

Answers on behalf of the Swedish group

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1. Is there any requirement for use of a mark “as a mark” for the purposes of:

1.1 acquiring a mark (if rights may be acquired by use according to national law);

Under the Swedish Trade Marks Act (1960:644) an exclusive right to a sign can be acquired either by registration at the Patent and Registration Office or by use. The protection afforded is equal, irrespective of means of acquisition, with the exception that while registered trade marks are valid for the whole territory of Sweden, trade marks rights acquired by use are limited to the area where the trade mark right is established.

A trade mark right by use is established on the market when a sign is known as an indication of source by a significant part of the public concerned by the products or services which it covers (“secondary meaning”), *sec. 2(2)*. The unregistered trade mark is protected where it has been established and for as long as this secondary meaning remains.

By the provision on trade mark rights acquired by use, Sweden has traditionally also fulfilled its obligations to protect well known marks under article *6bis* of the Paris Convention (1883).

The provisions on trade mark protection by use did play a more important role before the implementation of Directive 89/104/EC on the approximation of trade mark laws in the Member States on January 1 1993, when the object of registration under the Swedish Act was limited to: words, designs, letters, numerals and the individual shape of goods or their packaging. Today, when everything that can be graphically represented, if distinctive, is also registrable there are not so many items that would be dependent on protection by use, except possibly smells. *Cf.*, however, OHIM R 156/98-2 (“The smell of fresh cut grass”).

1.2 maintaining of a trade mark registration (e.g. against an application for cancellation on grounds of non-use);

Being a Member of the European Union Sweden has implemented the Directive 89/104/EC, including *article 10* under *sec. 25, 25(a)* and *25(b)*. The effect is invalidation on claim of a counterpart if a registered trade mark has not, within a period of five years following the date of completion of the registration procedure, been put to genuine trade in connection with the goods or services in respect of which it has been registered, or if such use has been suspended during an uninterrupted period of five years, unless there are proper reasons for non-use. If the trade mark has been used only in connection with one or some of the goods or services it has been registered for, it can be

invalidated partially, *sec. 25(b)*.

Some cases concerning genuine use can be referred to:

SPOTLIGHTSERIEN, NJA (Supreme Court Reports) 2001 p. 265: Use of only a part of a registered mark and not in the same typography as the registered logo did not constitute trade mark use.

BIG MAC, NJA 1991 p. 619: Use of BIG MAC (in two words) satisfied the use requirement for the registration of BIGMAC (in one word).

AGRIVET, NJA 1983 p. 875: Use of a registered trade mark as the dominant feature of a trade name did not satisfy the use requirement.

Following from the answer to 1.1. trade mark rights acquired by use remain also when the sign is no longer used in the course of trade, as long as it is established and has secondary meaning on the market. It will therefore also be an obstacle to the registration of an identical or similar mark for identical or similar goods, or in the case of a reputation also for marks that could be detrimental to or take unfair advantage of its reputation.

1.3 **establishing infringement.**

Use of a registered mark is not a prerequisite for starting infringement proceedings, or to have success with such a litigation. But it seems logic that a trade mark which has not been used will enjoy just a narrow protection. Such a conclusion can adversely be drawn from case law of the European Court of Justice, *cf.* cases C-39/97 of 29 September 1998 (Canon) and C-342/97 of 22 June 1999 (Lloyd), with emphasis on the importance of use and establishment on the market for assessing the scope of protection. This logic has so far, however, not been established in case law.

As an unregistered right is to be respected as long as the mark is established on the market, no use is required for infringement proceedings in that case either.

With regard to an alleged infringer, he must have used an identical or similar sign in the course of trade, either as a trade mark (in relation to goods or services) or as a trade name (in relation to a business activity).

It should also be noted that protection is not only afforded for identical or similar marks on identical or similar goods, but protection extends to dissimilar goods or services, where a mark has a reputation and its use by another could be detrimental to or takes unfair advantage of the older mark, *sec. 6(1) compared to sec. 6(2) of the Trade Marks Act* in accordance with *articles 4(4)(a) and 5.2 of the Directive 89/104/EC*.

2. Is there any definition of what is use “as a mark” either in statute or case law?

The exclusive right is afforded for trade marks as a special sign in the course of trade, *sec. 1(1) and 2(2) and 4*. In addition *sec. 4* contains a non-exhaustive enumeration of confusingly similar trademark uses: “on the goods, or its packaging, in advertising or on business documents or in other ways, including oral use”.

Some cases can be referred to in this respect:

PAYLESS, Case No. T 979/95 Svea Court of Appeal judgement of 6 May 1997. A successful non-use attack was launched by Payless ShoeSuroce Inc. against the trade mark PAYLESS registered for footwear, clothing and headgear. PAYLESS was used on price tags and labels attached to footwear of sales stock twice a year. The mark appeared on the price tag written PAY LESS in two words where also the ordinary price and the sale price was noted. It was held that the trade mark has not been used in a trade mark sense but merely as an indicator of reduced prices " pay less" and the registration was consequently cancelled.

VOLVO-TUNING, Case No. T 202-00 Stenungsund District Court judgement of 17 January 2000. Volvo Personvagnar AB brought a successful claim of trade mark infringement against SCT Scandinavians Car Tuning AB's use of the domain name www.volvo-tuning.com. The court regarded the domain name as a use of the trade mark VOLVO. Since SCT Scandinavians Car Tuning AB did not have a license for such use the domain name was infringing the trademark VOLVO.

3. Is there any difference in the assessment of use “as a mark” between the acquisition, maintenance and infringement of rights?

By the trade mark application for a sign which is of somewhat doubtful distinctiveness the Patent- and Registration Office, which presently makes a pre-examination, will be satisfied by the proof of use of such sign as a trade mark. No secondary meaning has to be shown. But if the sought sign is of a more descriptive or semi-descriptive character, or its registrability could be doubted with regard to third parties' rights to use a word or a symbol, full proof of secondary meaning has to be established.

To prevent the cancellation of a trade mark the owner has to prove that he has put the mark to *genuine* use. The prerequisite *genuine* use is of particular relevance in cancellation proceedings and is not an issue in the acquisition of trade marks or infringement proceedings.

By an alleged infringement there can be a counterclaim that the trade mark has not been genuinely used over the five passed years. Furthermore, the extent of use will, according to above mentioned case law of European Court of Justice influence the scope of protection; a strongly established mark will have a greater scope of protection and cover a broader range of activities or deviations from the what the trade mark in question was registered for.

4. Is any of the following considered to be use “as a mark”:

4.1 use on the internet, as a metatag, in linking or framing;

The Swedish Group does not see any difference in the appreciation of use of trade marks in electronic media to in any other medium.

Use on Internet of a trade mark in the course of trade is definitely a trade mark use, similar to any other use.

Whether the use of metatags is to be regarded as a trade mark use is still for the courts to decide. There exists no case law on the matter.

Use in linking or framing could well be a trade mark use, but case law is lacking. In legal literature it has been strongly argued that the use of an image of a trademark highlighting a link to another site should be considered use "as a mark". As a consequence, linking involving logos or figurative marks could possibly constitute "use as a mark". The situation has, however, as always in trade mark law, to be appreciated with account taken to all relevant factors involved.

4.2 use by fan clubs or supporters;

If the trade mark is used in the course of trade, for instance on items sold, where these on the market will be appreciated as having a connection with the trade mark-connected establishment, its goods or services, the activities should be regarded as trade mark use. Unauthorised such use should be regarded as infringement.

4.3 parody;

In trade mark law there is no traditional exception, as exists in many jurisdictions including the Swedish in Copyright Law, with regard to parodies etc. As the whole idea with a parodical use is that the object of mockery should be recognised, only well known trade marks come in to question for such use. The use of another's trade mark even with a parodical touch or intent will therefore *prima facie* be regarded as an infringement, if the (parodical) use is made in the course of trade, and in a commercial context a parodical use is no defence, neither within nor outside the scope of identical or similar goods.

In the latter case the extended protection for reputed trade marks will afford protection against the detrimental use of a reputed mark also outside similar goods. Within the same or similar goods, the association to a confusingly similar mark will be precluded. But it is obvious that the mere association with another's mark does not in itself constitute a criterion for trade mark infringement, *cf.* European Court of Justice Case C-251/95 (Sabel v. Puma). Within the framework for same or similar goods it has to be confusing similarity, outside the similarity of goods the use has to take an unfair advantage of or be detrimental to the repute of the trade mark.

A Swedish decision that comes close to the problems discussed here is the following:

TULOSBA/ABSOLUT: The application for registration of TULOSBA ADKOV for mineral waters etc. The Patent Appeals Court on 23 April 1999 (case 96-316) denied registration on

the ground that that the requested mark would take unfair advantage of the reputed ABSOLUT VODKA. It could, however, be discussed whether this situation is covered by the text of articles 5(1)(b)-5(2) of Directive 89/104/EC.

4.4 comparative advertising

Comparative advertising is since long well seen in Sweden as a good means of consumer information. Special correctness is, however, called for by such use, and strict requirements are put on the comparison. If a in a comparison use is made of another's trade mark and it does not meet the standards or criteria for relevance and correctness, the comparison is a trade mark infringement or will be deemed as unfair competition according to the Act on Marketing Practices (1995:450), where the Directive on Comparative Advertising 97/55/EC has been implemented in *sec. 8 a*.

If necessary, please differentiate between acquisition, maintenance and infringement of marks.

- 5. If, under the Group's national regime, use as a mark is confined to the traditional indications of origin or identity, are unconventional uses nevertheless objectionable under trade mark or other laws (e.g. unfair competition or trade practice laws).**

- 6. If use "as a mark" in the traditional sense is required to establish infringement, are "well-known", "famous", "notorious" or "reputed" marks used on dissimilar goods and services protected?**

As mentioned under 1.3 and 4.3 above, protection is not only afforded for identical or similar marks on identical or similar goods, but protection extends to dissimilar goods or services, where a mark has a reputation and its use by another could be detrimental to or takes unfair advantage of the older mark in accordance with *articles 4(4)(a) and 5.2* of the Directive 89/104/EC. It could be mentioned that the original Swedish implementation did not take full account of the wording of these articles and the scope of protection could be doubtful as the law still required confusion. But this misunderstanding is now being rectified by a trade mark reform (*see SOU 2001:26*).

As well as stating the laws of their respective countries, the Groups are also invited, in respect of each of the questions above, to:

- make any proposals for harmonisation;**

 - offer any observations of interest on the topic above.**
- a. Under Swedish Law there is no remedy against the use of a trade mark outside the course of trade. This is also true when another's use of a trade

mark is (wilfully) detrimental to the trade mark, for instance posters with a picture of a graveyard and the headline “Marlboro Country”. The Constitutional provision on freedom to speak and publish exceeds commercial interests.

b. New needs for registration of detailers’ or distributors’ trade marks for a range of goods and services are in conflict with traditional views on registration in classes and use requirements.

c. The need for protection against detrimental or sponging use of a well known mark *within* the area of identical or similar goods, where there is no confusion, seems not to be expressly covered by the European directive, *cf.* TULOSBA/ABSOLUT above.