

Zacco

Safety in numbers: Danish protection for well-known marks

In Denmark, it is recognized that well-known or famous marks require protection which is broader than merely direct competition. However, to enjoy extended protection, documentation must be submitted which confirms that the relevant consumers have a general and broad knowledge of the mark

As is the case in many other jurisdictions, Danish law provides broader protection for well-known and famous marks than for other trademarks.

Section 4(2) of the Trademarks Act incorporates the provisions of the EU First Trademarks Directive (89/104/EEC, now 2008/95/EC). Pursuant to its terms, the proprietor of a trademark is entitled to prevent unauthorized third parties from using, in the course of trade, any sign which is identical or similar to the trademark in relation to goods or services which are dissimilar to those for which the trademark has been registered or used. This protection applies only where the mark has a reputation in Denmark and its use without due cause takes unfair advantage of or is detrimental to the distinctive character or repute of the mark.

Pursuant to Sections 15(3)(1), 15(3)(2) and 15(4)(1), a trademark may not be registered if it is identical or similar to an earlier trademark and registration is sought in relation to goods or services which are dissimilar to those for which the earlier trademark has been registered, provided that the earlier mark is well known and use of the later sign may take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trademark.

The reasoning behind these provisions is that well-known or famous marks have a clear need for protection which is broader than mere direct competition.

The quality which is associated with a well-known or famous mark might tempt other parties into unfair exploitation, which in turn could substantially damage the value of the mark.

Uncontrolled use of a well-known mark in connection with goods or services for which it is not well known could lead to a dilution in the perceived value of the mark,

which might ultimately result in the mark losing its special quality altogether.

Well-known or famous?

The distinction between the terms 'well known' and 'famous' may be a little confusing. A famous mark is always well known, whereas a well-known mark is not necessarily famous. Famous marks are those which enjoy protection in a jurisdiction even without registration pursuant to Article 6bis of the Paris Convention for the Protection of Industrial Property and Article 16(3) of the Agreement on Trade-Related Aspects of Intellectual Property Rights. Section 4(2) of the Trademarks Act does not distinguish between the terms 'famous' and 'well known', and instead uses the wording 'has a reputation' to cover all such marks.

Documentation submissions

For a mark to enjoy the extended protection afforded to well-known and famous marks, documentation must be submitted which confirms that the relevant consumers have a general and broad knowledge of that mark. The established practice of the Patent and Trademarks Office demonstrates that it attaches importance to documentation which evidences that the mark is well established in the relevant market. There are no general rules on how well known a mark must be in order to enjoy extended protection; the requirements regarding documentation may vary depending on the type of goods and the industry sector.

In general, the following types of evidence are submitted:

- affidavits from trade or industry associations;
- documentation showing market share and turnover;
- documentation showing relevant marketing expenses;

- market surveys;
- advertising material; and
- copies of invoices.

A mark can be well known in Denmark even if the goods or services for which the mark is well known are not sold on the Danish market or are sold on only a limited scale.

Cases

The following cases illustrate how assessments are made in this regard.

Rolls-Royce v PR Chokolade

In 2004 Rolls-Royce wrote to PR Chokolade voicing concerns that the latter's logo might be confused with its well-known ROLLS-ROYCE mark. PR Chokolade's logo displayed a large golden P and an R intertwined, with the words 'Belgisk' above the logo and 'chokolade' below. However, PR Chokolade refused to acknowledge that any infringement might be taking place and further disputed that the ROLLS-ROYCE mark was well known. As a result, Rolls-Royce initiated infringement proceedings before the Maritime and Commercial Court.

Since PR Chokolade's business has nothing to do with aircraft engines or cars and the logo was used exclusively in relation to chocolate, it was vital for Rolls-Royce to prove that its figurative trademark, which has been in use since 1904 and is registered in most countries throughout the world, was well known.

It therefore commissioned two market surveys to support this claim. In the first, a fictitious ROLLS-ROYCE figurative trademark featuring only two Rs intertwined was shown. In the second, the mark also carried the words 'Rolls' and 'Royce'.

Both surveys had a positive outcome for Rolls-Royce. In the first survey 38% of participants immediately recognized the mark

and 82% associated it with Rolls-Royce. In the second survey, 82% of participants knew the mark, while 95% associated it with cars.

The Maritime and Commercial Court agreed with Rolls-Royce. As well as awarding it damages, it ordered PR Chokolade to pay a total of Dkr125,000 to cover the costs of both trademark surveys and the costs of the case.

The court found it significant that due to the limited range and sales of Rolls-Royce in Denmark and the longstanding usage of the mark, "a very particular aura of prestige, luxury and quality" had been conferred upon the mark.

In determining the amount of compensation, the court deemed it important that Rolls-Royce never licenses its trademarks. In addition, the court held that PR Chokolade's significant business was, to a large extent, associated with the disputed mark, "having manifested itself in the mind of the customers by using its figure trademark that 'plays on' an obvious similarity with the ROLLS-ROYCE figure trademark which is... associated with a very particular aura of prestige, luxury and quality".

Prince v Prince

On December 21 2007 the Maritime and Commercial Court ruled on a dispute between House of Prince (owned by British American Tobacco) and General Biscuits.

The trademark PRINCE is well known in Denmark in connection with cigarettes. The dispute before the court concerned the question of whether the reputation of this mark could prevent use of an identical mark in connection with biscuits.

The court found that despite the fact that Prince cigarettes enjoyed a market share of 57% in Denmark and that 99% of participants in a market survey recognized Prince as a cigarette brand, use of the PRINCE mark on biscuits did not take unfair advantage of the cigarette brand's reputation.

The court attached importance to the fact that the word 'prince' has a low degree of distinctiveness because royal titles are generally laudatory, and that biscuits and cigarettes are not sold in the same manner in supermarkets (ie, biscuits can be found on the shelves, whereas cigarettes must be ordered over the counter). House of Prince was ordered to pay the costs of the case in the amount of Dkr49,250.

The decision was appealed to the Supreme Court, but the appeal was subsequently withdrawn.

Tivoli v Innocent Pictures

On December 12 2008 the Maritime and Commercial Court ruled on a dispute



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between Danish amusement park Tivoli Gardens and Innocent Pictures, which had distributed pornographic movies entitled *Tivoli Nights* on a Danish television channel.

The court agreed with Tivoli that the trademark TIVOLI was well known and that use of the mark TIVOLI NIGHTS in connection with pornographic movies could be detrimental to the reputation of the trademark.

Innocent Pictures was ordered to pay a fine in the amount of Dkr50,000, compensation in the amount of Dkr300,000 and costs in the amount of Dkr75,000. In addition, it was ordered to publish the court's decision on its website. The decision has been appealed to the Supreme Court and the proceedings are pending.

Burberry v Tiger

On January 27 2009 the Supreme Court issued its final ruling on a dispute between UK company Burberry and Zebra AS, which operates a number of Tiger stores in Scandinavia. The Tiger stores sell a wide variety of gift items and household articles at low prices (Dkr10 to Dkr20 per item). Zebra sold wallets with a pattern bearing a close resemblance to the well-known Burberry check pattern in its stores for Dkr20. Zebra acknowledged that the wallets infringing Burberry's rights with regards to the well-known pattern and thus it was left to the court to decide the amount of damages applicable.

The Supreme Court ruled that Burberry's wallets, which were sold at a price of approximately Dkr2,000, were exclusive, high-end products, in contrast to the cheap wallets which were sold by Tiger at a price of Dkr20.

The two products had different end users and it was unlikely that sale of the cheap wallets would impact on the sales of the exclusive high-end products. Burberry was unable to show that it had suffered any economic loss as a result of the infringement. As such, no damages could be awarded.

However, the court found that Burberry was entitled to compensation in the form of royalties, the amount of which should be measured against Tiger's sales of the infringing wallets, which amounted to Dkr340,000. Since the sales had taken place on a large scale, the court held that they had caused Burberry a market disturbance estimated at Dkr100,000. [WTR](#)