

INDIA INTELLECTUAL PROPERTY & INFORMATION TECHNOLOGY LAWS News Letter

VA VAISH
ASSOCIATES
ADVOCATES
Delhi • Mumbai • Gurgaon • Bengaluru
Celebrating 40 years of professional excellence

Vol. VII, Issue I, January-February, 2012

From the Editor's Desk...



Dear Readers,

Carrying forward from a fruitful year in terms of intellectual property judicial precedent and celebrating a new found glory by the Indian sports sector, we dedicate this issue to "Intellectual Property in Sports". The sports law and the intellectual property associated with sporting events are still at the stage of infancy in India. Not much is talked about or taken care of by sport bodies, associations, organizers and government to address this scenario. Sport Stars are equally unaware of their rights and worth of their intellectual property associates with them and their play. This pathetic state is reflected from the lack of relevant litigation and decisions in Indian courts. Some isolated decisions, which are available, solely relate to violation of broadcaster's rights under the (Indian) Copyright Act, 1957. To address this scenario and to bring awareness, in this issue we are presenting an article, describing various intellectual property rights associated with the sporting events. We are also presenting a brief analysis of the (India) the Sports Law Bill, 2011.

Our "Knowledge Update" section includes a guest article by Prof. Dr. Gordian N. Hasselblatt and Dr. David Kipling of CMS Hasche Sigle, Cologne, Germany on Community Trademarks in Europe, which has been contributed by our distinguished guest authors on our request, as in the emerging scenario of Indian business and industry, European Union has become one of the most important destinations for protection of Intellectual Property Rights. Our readers will be enlightened by the above article, benefiting their industry, business as well as professional endeavours.

We welcome, as always, your views, comments and input.

With Regards,

Vijay Pal Dalmia
Head IP & IT Division
vpdalmia@vaishlaw.com



Inside: -

INTELLECTUAL PROPERTY IN SPORTS

- **Trademarks**
- **Personality Rights**
- **Copyright**
- **Internet identity (Domains)**
- **Licensing and Franchising**
- **Ambush Marketing**
- **Ignorance: Bliss for some. Curse for some.**
- **Classic example: Pepsi Co vs Hindustan Coca Cola Ltd.**

Yeh Dil Mange More (My heart wants more) Vs. Yeh Dil Mange No More (My heart wants no more)



The Introduction of the National Sports (Development) Bill 2011 and its Dilemmas

Knowledge Update

SPECIAL FEATURE

CTMs

"An Effective & Efficient TM Protection Tool In Europe"

by

Prof. Dr. Gordian N. Hasselblatt, LL.M., and

Dr. David Kipping, LL.M., Maître en droit



CMS Hasche Sigle, Cologne, Germany

For Private Circulation

Vaish Associates Advocates ... Distinct. By Experience.

INTELLECTUAL PROPERTY RIGHTS IN SPORTS

The Sports industry has always been a massive sector across the world bringing together entertainment, games, culture and monetary business, right from the barbaric era through the glorious days of Caesar to the twenty first century money making sports industry. Sporting games have always been encouraged by rulers, governments, private individuals and entities interested not only in the games themselves but more in the monetary business quotient that sports entail.

The SPORTING EVENTS are no more SPORTING EVENTS, what they used to be. Worldwide, MONEY has acquired an enormous role in all sporting events.



CORPORATIZATION of sports has become monumental. Marketing through franchising, as well as brand building of the sports, sportsmen and the event has gained gigantic importance, surpassing all other major aspects of a game.

With the business angle of sports growing by the day, dormant intellectual property rights (IPRs) vesting in almost every component of the sports industry are being tapped into and capitalized. IPRs are valuable assets that are used as marketing tools towards the branding of sporting games and connected events, sports clubs, teams, celebrity status etc. Marketing techniques are applied in creation, maintenance, popularization and sustenance of distinctive marks, logos and personalities, while copyrights vesting in brand and image creation etc. are protected to reap benefits on an exclusive basis considering the very nature of competition in sports.

Various football clubs around the world are a perfect example of intellectual property brand capitalization. Manchester United, Real Madrid, Barcelona and Liverpool are a few examples of football clubs that have been developed and marketed as huge brands worth millions of dollars.



In India also, the industry of sports is becoming bigger and bigger over the years with certain sports getting unimaginable mileage over others due to the commercialization and investment



interest. Cricket has for decades been a gentleman's sport, which has now transitioned into a monumental commercial game attracting huge capital, investments and profits. The latest T20-20 format and IPL (Indian Premier League) have taken off the veil to boldly announce that it is the commerce, which is now on the forefront of the game. The money in the games has led to huge scams in the recent past due to large monetary stakes, fixing, betting, doping and gambling issues. The Indian government is also trying to streamline the industry keeping every party interest in mind including the players, teams, sponsors and the public at large, through the introduction of the Sports Bill, 2011, which is soon likely to become a reality, and hopefully will be able to control the management of sports to some extent.



The recent success of the FORMULA ONE RACE organized in India shows the vast commercial interest generated in the corporate world with respect to branding and event management. The organization and smooth execution of a race of such international standard in

India for the very first time has brought the nation into a select league, putting further focus on the sports law and the intellectual property rights which can be used to create branding leading to immense value generation.

From the legal perspective the intellectual property rights in the form of trademarks, copyrights, industrial designs, personality and image rights, advertising and publicity rights, licensing and franchising opportunities have acquired immense value for protection, commercialization and exploitation of commercial

aspects of sports, sportsmen and sporting events. In India, IPL teams are an example of value creation through branding and intellectual property exploitation.



Trademarks

in sports

play an important role in the sports business. With the inception of branding of sports events through the presence of features like a logo, captions, taglines, slogans and team names etc. (collectively referred as trademarks), brand value is created in sporting teams, clubs, players, merchandise etc. Team names and symbols create a level of association with the public and fan following helping the popularity ratings of any given team, club, player etc. Even the names of the players have acquired the status of trademarks due to their celebrity status. This popularity and brand image eventually converts into monetary profit through advertisements, brand ambassadors, goodwill and reputation of the sponsors etc.



Personality Rights

in sports

play an important role in the brand creation of individual sports players and teams. Celebrity status leads to various forms of image creation, brand endorsement and revenue generation capitalizing on fame.

It is desirable that the federations, organizers, team owners and sports gear manufacturers must opt for registration of their team names, logos, venues, captions, taglines and slogans registered as trademarks under the (Indian) Trademarks Act 1999, which will make their life easy for protecting their trademarks in Indian courts. An initiative on the part of the players to register their names, photographs and caricatures as trademarks/ brands should also be the norm of the day. Mere association of the name of a team, their logo or a team player, could offer unprecedented mileage to the person or entity using such name or logo. It is a loss to the team, team owner, the player and an unwarranted gain for the entity associating such name or logo for their own commercial benefits, without taking any permission, or paying any license fee or royalty. An unauthorized use of the trademarks

by a third party without the consent or license of the respective owners of such trademarks, may also result in damage to the goodwill and reputation of the stakeholders, also amounting to unfair trade practice, unfair competition and dilution of goodwill and reputation.

Under the (Indian) Trade Marks Act, 1999 both civil and criminal remedies are simultaneously available against infringement and passing off. It is interesting to note that for seeking protection under the Indian laws REGISTRATION OF TRADEMARK IS NOT MANDATORY, so even *those who have not obtained any registration can enforce their rights in the court of law*. Interestingly violation of a trademark is a cognizable offence in India, and criminal proceedings can be initiated against the accused. Such enforcement mechanisms are expected to boost the protection of marks in India and reduce infringement and contravention of trademarks.

Copyright

in sports



may vest in various components of sporting events including in the artwork connected to the logos and trademarks, promotions, slogans, images of a player or event etc., which may be protected in India under the provisions of the Copyright Act, 1957. The registration of copyright also not being mandatory and the same is comparatively easy to protect under the Indian laws. Despite the fact that the registration of copyright is not mandatory in India, and international copyrights are protectable in India as India is a signatory to Berne Convention of 1906 for the Protection of Literary and Artistic Works and the International Copyright Order, 1999, it is advisable to register the copyright in India as the copyright registration certificate is accepted as a "proof of ownership" in courts and by Police authorities, and acted upon smoothly by them.

The law of copyright in India not only provides for civil remedies in the form of permanent injunction, damages or accounts of profits, delivery of the infringing material for destruction and cost of the legal proceedings. etc. but also makes an instance of infringement of copyright, a cognizable offence punishable with a term which shall not be less than six months but which may extend to three years with a fine which shall not be less than INR 50,000 but may extend to INR 2,00,000. The (Indian) Copyright

Act, 1957 gives power to the police authorities to register the Complaint (First Information Report, i.e., FIR) and act on its own to arrest the accused, search the premises of the accused and seize the infringing material without any intervention of the court.

Domain Names

in

sports,



which are also treated as trademarks by Indian courts, also play a substantial role in

protection of intellectual property rights associated with sports. Enormous information is disseminated and events are being broadcasted including online games related to sporting events through internet, which has not only acquired an immense market share in branding and value creation, but also given opportunities to cyber squatters to take the benefit of the confusion which may be attributable solely to domain names. The websites have become a great source of advertising as well as brand building and following. In an effort to reach out to the public and build up brand recognition various sponsor companies conduct online competitions, online ticket sales for sporting events, online shopping portals for sale of merchandize etc., as the internet is a cost effective method to reach out to the public and create awareness about a sporting event, team players etc. However, an unimaginative approach towards the domain names may erodes the potential of the benefits which may accrue through a sporting event. Domain names assist in building connected brand image, portability and search engine optimization. It has become important to register multiple domain names with various permutations and combinations to protect sport enthusiasts, fans, merchandize seekers, online gamers and information seekers from committing mistakes leading to diversion of traffic to unscrupulous websites hosted by cyber squatters. At times even the websites in the garb of fan sites may become source of cyber squatting, making it more important to be vigilant about registration of domain names. It is advisable that in order to promote as well as protect against brand abuse and trademark dilution, registering domain names with popular gTLDs i.e. .com .net .org .biz .info, .asia, .name, .in, .co.in, etc., and Registering low-cost ccTLDs such as .at .be .cc .eu .ch .co.uk .dk .it .nl .ru .tv .us .ws should be mandatorily

resorted to. Other guiding principles for domain name registrations may include registering multiple variations of trademarks and slogans, including common & silly spelling mistakes.

Licensing and Franchising

in

sports



play an important role in revenue generation in the sporting industry, wherein the right to sell

exclusive merchandize associated with exclusive clubs, teams, sponsor companies etc. for the purpose of brand generation and goodwill creation plays important role. Exclusivity is the key factor in sales generation and brand building. In light of counterfeit product markets it is important to ensure that all intellectual property rights involved are adequately protected under relevant agreements.

Various contracts are involved at every stage of such marketing strategies and every aspect must be covered in detail to avoid future disputes considering huge investments and efforts at stake. An

elaborate contract addressing all possible areas of concern and conflict, and resolution mechanism for the same must be always preferred over informal and personal arrangements.

Some other ways of creation of wealth through IPR vested in games may include Online Gaming, hospitality industry including Restaurant, bar and café services, event management services, Broadcasting Rights - T.V. and Media Rights and Personality Rights etc.

007^F

IGNORANCE

IS

A BLISS



IGNORANCE

IS

A CURSE

Ignorance is bliss for all those who want to enjoy and reap the benefits of IPRs of others by claiming to be ignorant about even

the existence of their IPR. Ignorance becomes a curse when the IPR owners fail to educate public, and give notice to the third parties who maybe planning to exploit the IPR of someone else without payment of any royalty or fee, or incurring any obligation. This makes the Brand and Content Protection Guidelines providing do's and don'ts, a mandatory tool for all IPR owners associated with sports. Sponsor companies that pay huge amounts of money as capital and investment in the promotion of certain sports and the organization of sporting events, must have an elaborate brand and content protection guidelines, which should be propagated through their official websites and advertisements, for preventing misbranding, misrepresentation and misuse of IPRs in bad faith.

And the last but not the least, **protection against**

AMBUSH MARKETING



is one of the most important aspects of IPR in sports. One of the finest example of ambush marketing is the famous controversy between Coca Cola and

Pepsi over the official status of the cola for the World Cup Cricket tournament of 1996-97, wherein Coca Cola brought out an ad claiming to be the OFFICIAL COLA of the tournament and Pepsi brought out a competing ad with the slogan "there is NOTHING OFFICIAL about it". So, OFFICIAL-COLA and UN-OFFICIAL-COLA may be a big problem.

To counter the endearing concept of 'SPORTS MARKETING', AMBUSH MARKETING has acquired a huge space in sporting events. Ambush marketing refers to companies promoting their brands or products by associating them with a team, league or event without paying for the privilege. In general Ambush means "An attack from Hidden Position". In Ambush Marketing, Company capitalize to advertise themselves on the events, in which it's not an official sponsor. There have been numerous examples in which other companies dragged the



limelight, without being an official sponsor. Some common ambush tactics include the following:

- Putting in place advertisements and flying branded blimps around venues, which are then seen by spectators and picked up by television coverage;
- Handing out free branded merchandise to spectators at venues;
- Running ads wishing teams "good luck" or "congratulations"; and
- Using event tickets as prizes in consumer sweepstakes.

In any sporting event, beside the strategy to counter the threat of ambush campaigns is to secure trademark and copyright registrations for all marks, logos and images associated with an upcoming event in all active markets, Contractual obligations, and explicit terms and conditions for use of the IPRs related to such events are the other means of controlling ambush marketing.

The new version of commercial sports magnetizes core IPR issues like Trademark, Copyright, Design, licensing and franchising etc. All this delineates that IPR protection in events like the above are inevitable. Legal contractual agreements must be in place protecting all forms of intellectual property created in sporting events, teams, individual players etc. so as to protect all the stake holders and their financial interests. There are various forms of revenue generation through the sports industry and it is important for the government to promote its national sports and culture so as to raise it to international standards, paving India's way forward into the exclusive league of developed countries across the world.

A classic example of disparagement and ambush marketing is the case between PEPSI and COCA COLA.

Pepsi Co., Inc. and Ors. vs Hindustan Coca Cola Ltd. and Anr.

[2003 (27) PTC 305 Del]

Yeh Dil Mange More

(My heart wants more)

Vs.

Yeh Dil Mange No More

(My heart wants no more)

The plaintiff in the instant case claimed disparagement of trademark and copyright in two advertisements of the defendants. Both advertisements allegedly desecrated the plaintiff's products with derogatory remarks. One of the advertisements depicted a thinly veiled substitute of Pepsi as a "bachhon wali drink" (drink for kids) while mocking Pepsi's advertising slogan by saying "Yeh Dil Mange No More" (My heart wants no more). Coca Cola famously telecast an advertisement claiming that 'PAPPI' was a 'sweet' drink meant for 'children', as opposed to 'Thums Up', that 'grown up people' would prefer. The Division Bench of the Delhi High Court issued a permanent injunction restraining its broadcast, holding that the advertisement depicted a Pepsi product in a 'derogatory and mocking' manner.

The Introduction of the National Sports (Development) Bill 2011 and its Dilemmas



In its bid to bring the Board of Cricket Control India (BCCI) under the umbrella of the national sports federations (NSFs) and ensure transparency in the functioning of all sports bodies, the sports ministry is seeking the Cabinet's nod for the introduction of the National Sports (Development) Bill, 2011^{1,2} in India.

The Bill was however rejected and the ministry was asked to rework the bill which was very regulatory in nature threatening the existing band of sports (2nd Bill).

The Bill seeks to have BCCI as an NSF and wants it to function as a "public authority" and "comply with the requirements specified in the Right to Information Act". BCCI would then force to follow the anti-doping rules as specified by the World Anti-Doping Agency (WADA)³. These proposals of the Bill have been

vehemently opposed by the BCCI and some sports bodies, including the Indian Olympic Association (IOA), which want to continue functioning in an autonomous manner, free from public scrutiny and accountability.¹

The Bill, aimed :

- at suggesting measures for the Indian Olympic Association (IOA) as well as the NSFs on several matters, including finance.
- every office bearer of NSFs and the IOA shall retire on attaining the age of seventy years.
- The president of these bodies will not be eligible to re-contest for the similar post on completion of 12 years or three terms in office of four years each, with or without break.
- The other office-bearers cannot continue for more than two consecutive terms, but can be eligible for re-election after a cooling-off period of four years.
- The Bill also calls for the appointment of an Ombudsman to mediate or conciliate disputes concerning athletes as well as complaints or disputes in the functioning and management of the IOA or any NSF.

It also calls for establishment of a sports dispute and appellate sports tribunal to adjudicate any dispute amongst office-bearers or members of the IOA, between IOA and NSFs, between NSFs and so on. All civil cases in which the NSFs or the IOA are a party and pending for adjudication of dispute before any court or authority (other than High Court and Supreme Court) would be transferred to the tribunal, whose chairman and members would be selected by a committee headed by the Chief Justice of India or his nominee. The selection committee will have the cabinet secretary and secretaries of three ministries as its members. Similar cases pending in High Court could be transferred to the tribunal with the leave of a High Court.

1. <http://yas.nic.in/writereaddata/mainlinkFile/File921.pdf>

2. Salient Features of the Sports Development Bill 2011

3. <http://www.wada-ama.org/>

KNOWLEDGE UPDATE

-: Guest Column :-

CTMs

An Effective & Efficient TM Protection Tool In Europe

Article by:-



Prof. Dr. Gordian N. Hasselblatt LL.M., Rechtsanwalt (attorney-at-law) and Partner, CMS Hasche Sigle, Cologne, Germany



Dr. David Kipping, LL.M., Maître en droit, Rechtsanwalt (attorney-at-law), CMS Hasche Sigle, Cologne, Germany



A Community trademark (abbreviated: CTM) is a simple and cost effective tool to obtain trademark protection in the European Union. With a single CTM registration the trademark owner obtains trademark protection in all 27 Member States of the European Union, namely in Austria, Belgium, Bulgaria, Cyprus, The Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, The Netherlands, Poland, Portugal, Rumania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.

The CTM thereby provides a unique means of obtaining trademark protection throughout the single market of the European Union that spans the territory of all of its Member States. In economic terms, the CTM offers tremendous value and business opportunity. For instance, in 2010 the European Union generated an estimated 26% share of the global gross domestic product, making it the largest economic area in the world. The EU is the world's largest exporter, the largest importer of goods and services and the biggest trading partner to several large countries such as India, China, and the United States.

The CTM is a single trademark registration that confers a monopoly right upon its proprietor to prevent unauthorized third party use of an identical or confusingly similar trademark in relation to overlapping or related goods/services to those covered by the registration. Thus, the CTM owner may prevent third parties from all kinds of uses of his mark, including the affixing of the infringing trademark to goods or their packaging, offering goods for sale, supplying services, importing or exporting and also use in advertising or on business papers.

The administration authority for CTMs is the Office for Harmonization in the Internal Market (OHIM) in Alicante, Spain. Established in 1996, the CTM has proven to be a very successful system: To date approximately 1 million CTM applications have been filed. Only two thirds of the applicants have their residence or place of business within the European Union itself. The other third of the applicants are non-EU residents. Remarkably the largest share of applications originates from trademark applicants from the United States (19%) followed closely by applicants from Germany (18%). By contrast, taking into consideration India's economic significance in the world and in Europe, Indian trademark applicants are largely underrepresented. Only 0,16% of the CTM applications filed since the creation of the CTM system originate from India-based trademark holders. This accounts for a total number of 1.475 trademark applications from India since 1996, including a total of 205 CTM applications from Indian applicants in 2010.

Application Procedure

The value and ease of management of a CTM is due to the CTM system providing for one single registration procedure, consisting of:

- a single application,
- a single language of procedure,
- a single administrative authority and
- a single file to be managed.

Applying for a CTM is a rather straightforward process. In order to obtain a filing date with OHIM, the following must be included in the application papers:

- a request for registration;
- the full identification of the applicant, including his/her address;
- the representation of the trademark;
- a list of goods and services for which the trademark seeks protection; and
- the official application fee must be paid within one month from the date the application is received at OHIM.

The official fee for a CTM application is EUR 900 if the application is filed online and EUR 1,050 if the application is filed in paper form. In either case, if the CTM application covers more than 3 classes of goods and services there is a fee of EUR 150 for each additional class. These fees can be paid either by credit card, by bank transfer or via a current account held with OHIM.

It is worth noting that in order to apply for a CTM the applicant does not need to appoint a professional representative in Europe. Only in the event of a proceeding before OHIM, representation by a professional representative is mandatory. However, in order to avoid mistakes and communication issues in filing a CTM application, it is highly advisable to seek the assistance of experienced trademark lawyers to take over representation during the entire application process, ranging from the finding of an appropriate trademark with corresponding trademark clearance searches, over the mere application to possible refusals proceeding as well as possible opposition proceedings.

Absolute Grounds for Refusal Test

After filing of the CTM application, in a first step the Office will examine whether all formal requirements are met. Once this test is completed, the Office's examiner will assess whether there are any absolute grounds for refusal that hinder the CTM's registration. This is often an important issue for applicants of CTMs and their advisors, since choosing a trademark that is fully capable of identifying the origin of specific goods/services can be a complex task.

Just to name the most relevant absolute grounds for refusal, one has to take into account that the following trademarks cannot be registered:

- trademarks that are devoid of distinctive character;
- trademarks that consist exclusively of descriptive signs or indications;
- trademarks that consist exclusively of generic signs or indications; and
- signs that exist exclusively of either the shape that results (a) from the nature of the goods, (b) which is necessary to obtain a technical effect, or (c) that gives substantial value to the goods.

The grounds for refusal are not mutually exclusive so that a refusal may be based on more than just one ground. What is important to bear in mind is that this assessment by the examiner has to take into account all languages of all Member States of the European Union. Therefore, a

trademark which in most languages does not have any meaning or which is perfectly distinctive, May in one of the official languages of the EU indeed be descriptive or generic. If the mark is found to face an absolute ground for refusal in just one of the languages in the EU, the trademark application will be refused in full, since it is not possible to limit the scope of a CTM to certain EU Member States.

A practical aspect to bear in mind is that examiners regularly use Internet search engines such as Google in order to assess whether a specific trademark might be descriptive. Should the examiner find that several Google search results make descriptive use of the mark, the likelihood that the examiner will reject the application is quite high. Therefore, for the applicant it is advisable to perform own Internet searches prior to filing the CTM application.

A final point to bear in mind when it comes to absolute grounds for refusal is that many of these grounds can be overturned if the applicant can prove that the mark – despite being descriptive or lacking distinctiveness – has been intensively used in the European market, thereby lending to the trademark an acquired distinctiveness or secondary meaning which allows the mark to perform its main function, i.e. to identify the origin of the goods/services.

Relative Grounds For Refusal Test

It is important to note that during the application proceedings for a CTM, the office does not conduct *ex officio* tests for relative grounds of refusal. While the office does perform a general check whether there are colliding trademarks and may inform the trademark applicant thereof, the office will never by its own authority refuse a trademark application based on the argument that there are other, senior trademarks that are identical or highly similar to the trademark application.

Such third party rights can only be invoked by the owner of these senior rights by filing an opposition within three months after the date of publication of the application in question. It should not be overlooked that the three months period for filing the opposition (and for payment of the opposition fee of 350 EUR) cannot be extended. Therefore, observing the opposition deadline is of utmost importance.

The types of rights on which an opposition may be based are the following:

- CTMs and CTM applications;
- National trademarks registered in an EU Member State and applications for such registrations;
- IR trademarks registered under the Madrid System with effect in any of the EU Member States as well as applications for such registrations;
- Trademarks which are well known in a Member State without being registered; or
- Certain nonregistered trademarks and other signs used in the course of trade and with more than mere local significance.

In those rare cases where the senior mark is identical to the CTM application and where the goods and services of the CTM application are also fully identical to the goods/services protected by the senior trademark, the opposition will always succeed and the CTM application will be deleted from the CTM registry. In the vast majority of cases, however, no such double identity of the marks and of the goods/services can be found. In these cases the opposition will only succeed if there exists a likelihood of confusion on the part of the public between the colliding marks. The appreciation of such likelihood depends on numerous elements, in particular (a) on the degree of similarity between the senior trade mark and the junior mark/sign, (b) on the degree of similarity between the goods or services identified, and (c) on the market recognition of the senior trade mark on the market. It is noteworthy that there is an interdependence between these factors, with the result that a lower degree of similarity of the goods or services may be compensated by a higher degree of similarity of the trademarks or an increased distinctiveness of the senior trademark and vice versa. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

Infringement Proceedings

Proceedings in actions for infringement of CTMs are to be brought before the "Community trademark courts". The Member States have designated the smallest number possible of national courts to act in CTM matters. The Community trademark courts have exclusive jurisdiction for, among other things, all actions for infringement or threatened infringement of a CTM, declarations of non-infringement and actions for damages.

As a general rule, the courts that are internationally competent in CTM matters are the courts of the defendant's country of residence or establishment in the EU. If the defendant does not have a residence or establishment in the EU, then the courts of the plaintiff's country of residence or establishment in the EU take jurisdiction. Aside from the general rules of international jurisdiction, a court action may also be brought at the place where the infringing act (or threat thereof) took place. This may be either the place where the infringing act was committed (e.g. country in which the infringer brought the infringing good onto the market) or the place where the infringement has a commercial effect (e.g. all countries to which the infringer shipped the infringing products). This jurisdiction provision opens up the possibility of "forum shopping". In choosing venue, it should be kept in mind that the scope of the Community trademark courts' competence varies considerably. Where jurisdiction is based upon the infringement taking place in the same state where the court is located, then the court is competent to review only the infringements in that particular state. By contrast, in cases where jurisdiction is based upon domicile or establishment, the court is competent to review infringements committed or threatened throughout the entire EU. This far-reaching competence provides for a significant ease of litigation, since it allows the CTM owner to enforce his claims for temporary and/or permanent injunctive relief as well as to claim damages before a single court for infringements that occurred in up to 27 different countries of the EU.

Advantages of Community Trademarks

All aspects considered, the CTM offers many advantages – especially in comparison to other international trademark protection systems. Briefly, the primary advantages of the CTM are:

- (1) As opposed to many national trademark registrations, there is only one for the whole EU, covering 27 jurisdictions;
- (2) Application and registration procedures are considerably more efficient and less costly and, at the same time, the applicant has the opportunity to choose the language(s) for any later proceedings before the Office;
- (3) The seniority of national trademarks of the same owner may be applied to CTMs if the trademarks and goods/services are identical; in other words, identical national trademarks can be "embedded" in the CTM; So, to that extent, there is no need to maintain national trademarks after the CTM claiming the national mark's seniority has been registered; thereby, the number of registered trademarks – and, thus, the costs – can be significantly reduced without affecting the scope and efficiency of the owner's trademark portfolio;
- (4) As a general rule, genuine use of the CTM in one of the EU Member States accounts for genuine use in the entire EU;
- (5) The CTM rights may be asserted against parallel imports from third states into the EU; the principle of "international" exhaustion is, in this respect, not applicable;
- (6) In many cases, the only feasible and most economic way of filling trademark protection gaps within the Community is to have a CTM; further, the CTM protection may be combined with international protection methods provided by the Arrangement of Madrid and the Protocol Relating to the Madrid Agreement;
- (7) Finally, the CTM also offers procedural advantages: in infringement proceedings, the plaintiff may freely choose whether to bring an action before a Community trademark court which has jurisdiction over infringing acts throughout the entire Community or before a Community trademark court having jurisdiction over infringing acts in the state where the court is located; the resulting "forum shopping" can be advantageous to the plaintiff.

We may be contacted at:

Vaish Associates Advocates

1st Floor, Mohan Dev Building, 13, Tolstoy Marg, New Delhi - 110001, India
Phone: +91-11-4249 2525 Fax: +91-11-23320484 e-mail : ipit@vaishlaw.com

DELHI

Flat Nos. 5-7
10, Hailey Road
New Delhi - 110001, India
Phone: +91-11-4249 2525
Fax: +91-11-2332 0484
delhi@vaishlaw.com

1105, 11th Floor
Tolstoy House
Tolstoy Marg
New Delhi - 110001, India
Phone: +91-11-4925 2525
Fax: +91-11-4925 2500

MUMBAI

106, Peninsula Centre
Dr. S. S. Rao Road, Parel
Mumbai - 400012, India
Phone: +91-22-4213 4101
Fax: +91-22-4213 4102
mumbai@vaishlaw.com

GURGAON

803, Tower A, Signature Towers
South City-I, NH-8
Gurgaon - 122001, India
Phone: +91-124-454 1000
Fax: +91-124-454 1010
gurgaon@vaishlaw.com

www.vaishlaw.com

BENGALURU

Unit No. 305, 3rd Floor
Prestige Meridian-II, Building No. 30
M.G. Road, Bengaluru - 560001, India
Tel: +91-80-40903581/ 88 /89
Fax: +91-80-40903584
bangalore@vaishlaw.com

UNSUBSCRIBE

Note : - If you do not wish to receive this News Letter in future , kindly send us an email with the word “unsubscribe” in the Subject of e-mail, else just reply this mail with the word Unsubscribe in the subject of the mail

Editor: Vijay Pal Dalmia Editorial Team: Christine Chiramel, Vikas Mishra & Pavit Singh Katoch

Disclaimer:

While every care has been taken in the preparation of this News Letter to ensure its accuracy at the time of publication, Vaish Associates assumes no responsibility for any errors which despite all precautions, may be found herein. Neither this news letter nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter.

No Copyright or any other right is claimed on any of the images, pictures, logos or trademarks, and all rights in the same belongs to their respective owners

* **COPYRIGHT NOTICE:** - © 2012, India. All Rights reserved with Vaish Associates Advocates,
1st Floor, Mohan Dev Building, 13, Tolstoy Marg, New Delhi - 110001, India