Finland

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1. Legal framework

National

The key national laws governing trademarks are as follows:

- the Trademarks Act (7/1964, as amended);
- the Trademarks Decree (296/1964, as amended);
- the Act on Collective Marks (795/1980, as amended); and
- the Domain Name Act (228/2003).

International

The above national instruments also implement the relevant EU directives. As Finland is a member state of the European Union, the Community Trademark Regulation (40/94) and other EU regulations have direct application.

In addition, Finland is a signatory to the following international treaties:

- the Madrid Protocol Relating to the Madrid Agreement on the International Registration of Marks (1989);
- the Nice Agreement on the International Classification of Goods and Services;
- the Paris Convention for the Protection of Industrial Property (1883); and
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) attached to the Agreement Establishing the World Trade Organization (1995).

2. Unregistered marks

Protection

An unregistered mark may, through use, come to enjoy the same protection as a registered trademark. Such exclusive rights in an unregistered mark may arise after the mark has been used in trade to such extent that it can be considered to have become 'established'. Section 2 of the Trademarks Act provides: "A mark shall be considered established if it has become generally known in the appropriate commercial or consumer sectors in Finland as a symbol specific to the owner's goods."

The term 'appropriate commercial or consumer sectors' refers to the target group for the relevant goods or services – for example, individual consumers or wholesale businesses. Depending on the nature of the goods or services, the size of the appropriate group may vary considerably. For example, trademark rights might arise rapidly and with minimal marketing expenditure in the case of a mark attached to highly specialized tools used only by a small number of professionals. At the other end of the scale are goods or services that can be obtained by everyone, businesses and consumers alike. For a chocolate bar, say, the appropriate consumer sector should thus comprise the whole consumer population.

The wording 'specific to the owner's goods' generated some debate in the past, as it can be interpreted to require that not only the mark, but also the link between the mark and the owner, must be known in the relevant target groups. However, it can now be stated with moderate certainty that it is not necessary for the target group to associate the mark with a certain entity from which the goods or services originate.

The relevant business or consumer circles are those situated in Finland. Consequently, use of the mark must typically occur in Finland, although this is not a formal requirement. Indeed, in exceptional circumstances extensive foreign marketing may cause a mark to become established even where the goods in question are not marketed or even sold in Finland. The wording also highlights the fact that awareness of the mark must, in principle, be on a nationwide scale; it will rarely be sufficient to show establishment only in a certain part of the country.

Establishing an unregistered mark through use may have practical value where the mark has been rejected by the National Board of Patents and Registration (NBPR) for lack of distinctive character. No establishment can *prima facie* occur where the mark lacks inherent distinctiveness. Conversely, should the mark become established through use, it will then also have achieved sufficient distinctiveness and can thus be registered.

Due to the obvious disadvantages inherent in unregistered trademark rights – uncertainty as to the scope, priority date and validity of the trademark right, along with an eventual burden of proof in legal proceedings – it is usually recommended to seek registration of the mark rather than relying on establishment.

Use requirements

Trademark rights may arise when an unregistered mark has become generally known in the appropriate commercial or consumer sectors. However, as there are no set guidelines on the degree of awareness that might establish a mark, this must be assessed on a case-by-case basis. The requisite level of use is also heavily dependent on the target group for the relevant goods or services. As a general principle, however, the use must be nationwide and quite extensive.

In one of the leading Supreme Court cases (KKO:1987:11), Adidas Sportschuhfabriken Adi Dassler KG sought to rely on an established trademark right as grounds for an infringement claim. The Supreme Court was presented with statistically valid nationwide market research, according to which:

- 54% of all respondents, and 64% of respondents between the ages of 15 and 34, had indicated that sports shoes decorated with three diagonal stripes originated from a single manufacturer; and
- 35% and 49% of the respondents, respectively, identified the related brand as Adidas.

Based on the evidence, the Supreme Court found that a three-stripe pattern used on sports shoes had become generally known in the relevant consumer sector as a mark specific to Adidas, and had thus been established.

3. Registered marks

Ownership

Under Finnish law, any private person, company, association or public organization can apply for and own a trademark.

Scope of protection

According to Section 1 of the Trademarks Act, any mark that can be represented graphically and can distinguish the goods marketed in business from those of others may serve a trademark. A trademark may, in particular, consist of words, including personal names, figures, letters, numerals or the shape of goods or their packaging.

A trademark must be capable of distinguishing the owner's goods from those of others. A mark that denotes, either alone or with few alterations or additions, the kind, quality, quantity, use, price, or place or time of manufacture of the goods will not, as such, be regarded as distinctive. Neither will a mark be regarded as distinctive if it is solely comprised of a form that is characteristic to the goods or necessary to achieve a technical result, or that substantially increases the value of the goods.

Section 14 of the Trademarks Act lists the following as relative grounds for refusal – although no consent to registration can be obtained in relation to the first two cases:

- The mark is contrary to law and order, or to morality.
- The mark is liable to mislead the public.
- The mark incorporates, without

authorization, national armorial bearings; a national flag or other emblem; a sign or hallmark indicating control and warranty used by the state for goods of the same or similar type as those for which registration is sought; the armorial bearings of a Finnish commune; the flag, armorial bearings or other emblem, name or abbreviated name of an international organization; or any device or emblem, name or abbreviated name liable to be confused with such symbols or emblems, marks or names.
- The mark is composed of or contains anything likely to give the impression of being another's protected trade name, auxiliary trade name or secondary symbol as referred to in the act, or the name or likeness of another person, unless such name or likeness plainly relates to someone long deceased.
- The mark is composed of or contains anything likely to give the impression of being the original title of another's protected literary or artistic work, or constitutes an infringement of another's copyright in such a work or of his rights in a photographic illustration or protected design.
- The mark is liable to be confused with another's name or protected trade name, auxiliary trade name or secondary symbol, earlier registered trademark or trade symbol that is already established when registration is sought.
- The mark is liable to be confused with a trade symbol used by another party for its goods at the time of application, if the applicant is aware of such use at the time of application and has not used its own mark before the other trade symbol came into use.
- The mark is liable to be confused with a trademark protected by an international registration valid in Finland that enjoys an earlier right in Finland on the basis of such registration.
- The mark is liable to be confused with a Community trademark within the meaning of the act that has been registered on the basis of an earlier application or that has seniority in Finland under Article 34 or 35 of the Community Trademark Regulation (40/94).
- The mark is liable to be confused with a registered name of a plant variety.
- There is an obstacle to registration within the meaning of Council Regulation 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

4. Procedures

Examination

A trademark application must be submitted to the appropriate authority, the NBPR. The first phase – examination for formal deficiencies – typically occurs within one month of submission. After the formal phase, the application remains inactive until it is assigned to a lawyer acting as the examiner. The appointed examiner will then conduct a full review covering both absolute and relative grounds for refusal. Once this has been written up, the substantive examination begins around seven months after submission of the application.

The NBPR issues no formal notifications either on receipt of the application or during the examination phase, except where it finds the application lacking. Where deficiencies are found, the NBPR issues an official action instructing the applicant to correct or amend the application. The applicant may apply for an extension, which is automatically granted on first request. Further extensions may be granted if adequate grounds and/or evidence of an actual need can be provided.

Once the NBPR deems the application registrable, it will be registered and published in the *Trademark Journal*. Where the NBPR issues no official actions, the average time from submission of the application to registration is slightly less than nine months.

Opposition

Under the Trademarks Act, any interested third party may file a formal opposition against a registered trademark. Two copies of the reasoned opposition must be filed with the NBPR within two months of the date of the public notice. If the opposition is not directly deemed unfounded, the NBPR will inform the owner of the opposition within a few weeks and set a date for the owner to present a written response. An opposition typically takes between one and two years to process. Should the opponent succeed, the NBPR will revoke the registered trademark.

If either party is dissatisfied with the opposition decision, the issue may be appealed to the NBPR Board of Appeal. The processing time for appeals is somewhat unsatisfactory: this currently stands at two to three years. The eventual decision by the Board of Appeal may be further appealed to the Supreme Administrative Court, which will typically issue its decision within one year.

Registration

The trademark application is accepted once any deficiencies have been remedied to the satisfaction of the NBPR. The mark is then registered and published, upon which the opposition period is triggered. The NBPR will issue a registration certificate and send it to the trademark attorney or the owner (as the case may be). There are no official fees payable at the registration phase.

The registered trademark remains in force for 10 years from the date of registration, after which it can be renewed for additional 10-year periods. Section 22 of the Trademarks Act establishes a six-month grace period, starting from the expiration date, during which the trademark may be renewed for additional cost.

Cancellation/surrender

The owner of a registered trademark may at any time request that the mark be removed from the Trademark Register (Section 24 of the Trademarks Act). Similarly, pursuant to the same section the owner may choose to restrict the classification by removing goods or services from it. Should a pledge be registered over the trademark in question, written consent from the pledgor is also required. The NBPR will register the removal or requested changes within three to four months.

Revocation

If a registered trademark remains unused for a period of five years, it becomes vulnerable should any third party initiate proceedings against the mark. Section 26 of the Trademarks Act coins the legal outcome as "losing the mark"; similarly, the competent authority – the Helsinki District Court – would then declare the registration lost (rather than revoked) when finding for the claimant.

Losing the trademark is not an inevitable outcome even where the mark has clearly remained unused for a five-year period. The Trademarks Act provides that a mark will not be declared lost where the owner can show acceptable reasons for non-use. Although no recent authoritative case law exists, it is likely that non-use will be found acceptable only in a situation where the use is prevented by governmental restrictions or similar, and always independently of the owner's will (see also Article 19 of TRIPs regulating valid non-use).

The trademark cannot be declared lost if the owner begins using the mark before the legal proceedings are initiated. However, as an exception, Section 26 of the Trademarks Act provides that use which occurs within three months of the date of the claim will not count as actual use if "the preparation to use the mark commences after the owner becomes aware that a request for invalidation can be made". Although the last sentence of the section is somewhat ambiguous, it should not pose an obstacle to the claimant, as in most cases the owner will be aware of the non-use and its consequences.

The owner need not use the mark itself, as all use occurring with the owner's consent is deemed equivalent to the owner's own use. The mark must be used in the form in which it has been registered, although slight alterations will probably be accepted.

The other grounds on which a registered or established trademark may be declared lost by the Helsinki District Court are as follows:

- The trademark has lost its distinctiveness; or
- The trademark has become misleading or contrary to law, order or morality (Section 26 of the Trademarks Act).

Invalidation

If the trademark has been registered and no oppositions have been filed, the NBPR has only limited authority to remove the registration, except where requested to do so by the owner. The trademark may be removed by the NBPR exercising its administrative powers only where the mark was registered as a result of a clear error. Otherwise, the authority to invalidate a registered or established trademark is vested in the Helsinki District Court. Decisions of the district court may be appealed to the Helsinki Court of Appeal, whose decisions in turn may be appealed to the Supreme Court. Anyone who suffers harm from the registration may act as a claimant in an invalidation action.

Pursuant to Section 25 of the Trademarks Act, a claim to invalidate a trademark may be initiated on the grounds that the registration is contrary to the Trademarks Act. Thus, any relative or absolute grounds serve as valid grounds in an invalidation action. As exceptions, Section 25 refers to Sections 8 and 9, which establish certain time limits after which an invalidation action may not be launched due to evident passivity. It is also possible that the deficiency may have been remedied after registration, in which case the claim cannot succeed: for example, a mark lacking distinctiveness might have become distinctive with the passing of time.

5. Enforcement

Complexity

The Helsinki District Court has sole competence to hear trademark disputes at first instance. The proceedings are largely identical for registered and unregistered marks. In practice, trademark infringement cases are nearly always initiated as civil cases in accordance with the Civil Procedural Code (4/1734), but in serious cases it is also possible to launch criminal proceedings in accordance with the Penal Code (39/1889). The Helsinki District Court also hears suits brought against foreign trademark owners.

The owner of an unregistered trademark can obtain exclusive rights protecting the mark if the mark has become established (see section 2 above). If a court action is initiated on the basis of an unregistered trademark, the owner must prove that the disputed mark has become established. In addition, the owner has the burden of proving the scope and validity of its established right.

The losing party is entitled to appeal to the Helsinki Court of Appeal in accordance with appeal instructions issued by the district court. At second instance, the court of appeal can examine the case with respect to questions of both evidence and law. The appeal procedure is mainly conducted through written submissions, but an oral hearing will be held if requested by one of the parties involved in a civil case or if the appeal court must evaluate the validity of testimony given in the district court.

The court of appeal decision can be further appealed to the Supreme Court. In trademark cases, as in all other civil proceedings, permission to appeal must first be obtained from the Supreme Court. Permission will be granted:

- if the Supreme Court considers the matter important to ensuring the consistency of case law in similar cases;
- if an appeal is considered necessary due to a procedural error that would ultimately lead to the reversal of the judgment; or
- for some other important reason (as assessed by the court).

In practice, permission to appeal is granted in less than 10% of all cases.

According to Section 39 of the Trademarks Act: "Anyone who deliberately infringes the right to a trade symbol protected by this act shall, unless the act is punishable as an industrial property rights offence under Section 2 of Chapter 49 of the Penal Code, be sentenced to a fine for a violation of trademark rights." In the case of a registered trademark, no penalty may be imposed unless the infringement occurred after the date of registration.

According to Section 40 of the Trademarks Act, a suit for damages must be brought within three years of the claimant learning of the infringement and the identity of the infringer – and in any case within 10 years of the time the infringement occurred. In addition, a suit for damages may be brought for infringement through use that occurred prior to registration, provided that the claim is brought within a year of registration of the trademark in question.

At the request of a person whose trademark rights have been infringed, the court may order that, where practicable, an infringing mark attached without authorization on goods or their packaging, leaflets, commercial documents or the like be erased or altered in such a way as ensures it can no longer be misused. If this cannot be achieved in any other way, the court will order that the infringing materials be destroyed or modified in a specified manner. Upon request, the court may also order that the material be surrendered to the claimant against payment.

Regardless of whether infringement is deliberate, the public prosecutor or the court may order that the offending materials be confiscated if the plaintiff so requests and – where considered necessary – provides adequate security for any damages the defendant may suffer as a result.

The swiftest (and most typical) way of responding to unauthorized trademark use is by seeking an injunction, which may be initially granted as preliminary and without hearing the other party. The court may grant an injunction either before or during the main proceedings, to remain in force until the main action has been finally settled. Before an injunction can be executed, the claimant is normally ordered to provide adequate security for any damage that the defendant might suffer as a result.

In terms of the enforcement of trademark rights against counterfeit and pirated goods, Council Regulation (EC) 1383/2003 concerning customs action against goods suspected of infringing certain IP rights and the measures to be taken against infringing goods is applicable in Finland. The regulation provides an effective legal framework for trademark owners to react against the import and transit of infringing products. Finnish customs is generally experienced and has active border policies to combat counterfeiting activities.

Timeframe

The average timeframe for court proceedings is largely identical for registered and unregistered trademarks, although the burden of proof that rests with an unregistered trademark owner may slow down the proceedings somewhat and make it more difficult to obtain an injunction. Usually, the average duration of a trademark infringement case before the Helsinki District Court is between one-and-a-half and two years. Decisions in trademark infringement cases are typically appealed to the Helsinki Court of Appeal. The appeal proceedings generally last from one to two years. District court decisions in injunction applications are typically issued reasonably swiftly – sometimes even within a day, where necessary.

Permission to appeal before the Supreme Court may be sought within 60 days of the date of the court of appeal decision. This final appeal process can take from six months (if permission to appeal is not granted) to approximately 18 months. If the court of appeal decision is not appealed within this timeframe, the judgment will become final.

6. Ownership changes – legalization requirements

There is no requirement to legalize documentation in Finland. The trademark owner may transfer all or some of the goods or services for which the trademark is registered or has become established. The transfer of a registered trademark is recorded in the Trademark Register maintained by the NBPR, upon request. Applications to assign the mark in part or in whole must be in writing; if the relevant documents are in a foreign language, the applicant must provide the NBPR with an authorized translation into Finnish or Swedish, if so required. The original assignment document or an authorized copy of the document is also required.

7. Areas of overlap with related rights

Under Finnish law, trademark protection does not exclude the application of any other IP rights relating to the mark or symbol registered as a trademark. Therefore, the objects of trademark protection can also be protected by, for example, design rights (shapes) and copyright, provided that the criteria for protection under each individual IP right are satisfied.

8. Online issues

The same principles that govern registered and unregistered trademarks and their protection also apply in cyberspace. Consequently, any potentially infringing activity is assessed within the same framework, to the extent possible. There is practically no established case law on the more unique forms of trademark use that may occur online, such as in metatags or links.

The old legislation regulating the Finnish top-level domain ('.fi') was repealed with the entry into force of the new Domain Name Act (228/2003) on September 1 2003. Under the old act, only owners of registered trademarks (or trade names) could register domain names, but the Domain Name Act removed most of these restrictions. Any business or private entrepreneur can now apply for practically any domain name, since the competent authority (the Finnish Communications Regulatory Authority (FICORA)) conducts no screening of trademark or trade name databases.

Should a registered domain name infringe another's right – typically, a trademark right or right to a trade name – FICORA may either disconnect the domain name for a specified period (up to a maximum of one year), or cancel the registration and transfer it to the claimant. An administrative decision of FICORA may be appealed before the Administrative Court and ultimately before the Supreme Administrative Court. The Domain Name Act also seeks to prevent the registration of domain names for the sole purpose of reselling them: a finding of such activity can lead to the cancellation of such domain names.

It is possible to initiate civil proceedings before the district court in conjunction with this administrative procedure. The district court has no authority to order the transfer of the domain name, but it may prohibit its use. Such a decision constitutes grounds under which the domain name may be cancelled and transferred by FICORA to another party pursuant to the Domain Name Act.