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Ukraine – Misrepresentation or Abuse: How to Get Back Your Trademark

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Ukraine is actively working on the implementation of European standards of trademark protection and is making significant efforts to fill the lacunas of the current trademark system. As the system is developing we provide a short overview of abuse of rights to trademarks.

Article 6 *quinquies* of the Paris Convention for the Protection of Industrial Property provides remedy for trademark owners: **trademarks may be invalidated if they may mislead the public**. Unfortunately, there are very few cases in the Ukrainian courts where this provision has been applied.

In one case a Canadian company had not registered its trademark in Ukraine but found out that a Ukrainian had registered an identical mark ICYNENE for similar goods without their consent, and was operating a website referring to registered mark. The Canadian company brought an action referring to the clause 4.3.1.9. of the Rules for Making, Filing and Considering Applications for Ukrainian Trademark Certificates: marks are **false** or may mislead a consumer as to the goods or manufacturer if they **create any associations in a customer's mind** with certain quality, geographic origin of the goods or **certain manufacturer**, which are untrue.

The court of first instance rejected the claims for the reason that the claimant failed to prove that the mark is well-known and that there was a likelihood of confusion. The appeal upheld the decision of lower court, since the claimant failed to prove that the contested mark was registered unlawfully.

The High Civil and Criminal Court of Ukraine stated that both first instance and appeal decisions did **not give a correct evaluation of the claimant's arguments.** The claimant alleged that **respondent's use of the mark that had been** developed and owned by the claimant clearly mislead the consumers as to the identity of the manufacturer, since the respondent's website **created a false impression that it was an official website of the goods dealer or manufacturer**.

The case was therefore remanded for a new trial referring to Article 6 *quinquies* of the Paris Convention, declaring that the level of consumer awareness or perception of a mark in certain social spheres is among the factors that required expert knowledge to be ascertained. The case is currently considered by the court of first instance in course of reconsideration.

A good alternative to abovementioned defense for trademark owner may be the recognition of

abuse of right to register a trademark, whereas genuine trademark is actually owned by a third party (i. e. claimant).

The only example where court sustained that approach is in a trademark cancelation dispute, considered by the court of first instance in 2016.

In this case, the claimant relied on two grounds for trademark cancellation: (1) the trademark is "false or capable of misleading the consumers regarding the product, service or its producer" and (2) it free-rides on the repute of known claimant's trade name.

The claimant submitted that the respondent's registration of the disputed trademark MANDO should be regarded as an **attempt to free-ride on the reputed** name and intellectual property of the major producer for its own benefit **and as an abuse of the right to a trademark registration**.

The court upheld the claim highlighting that ownership of such trademark by the respondent creates crucial problems for the claimant that should be removed: (1) the importation and sale of the claimant's original products bearing the disputed trademark would be treated as being illegal; (2) the claimant would be unjustifiably prevented from registering a trademark for its own products and services in Ukraine because of the earlier trademark registered in bad faith.

Additionally, the court may cancel the trademark protection if the trademark registration in the hands of the respondent is recognized as an abuse of the right. For this to be done, in our opinion, an attitude towards the trademark needs to be changed: to ensure the protection the trademark should be first used, developing the right associative link and reputation among consumers.

The remedy allowing to declare abuse of trademark rights would have been much more regularly used if it was established specifically by the trademark regulation. Recognition of abuse in some cases might be the only way to protect the interests of the brand owner. Without clear mention of such a right very few courts in Ukraine are upholding such claims. Hoping current reform of trademark regulation will bring the changes.

The draft law proposing amendments to trademark regulation in course of Association Agreement with EU does not contain rules concerning abuse of trademark rights. Hopefully, the respective changes will be added till the end of IP reform scheduled on the end of 2023.

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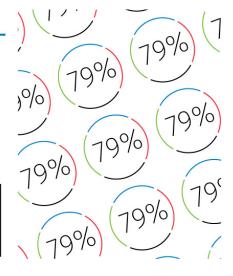
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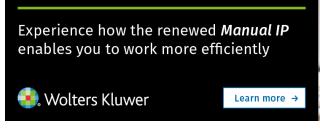
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