determined as either the general public at large or a particular sector of the public. The relevant public should be determined on a case by case basis with regard to the specific goods or services in question. This may result in a majority of cases where the relevant public is defined as the general public at large. The possibility to limit the relevant public is necessary to allow niche trademarks to benefit from the extended protection for well known marks. A fixed definition of the relevant public as the general public at large would make it harder, or impossible, for trademarks used in specialist sectors or in relation to niche products to enjoy the extended protection.

- 2) Please briefly set out the criteria to be used when establishing the relevant public for determining the degree of recognition of famous marks, well-known marks and marks with reputation.

The establishment of the relevant public must be made on a case-by-case basis. Thus, it is hard or impossible to set out certain criteria that shall apply in all cases, for all trademarks. However, the relevant public should always be "the public concerned by the goods or services covered by the trade mark".

- 3) Should the relevant public be construed differently for famous marks, well-known marks or marks with a reputation? If so, please define the terms used and describe what criteria is to be used for the different types of marks.

No, the relevant public should not be construed differently. As stated above, Swedish law does not distinguish trademarks with extended protection from each other by use of different terms. Neither is a difference in the construction of the relevant public desirable. To enjoy extended protection, all trademarks should comply with the prerequisite of being "known by a significant part of the public concerned" and no further criteria.

- 4) Would it be possible or desired to establish a test or a specific method of establishing the relevant public or should this be done on a case-by-case assessment? How should the test or analysis be made?

A functional unified test or method for establishing the relevant public could – in theory - be desirable, as it could serve a uniform and globally harmonized assessment. It could also serve a purpose by enabling predictability. However, when assessing different aspects of a trademark and its scope of protection - in practice - there will always be need to take into account the specific circumstances of the individual case. This is probably even more so in regard to famous/well-known marks/marks with a reputation, as they hold an inherent value following from them being famous and/or having a reputation. A value not limited to only the basic distinguishing of a mark, but triggering a need of a protection beyond the registered goods and services. This could hardly be defined by a single test.

The relevant public consists of the public concerned by the goods/services covered by the mark in question. For obvious reasons, the public concerned differs depending on the mark and its goods/services. Hence, the relevant public is – or should at least aim to be – a reflection of the reality of the use. This, for each brand specific, reality is a central part in the assessment on the scope of protection. Creating a specific test or method to determine the relevant public, applicable to every different situation, would run the risk of generalizing the assessments, rather than assessing the actual relevant public in order to evaluate the potential need for - and right to - an extended protection.

However, it would be desirable to establish certain harmonized criteria to be used in each assessment of the relevant public. When determining the criteria to be used, the case law established by the ECJ, and the WIPO Recommendations regarding Determination of Well-Known Marks (Article 2), could preferably serve as guidance.

Summary

The relevant public when determining the knowledge, recognition or fame of a mark is according to Swedish law the public concerned by the goods and services covered by the mark in question. In order to be well known the mark needs to be known by "a significant part of the public concerned". The relevant public is construed on the same basis in Sweden regardless of which term that is used. The 'public concerned' includes either the public at large or a more specialized public, for example traders in a specific sector. The relevant public may be composed of business/professional end users, people in the trade of the goods or services in question, such as distributors, licensees and retailers or be a mix of these categories. There is no clear established "lowest level" in terms of quantification for how limited the relevant sector of the public can be to constitute the relevant public. The relevant public is assessed on a case by case basis with regard to the specific product in question. The assessment of the relevant public comes into play e.g. in registration matters, in cases regarding free riding, dilution, infringement proceedings, and opposition proceedings. All these situations differ and in the group's view the determination of what the relevant public is and whether infringement in fact is taking place should vary depending on the situation at hand and depending on whether the relevant mark is established through use or well-known. There is no specific procedure when determining the relevant public.

The group suggests that the relevant public is determined as either the general public at large or a particular sector of the public. The relevant public should be determined on a case by case basis with regard to the specific goods or services in question. There is in the group's view no reason to make the assessment differently for famous marks, well-known marks or marks with a reputation. A functional unified test or method for establishing the relevant public could – in theory - be desirable but is very difficult to use in practice. The group suggests that certain harmonized criteria to be used in each assessment of the relevant public are established. When determining the criteria to be used, the case law established by the ECJ, and the WIPO Recommendations regarding Determination of Well-Known Marks (Article 2), could preferably serve as guidance.