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Certain Features of the Trademarks Act 2000

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There is no doubt that the Trademarks Act 2000 was a most welcome addendum to our statute book. It has provided the owners of trademarks with new channels for protecting their intellectual property and extended the scope of protection afforded to service marks. This latter category was previously afforded no protection whatsoever under our law. The mechanisms formerly obtaining, based primarily on the Industrial Property (Protection) Ordinance 1899, had become outdated and out of touch with the realities of the modern world where some trademarks have acquired tremendous commercial magnetism coupled with an immense financial value.

The roots of the Trademarks Act 2000 are to be found in a number of different sources. Pre-eminent amongst these are the United Kingdom Trademarks Act 1994, EC Directive 84/104/EEC on the approximation of the laws of member states relating to trademarks, the Paris Convention for Protection of Industrial Property 1883 and the TRIPS Agreement of 1995. Stating that the provisions of the 1994 United Kingdom Act were incorporated into our law lock, stock and barrel is hardly an exaggeration; indeed few differences will emerge upon a comparison of the two. Such a state of affairs should be welcome as the learned judgements of the courts of the United Kingdom will undoubtedly serve as a thorough guideline as to the manner in which the provisions of our new law are to be interpreted.

The conclusion of the TRIPS Agreement in Marrakesh and its inclusion within the ambit of the World Trade Organisation Agreement in 1995 was by no means an easy feat. Quite on the contrary, it was a milestone of tremendous magnitude, primarily achieved through the insistence of the United States at the commencement of the Uruguay Round of the GATT talks. The most notable and innovative matter to be incorporated in our new Act, as a consequence of TRIPS is the area of famous and well-known marks. These have finally been afforded the protection they deserve, a state of affairs which had long been acknowledged and put into practice in all advanced and industrialized nations but which, alas, had been neglected and often denied locally. Happily, this will ensure that judgements such as the series of McDonalds cases of the early and mid-nineties will never repeat themselves.

While the Trademarks Act 2000 has enhanced the channels of protection in so far as registration procedures are concerned, one must bear in mind the fact that the sections in the Commercial Code on the 'Limits of Competition' found in Sections 32 *et seq.* still form an integral part of our law. Such provisions may still be relied upon by any person who elects to file an action for unlawful competition concurrently with, or in lieu of, any action available under the Trademarks Act.

The Trademarks Act 2000 is divided in four parts:

- Part I (Registered trade marks) defines trademarks and sets out the criteria for their registration. This part also deals with the effects of the registered trade mark and its protection by way of infringement proceedings. This part also contains provisions relating to assignment and the grant of licences by the proprietor.
- Part II (international Matters) implements obligations in relation to trademarks under the Paris Convention *inter alia* requiring protection of non registered well-known marks, national emblems and emblems of certain international organizations.
- Part III (Administrative and other Supplementary Provisions) deals with modifications, provisions concerning the register, the powers and duties of the Comptroller of Industrial Property, legal proceedings, appeals and registered trademark agents. It also provides for the strengthening of criminal sanctions against dealing in counterfeit goods and the power of the court to order forfeiture of such goods.
- Part IV (Miscellaneous and General Provisions) is concerned with transitional provisions, consequential amendments, repeals and so forth.

The Act is also supplemented by schedules dealing specifically with collective and certification marks.

It would, perhaps, be safe to state that the most novel feature of this Act is the definition of a trademark found in Section 2 of the Trademarks Act 2000 which holds, that:

Trademark means any sign capable of being represented graphically that is capable of distinguishing goods and services of one undertaking from those of other undertakings. A trade-

mark may, in particular, consist of words (including personal names), figurative elements, letters, numerals or the shape of the goods or their packaging: Provided that for the purposes of this Act, 'any sign capable of being represented graphically' includes any sign capable of being put down in words.

From the above it would therefore appear that the overriding criteria for a sign to qualify as trademark are twofold; the fact that the sign is capable of graphical representation and that it is capable of distinguishing the goods and services of one undertaking from those of another.

It is interesting to note that as is the case with the United Kingdom Act, the Trademarks Act 2000 fails to define the word 'sign'. It would appear that the term has been taken directly from EC Directive 89/104 wherein one finds that a sign is, '...a signal, a mark with a meaning, a symbol, an emblem, a device, an indication...' The necessity for the mark to be capable of graphic representation serves to fulfil the practical requirement of being able to record the mark, publish and search for it in a register. The implications of such are that the mark must somehow be capable of representation or description on paper. Once this first requisite is fulfilled then there is the second; the mark must be capable of distinguishing the goods and services of one undertaking from those of another. This second test is of particular importance because it embodies the principle that a trademark must serve to distinguish the goods and services to which it is applied. This renders it capable of performing the basic and fundamental functions of a trademark. Of course, the definition applies to goods and services alike with no distinction arising in this respect.

As is the case with the United Kingdom Act, which in turn is based on the aforementioned EC Directive, the Act has opted for an open ended and non-exhaustive definition. Thus, provided that the double criteria are met the mark in question should be capable of registration. Trademarks may therefore consist of every one of the following, that is to say, words, letters, numbers, symbols, signatures and shapes. A trademark may also consist of a musical tune or a slogan, a combination of colours as well as a smell. In practice, trademarks are often a combination of the above.

While trademarks made up of words, letters and logos have long been afforded protection in Malta, the same cannot be said of trademarks made up of, for example colours, slogans and shapes. As a matter of fact, this area of protection is altogether new and innovative and reflects recent trends that have been adopted as a result of the EC Harmonisation Directive. The same situation had been obtained in the United Kingdom where, prior to the enactment of the Trademarks Act in 1994, an attempt by the Coca Cola Company to register the shape of its world famous bottle as a trademark was refused.

One can safely state that it is an almost universal perception that new forms of non-traditional trademarks play as much of a role and are of equal importance to that performed by traditional forms of trademarks. Consequently the treatment and protection afforded to the latter has, and rightly so, been extended to incorporate this new genre.

With regard to registration of colours, while certain jurisdictions tend to allow the registration of a combination of colours, they have been somewhat cautious in affording protection to single colours *per se*. The latter has, at times, been permitted as a result of proof of a very high level of distinctiveness. In this regard, one must point out the fact that the EC Harmonisation Directive contemplates the possibility of a single colour being registered as a trademark; this should clearly serve as a guideline as to the manner in which member states are to tackle the matter. Notwithstanding this, discrepancies exist within the EU itself and whereas the United Kingdom has permitted the registration of a single colour as a trademark, Spain has not.

In view of the fact that we have tended to follow the steps of the United Kingdom in the realm of trademark law, there is a strong probability that when faced with a request for the registration of a single colour as a trademark, the Comptroller of Industrial Property would allow such. The test in this regard should be based on the fundamental question as to whether or not the particular colour used in connection with a particular product or service serves to distinguish that particular good or service from those of others. If this is the case then there is no reason why registration of that colour as a trademark should be denied.

The registration of shapes as trademarks is also a new area in our law. It is a warranted recognition of the fact that business enterprises the world over invest an enormous amount of time, effort and money in the development of distinctive packaging shapes and designs for their products since they are fundamental to such enterprises in the accumulation of their goodwill. While the EC Harmonisation Directive was the first supranational piece of legislation expressly recognizing the registrability of three-dimensional shapes it highlights the fact that the functional aspects of such shapes are not capable of registration. One ought to bear in mind that acceptance of this principle must be very much assessed on a country by country basis and its implementation has hardly been universal. In this respect, it would be useful to adopt the trends of the United Kingdom and interpret our law accordingly. What clearly emerges is the fact that registration of shapes and three-dimensional objects, although accepted has normally been conditional upon proof of acquired distinctiveness.

The definition of a trademark does not seem to exclude the registration of a sound or of a scent as a trademark. How-

ever, it remains to be seen how these type of marks can be capable of being represented graphically in terms of Section 2. Moreover, in relation to these type of marks, it will obviously be much more difficult to prove distinctiveness and as specified above in relation to shape marks, the proof of acquired distinctiveness will definitely be required for such applications.

Section 4 of the Act sets out the absolute grounds upon which the Comptroller must refuse to register a trademark or upon which a declaration for invalidity may be based. These grounds are absolute because they are not dependent on any earlier trademark or other pre-existing right. These grounds include signs which do not fall within the definition of a trademark as described above, marks which lack distinctive character, marks which consist exclusively of signs or indications which may serve in trade to designate the kind, quality, intended purpose, value or geographical origin of the goods or services for which registration is sought, signs or indications that have become customary, a shape that results from the nature of the goods or a shape that is necessary to achieve a technical result (the functionality theory), a shape that gives substantial value to the goods, marks which are contrary to public policy or accepted principles of morality; marks which may deceive the public as to the nature, quality and geographical origin of the goods or services; marks which are prohibited by any enactment or rule of law, protected emblems and marks whereby the application is made in bad faith.

The second category of grounds whereby a trademark may be refused for registration by the Comptroller or upon which a declaration for invalidity may be based, are set out in Section 6 and described as the 'relative grounds for refusal'. These grounds are relative in the sense that they are concerned with the relation between the mark applied for and earlier trademarks or other earlier rights. These cases of relative grounds concern marks which in themselves do not violate any of the absolute grounds of refusal but are to be refused because they are identical or similar to another mark which has already been registered for the same goods or services or for goods or services which are different from those covered by the new application. If such approval will give the trademark for which registration is being sought unfair advantage due to the distinctive character or repute of the earlier trademark it may be refused. Registration may also be refused if its use in Malta is liable to be prevented by virtue of any enactment protecting an unregistered mark or by virtue of an earlier right.

The registration process in the new law is quite similar to the one provided for in The Industrial Property (Protection) Ordinance (Chapter 29). In an attempt to come into line with other EU countries, the period of registration has been reduced from 14 years to 10 years and this period can be re-

newed. Another difference in the registration process between the old law and the new law relates to the opposition procedure. Under the old law any person could within two months from the date of the publication of the mark in *The Government Gazette*, give notice of his opposition in duplicate at the office of the Comptroller. The applicant would then be granted two months from the date of notification of the notice of opposition within which to file a counter-statement. Failure to file a counter-statement entailed the abandonment of the application. If on the other hand, a counter-statement is filed, the person filing a notice of opposition would be deemed to have withdrawn the said opposition, if within two months from the date of receipt of the counter-statement he fails to file an action by writ of summons before the First Hall of the Civil Court. Under the new law, this procedure has been completely eliminated. As soon as a trademark passes the Comptroller's test *vis-à-vis* the absolute and relative grounds for refusal mentioned above, the trademark is published in *The Government Gazette* and subsequently registered. The only means of opposition under the new law is through the grounds of revocation or invalidity foreseen in sections 42 and 43 respectively.

Section 42 introduces a novel ground for revocation. Under the old law it was not possible to request the cancellation of a trademark due to non-use. Therefore if an application for registration was refused by the Comptroller due to similarity to an earlier registered mark, notwithstanding the latter mark had not been used for a long time, or had never been used, the applicant could not ask for cancellation of the earlier mark due to non-use so as to allow his application to proceed. Under the new law, if within a period of five years from the date of completion of the registration procedure, the mark has not been put to genuine use in Malta by the proprietor or a licensee in relation to the goods or services for which it is registered, this would constitute a ground for revocation. The same would apply if the use of a mark has been suspended for an uninterrupted period of five years without any valid reason.

The other grounds for revocation provided for in Section 42 relate to those instances whereby due to non-use a mark has become common to the trade for a product or service for which it is registered or whereby as a consequence of the use made of the said mark, the public would be liable to be misled as to the nature, quality or geographical origin of the goods or services for which the mark is registered. An action for revocation entails that the rights of the proprietor will be deemed to have ceased either from the date of the relative application for revocation, or, if the grounds for revocation existed at an earlier date, at such earlier date.

Section 43 lays down the framework for an action for invalidity of the registration of a trademark. Such an action

may be requested if the registration is contrary to any of the absolute grounds for refusal or otherwise if there is an earlier trademark or earlier right in relation to which the conditions set out in Section 16, that is, the relative grounds for refusal are satisfied. Both actions are to be made by means of a writ of summons filed before the First Hall of the Civil Court. It is to be noted that in those instances where an owner of a registered mark or earlier right was aware of the use of a registered trademark in Malta, and has agreed to such use for a continuous period of five years, and unless the registration of the latter mark was obtained in bad faith, he shall cease to be entitled to any right on the basis of that earlier trademark or other right.

Since the new law brought about a major overhaul in the law of trademarks, it was impossible to deal with all the novelties introduced therein in this article. The new Act because of the said major changes, obviously implies a substantial increase in workload for the Industrial Property office since each trademark must be checked against an ever-increasing database. Moreover, the increase in registrations will have a domino effect on recordal of assignments, renewals and so forth. It is therefore imperative that the Comptroller's office is given adequate human and technical resources so as to be able to guarantee the efficient and smooth operation of the long awaited provisions of the new Trademarks Act.