

Feature
By Trevor Little



Unmasking reality at the MARQUES annual conference

This year's MARQUES annual conference was organised around the theme "Reality Check". The realities that it considered encompassed both the physical and virtual worlds, as well as predictions for the future of brand management and the European trademark system. *WTR* presents the highlights of the programme

Almost a year after he assumed the presidency of the Office for Harmonisation in the Internal Market (OHIM), António Campinos addressed the MARQUES annual conference for the first time, using his speech to expand on the agency's work "in collaboration with national offices in the EU, and other partners, to try and make IP protection more accessible to business people and make sure that we have a joined-up system". As well as improvements to trademark prosecution practices, his speech touched on new competencies with which the office may be tasked.

Campinos explained that OHIM is building "a collaborative network of trademark and design offices", with common tools and harmonisation of practices being two of the elements already in progress. The third element is the further harmonisation of trademark laws and procedures through legislative review – Campinos welcomed the European Commission's decision to revise both the Community Trademark Regulation and the Trademark Directive at the same time.

He stated: "Changes we would still like to see coming out of this process would be the abolition of the one-month buffer period for payment. What we want to achieve is having the obligation to pay established on the filing date (although I would like to stress that we are not ruling out the option of allowing more flexible conditions for when payment is actually made). We also think that the time has come for national searches to be abolished or phased out and replaced by free search tools available to all clients upon filing."

OHIM will not press for a reduction in the publication period to allow oppositions before registration from three months to two, or for a shorter, two-month time limit for appeals. However, the changes that the agency would like to see include "allowing Community trademark (CTM) filings to be made only at OHIM. The current option of filing through national offices is seldom used and in the online age there is no barrier to access to filing, while there is an administrative burden in having multiple filing paths. We would

also like compulsory disclaimers to be abolished and to be kept only as a voluntary option both before and after registration."

As well as changes to the existing framework, Campinos spoke about the agency's potential new competencies. Having touched on the well-publicised plans for OHIM to oversee the Observatory on Counterfeiting and Piracy, he noted: "Another possibility could be the creation of a registration system for non-agricultural geographical indications (GIs), which the commission is currently examining... Non-agricultural GIs cover things that are a very vital part of national or regional identities. They create and sustain jobs and contribute to economic development. This is an area which is complementary to OHIM's existing expertise. In a similar vein, we would also like to see new legislative provisions giving rise to a new kind of right – namely, Community certification marks."

For all the talk of change, Campinos was keen to stress that core activities will not be neglected. OHIM expects a 10% rise in CTM applications this year and Campinos reassured users that "timeliness is a very important aspect of quality and we don't intend to lose sight of that. The consistency and predictability of decision making, and many other areas also require attention. Under the recent management reorganisation we created a new horizontal service, the Portfolio and Quality Management Service... [which is responsible for] leading the continuous improvement of the office's internal processes."

In the question-and-answer session after Campinos's speech, David Stone of Simmons & Simmons challenged the existing system whereby OHIM is involved in appeals on opposition matters at the General Court. Stone argued that it should be a fight between the disputing parties, rather than a matter for OHIM.

However, Ralph Pethke of OHIM's International Cooperation and Legal Affairs Department rejected the suggestion, stating that in such cases "it has been considered that we are, in fact, the defendant, as it is about a decision of ours. We are the issuing authority of that decision and should be heard when the legality of this is being questioned."

The reality of trademarks

While OHIM provided some notable talking points, a national office perspective was presented at the formal opening of the conference. Loredana Gulino, director general of the Directorate for Combating Counterfeiting at the Italian Patent and Trademark Office, reflected on a year of significant developments, noting: "We have recently reached the complete clearance of the backlog of examinations. We

Campinos would welcome the creation, and administration, of a registration system for non-agricultural geographic indications, as well as Community certification marks



established a temporary taskforce of examiners and consider this a great achievement. We have also introduced an opposition procedure, which is vitally important when you consider that Italy is one of the most important countries for trademark registrations. So oppositions really are a welcome development.”

Gulino's sentiment was echoed by Massimo Sterpi, a partner at Studio Legale Jacobacci Sterpi Francetti Regoli de Haas: “After being seen for many years as a joke, in Italy we have recovered incredibly fast and registrations are currently issued in a matter of months, with oppositions also now available.”

The ‘reality check’ sessions kicked off with a focus on brand strategies, asking whether the economic crisis has affected the way in which brand owners approach the treatment of their identities.

Future Concept Lab's Francesco Morace argued that there had indeed been a change in the way that brands position themselves; however, he felt that this was the result of a larger paradigm shift in which brands are no longer the fundamental elements and must

align themselves with a new reality: “The new paradigms are connected to sustainability, sharing, health [and] quality of time and space, and there is a central trend towards sharing food.” Rather than, for example, fashion and fashion brands being a paradigm in themselves, such brands must now align themselves with new trends and modes of living.

As Morace explained: “Lifestyles today are over – life occasions are instead the most important elements. Brands are partners in the life occasion and in this new dimension, occasions can be the platform for brands to play the game.” Morace cited T-Mobile's spoof royal wedding advertisement, which went viral and was seen by more than 200 million people online: “Using a worldwide event, [T-Mobile was] able to demonstrate intelligence. Today, people want quality and intensity of experience. The innovative standards will be of truth, beauty and vocations. In terms of advertising, ethics and aesthetics matter. In the old paradigm, ethics were grey and boring. Today, the parameters of brand integrity are intrinsically linked with ethics and credibility.”

For brand owners, the takeaway was a need to engage in clear, simple and credible brand marketing, exploiting social occasions and the sharing values of the individual – credibility takes precedence over visibility.

Brand ownership challenges

This highly conceptual session was followed by an insight into the more practical challenges faced by brand owners, specifically Prada and Kraft Foods. For Prada, whose trademark is considered “a cultural phenomenon”, effective policing is key. Murielle Vincenti explained that the brand embeds intellectual property across all layers of the organisation: “To protect our trademarks, we set a corporate policy which we transmit to all employees to explain why it is important to protect our intellectual property. If they understand this, we will then have their support. We have also set up a technical committee which discusses strategic aspects of trademarks and takes decisions in a cost-effective manner.”

Crucially, this committee is not made up purely of IP professionals, but includes other business stakeholders, such as stylists.

The purchase of a fashion brand is a conscious, often planned, decision. For Mark Hodgkin of Kraft, the nature of the impulse snacking sector presents very different challenges. Clarity around the brand is critical in enabling purchasers to make a quick, impulsive buying decision.

Hodgkin stressed the importance of visibility and recognition:

“ Entertainment companies need to predict how media creations will develop into real-world brands - predicting both future delivery channels and which property will be the next big thing ”



“Research shows that 70% of chocolate bar buying decisions are not made until the buyer is in front of a product fixture. So, for impulse brands, it is important that consumers know who you are and what you represent. This involves both advertising and marketing, and standing out at the point at which they buy. Visibility is therefore key and consumers navigate their way through colours, shape, design and logo.”

As a result, design elements have become a critical area of focus for food companies – in Cadbury’s case, awareness campaigns have focused on the ‘glass and a half’ logo, which appears on packaging and serves as an instant identifier.

Another challenge in this sector is treading the line between emotive names and descriptiveness. Hodgkin explained: “Because [the products] are purchased quickly at the point of sale, as well [needing] to be identified via packaging, design, colour and shape, product names for impulse brands are important. In fast-moving consumer goods, you have limited time to grab the consumer’s attention and explain what your product offers. While there are good marketing communications reasons for descriptive names, we have to try to persuade marketers to avoid referring to products descriptively.”

As with Prada, this is achieved by the IP team working alongside others, with new products going through a staged development process. Issues can arise at any of a number of “gates along the way”, preventing progress to the next stage of development. Hodgkin noted: “A number of issues can cause a review at these gates – and we are trying to ensure that IP is present throughout the innovation pipeline.”

Gerald Ford, partner at Ford Bubala & Associates, took up the theme of consumer awareness in considering the rising use of survey evidence in US trademark litigation and the new data collection methods being used in commercial research. To date, phone surveys and mall intercepts have been the primary survey methods in trademark cases. However, internet surveys now account for half of every dollar spent on quantitative market research. They

are increasingly used in trademark litigation, but are not without issues. Ford stated: “We are still struggling with use of internet panels. We may be doing interviews with someone and we really don’t know who they are – we know who they say they are, but not who they definitely are. This is ultimately solvable, but even more challenging is keeping respondents from minimising a window, running a search and then answering questions. In the US we have discovered that about 40% of online survey volunteers have turned out to be volunteering for other panels – often using different email addresses and names. So you could have someone answer the same survey multiple times.”

Getting even more high-tech, some commercial market researchers have turned to neuroscience to monitor how people react to a particular product or type of packaging. Although it provides scientific (and therefore more objective) measurements, this research also has drawbacks. “The disadvantage is that you don’t know why [people] are reacting a certain way. Brainwave measurement, for example, is a robust tool that gives a diagnostic moment-by-moment reaction. But you still don’t know why that reaction is occurring. I’m not aware that it has yet been used in trademark litigation, but it is cutting edge.”

Harry Potter comes to life

Consumer awareness is not in itself a problem for celebrities; rather, it is one of their unique selling points for brands wishing to make an association. Yet many celebrities are essentially created, or at least promoted, through media content, which creates challenges for companies that control media channels. In a lively session, Time Warner Director of Trademarks Daretia Austin and Milan Milojevic of Zivko Mijatovic & Partner explored the issue of celebrity marketing and the ways in which brands created in the media world have a real-world impact.

For companies such as Time Warner, this is a critical issue, as they need to predict how media creations will develop into real-world brands. Austin explained: “With filing strategies, we now have



to try to predict both future delivery technologies (and ask if our registrations will be applicable in these new categories) and also... which television show, movie or publication will be the next big thing. We then have to consider related merchandise opportunities and how we protect the extended brand. For instance, we file in relevant classes when a show is greenlit. If it is airing, you then maybe protect print, magazines, clothing and toys. If something is a big hit, you have additional merchandising opportunities to consider – food, wine, cosmetics... *The Sopranos*, for example, led to the launch of a branded pasta sauce and a wine.”

Expanding on the issue of media brands coming to life, Mijatovic agreed that media companies should pay close attention: “The brand developed in the media world enters the real world via merchandising, so when looking at the expansion of brands, you have to consider this stepping out. Consider Harry Potter. First we had a book, then a movie, then what I would call ‘Harry Potter mania’. We have toys, video games – even a theme park. Making movies is expensive and companies therefore see brand expansion as a way of increasing their revenue. As a result, we do see a lot of infringement.”

Of course, not every use of an expanded brand without consent is infringement. Mijatovic noted that many companies use actors from a particular film so that they can associate themselves with it. He gave the example of Burberry, “which used the actress Emma Watson, who appeared in the films, with the aim of capitalising on the publicity surrounding Harry Potter. But there is no infringement in this instance – the owner of the Harry Potter brand can’t dictate what the actors subsequently do.”

The conference was closed by DSM’s Nunzia Varricchio, chair of the MARQUES council, who looked ahead to next year’s conference in Athens. Another year of reality lies ahead. [WTR](#)



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 **PEARL COHEN ZEDEK LATZER**
HERZLIYA | NEW YORK | HAIFA | BOSTON

5 Shenkar Street | P.O. Box 12704 Herzliya 46733 Israel
Tel: +972-9-972-8000 | Fax: +972-9-972-8001

1500 Broadway, 12th Floor, New York, NY 10036
Tel: (646) 878-0800 | Fax: (646) 878-0801

Contact: Dor Cohen Zedek at
dorc@pczlaw.com | www.pczlaw.com