

NO to “Registration Immunity”. Disclaimer? – Marks still Similar

By Inga Lukauskienė, METIDA Law firm of Reda Žabolienė, Lithuania

On 29 March 2013, the Supreme Court of Lithuania turned a new page in the court practice by its ruling in the civil case approving the annulment of the registration immunity rule.

Until present, the explication given by the Lithuanian Supreme Court in the civil case Samsonas UAB vs Panerių Investicijos AB (case No. 3K-3-461/2004) of 27 September 2004 was applied in the court practice, stating that *if the respondent had registered a mark as its trade mark, without challenging such registration, it cannot be prohibited from using such a mark. According to the referred to previous practice, in investigating the cases on the infringement of rights of a trade mark owner (the Law on Trade Mark, Article 38) and clarification of all circumstances relating to the mark used by the respondent, in the first place, the court has to identify whether the respondent uses the mark wilfully, i.e. whether it has not registered the mark as its trade mark; such rule also applies to the trade marks submitted for registration.*

Such court practice has been altered by the present tendencies in the European Union owing to the rejection of the so-called “registration immunity”. In other words, the fact of industrial property object registration is not an obstacle for the other (previous) object owner to implement his/her rights with respect to the later (although registered) object. The so-called “registration immunity” rule is not an issue of the court regulation, but that of the legal interpretation and doctrine. At the moment, the issue is being discussed by the CJEU (until 1 December 2009, the Court of Justice of the European Communities) interpreting the relevant legal norms defined in the EU legislation. On 16 February 2012, the CJEU has made the preliminary ruling in the case *Celaya Emparanza y Galdos International SA v. Proyectos Integrales de Balizamientos SL* (case No. Nr. C-488/10), in which the court has interpreted the provision established in Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, Article 19, Part 1, regulating the rights provided by the registered Union design. In the ruling, the CJEU interpreted that Article 19, Part 1 of the Regulation No 6/2002 must be interpreted so that in the dispute on the infringement of the exclusive right provided by the registered Community design, the right not to allow to use such design by the third parties also covered any third party using other design, which does not cause different general impression to the informed users, including third party which was the owner of the later registered Community design. Speaking about the trade marks in particular, on 21 February 2013 the CJEU has made the preliminary ruling in the case *Fédération Cynologique Internationale v. Federación Canina Internacional de Perros de Pura Raza*, (case No. C-561/11), in which the court interpreted the provision defined in [Council Regulation \(EC\) No 207/2009 of 26 February 2009 on the Community trade mark](#), Article 9, Part 1, regulating the rights provided by the Community trade mark. Supporting the conclusion made by Advocate General Paolo Mengozzi on 15 November 2012, the CJEU has interpreted that the [Council Regulation \(EC\) No 207/2009 of 26 February 2009 on the Community trade mark](#), Article 9, Part 1, must be interpreted so that the exclusive right of the Community trade mark owner to prohibit any third part from using identical or similar marks in the commercial activity covers third party which is the owner of the later Community trade mark, without seeking a preconceived disclaimer of such later trade mark registration.

The Supreme Court of Lithuania confirmed that consideration had to be made of the referred to tendencies consistently formulated by the CJEU in interpreting and applying national legal provisions and rights of the owner of the earlier mark established in the Law on Trade Marks of the Republic of Lithuania (although such mark had been registered or submitted for registration).

Such practice alteration will make the defence of the trade mark rights significantly easier, because far from seldom a person using a mark illegally, upon receipt of a warning letter on the infringement of rights to the registered trade mark, objectively produces obstacles to defend the infringed rights by submitting the application for registration of such mark as the trade mark. Since the process of the trade mark registration takes about one year in Lithuania, therefore, only after one year of mandatory tolerance of the infringement, does it become possible to file a claim with the court for declaring the trade mark registration void and prohibiting the use of such mark.

The Supreme Court of Lithuania in its ruling also gave comments about significance of disclaimer in the assessment of similarity of trade marks.

The practice of the Supreme Court of Lithuania on the improbability of pertinent marks being protected on basis of the exclusive rights is formulated and **unambiguous. With reference to the practice of the CJEU, the General Court of the European Union** (hereinafter, the General Court of the EU) (until 1 December 2009, the Court of First Instance of the European Community), the Supreme Court of Lithuania stressed more than once that trade marks (like intellectual property on the whole) are a significant tool in the market competition. The trade mark rights shall provide the industrial subjects with the opportunity to protect their trade marks and efficient defence on the basis of the exclusive rights, provided that the exclusive rights have been infringed (see, e.g., the ruling made by the Judges' Board of the Civil Cases Division of the Supreme Court of Lithuania on 6 October 2009 in the civil case *Latvian enterprise SIA Strolbiofarm Balticum v. Sanitas AB* (case No. 3K-3-389/2009), the decision of 13 May 2011 in the case *Latvian enterprise SIA Strolbiofarm Balticum v. Sanitas AB and others* (case No. 3K-3-255/2011), the ruling of 1 March 2012 made in the case *Baltasis pyragas UAB v. Vilniaus duona UAB* (case No. 3K-3-59/2012), the ruling of 8 November 2012 made in the case *Boslita ir Ko v. Latvian enterprise AS Latvijas Balzamas and others*, (case No. 3K-3-485/2012 and others).

The said court practice also stresses that the trade mark right should not turn into the tool "to usurp" marks that cannot be deemed as trade marks in the meaning of the trade mark rights, as they cannot perform the trade mark functions owing to the non-compliance to the absolute and/or other (relative) requirements for the trade marks.

Consequently, if the compared trade marks incorporate disclaimer, the misleading similarity or difference of the trade marks is determined not by self-sustained repetition of the unprotected element in the marks, but by other elements (colours, graphic presentation of the elements in the marks, including those determined as disclaimer, such as location in the mark, position, etc.) (also see, e. g., the ruling made by the Judges' Board of the Civil Cases Division of the Supreme Court of Lithuania on 2 November 2012 in the civil case *Infomedia UAB v. TEO LT AB*, (case No. 3K-3-446/2012). Therefore, only the fact that a disclaimer from the earlier trade mark has been repeated in the contested mark does not mean of its own accord that the marks cannot be acknowledged as confusingly similar, on the contrary, if the graphic presentation, position, applied colours are repeated in the contested mark, and other coinciding or similar elements (although secondary) are used, such marks should be acknowledge as confusingly similar.

Consequently, the first instance court to which the case has been returned for the repeated hearing due to the failure to disclose the essence of the case, will have to decide whether the label on the instant coffee package infringes the rights to the registered trade mark, also used as the label marking instant coffee, even when the wording “Indian instant coffee” is acknowledged as the disclaimer of the registered trade mark.



(on the left – product bearing label registered as trademark, on the right – infringing product)

The Court also stated that, in the assessment whether the rights of the trade mark owner had been infringed, the existence of likelihood of confusion on the part of the public had to be taken into consideration rather than the actual confusion (also see the ruling made by the Judges' Board of the Civil Cases Division of the Supreme Court of Lithuania on 17 May 2000 in the civil case *US enterprise Anheuser-Busch Incorporated v. Czech enterprise Budejovicky Budvar N. P.*, (case No. 3K-3-554/2000; others). The Court also precluded speculations that a plain similarity between the trade marks is not sufficient in resolving as to whether the likelihood of confusion on the part of the public exists seeking to prove that the similarity is misleading. Although, indeed, the Law on Trade Marks of the Republic of Lithuania uses the concept “misleading similarity”, however, the Court interpreted that whether the compared marks were named as similar or as misleadingly similar, it was irrelevant, because the given legal construct did not bear in itself either higher or lower similarity assessment standard or criteria between the marks.

Although the above case was returned for re-examination, the retrying lower courts and other courts of the Republic of Lithuania were provided with the above mandatory interpretations and new court practice was formed.

For more information, please contact:



Inga Lukauskienė
Attorney-at-law, patent attorney, associated
partner
METIDA Law firm of Reda Žaboliene
inga.lukauskiene@metida.lt
www.metida.eu

Inga Lukauskienė has obtained Master's degree in Law from the Faculty of Law of Vilnius University in 1998 (integrated studies).

She worked as a Lawyer in the Trademark and Patent Agency Metida since 1998. In 2004 she became an Attorney-at-Law. Inga Lukauskiene has been working as an Attorney-at-Law in METIDA Law Firm of Reda Zaboliene since 2005.

The extensive experience of Mrs. Lukauskiene allows her to competently advise Lithuanian and foreign clients on the protection of trademarks, designs, copyrights and on unfair competition issues and to represent clients defending their intellectual property rights under judicial as well as extra-judicial procedure.

Mrs. Inga Lukauskiene has participated in numerous conferences of international organizations such as INTA, AIPPI, seminars organized by the Lithuanian Bar Association and has written a number of articles on intellectual property issues, which were published in the Lithuanian and foreign press. Inga Lukauskiene presents at the conferences and seminars on intellectual property protection.

Inga Lukauskiene has been a member of the Lithuanian Bar Association since 2004 and has been a Patent Attorney and a member of the Lithuanian Patent Attorneys Association since 2008.