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Venezuela
Major progress in the declaration of well-known trademarks

Introduction

In Venezuela, the recognition and declaration of well-known trademarks is uncommon. However, in a May 4 2010 decision, the Political Administrative Chamber of the Supreme Court of Justice declared HUGO BOSS to be a well-known trademark in Venezuela. This statement was a step beyond the position of the Trademark Office, which for some years has appeared reluctant to recognise the reputation of well-known trademarks. In several cases the Trademark Office has held that the evidence adduced in support of the reputation of a trademark was insufficient to demonstrate such character, while in other cases it has simply not issued a decision.

As well as revising the criteria applied by the Trademark Office in regard to well-known marks, the court's decision is a breath of fresh air in relation to the uncertain position of Venezuela in IP matters, following its withdrawal from the Andean Community of Nations and the re-establishment of the Industrial Property Act 1955 and its applicability.

Decision

The proceedings in the Supreme Court case were initiated by German company Hugo Boss AG filing an opposition to an application to register the trademark BOSS CITADINO filed on behalf of Citadino International, CA in 1988. In 1995 the Trademark Office upheld the opposition and acknowledged HUGO BOSS as a well-known mark. Citadino filed a reconsideration petition and in 1997 the Trademark Office ratified the HUGO BOSS mark as being well known, thus dismissing the reconsideration petition. After analysing the evidence submitted in support of the alleged reputation, the Trademark Office was able to recognise the famous character of the mark. However, Citadino appealed to the Ministry of Industries and Commerce (formerly the Ministry of Production and Commerce). The ministry failed to acknowledge the evidence filed in support of the reputation of the HUGO BOSS mark and upheld the appeal on the grounds of a lack of evidence proving the reputation of HUGO BOSS.

The Andean Court of Justice has defined a 'well-known mark' as "one that meets the quality of being known by a collective of individuals belonging to a particular group of consumers or users of such goods or services to which they apply, because it has been widespread among that group". Similarly, the court has stated: "A well-known trademark is one enjoying remarkable diffusion – that is to say, that it is familiar among consumers of the goods or services concerned. This reputation is a relative and dynamic phenomenon, in accordance with the degree of diffusion or recognition of the mark among the relevant group of consumers."

Recognition of a mark as well known protects it not only against similar or identical marks that cover the same goods or services, but also against similar marks that cover different goods or services.

By consistently applying its criteria, the Trademark Office has established that if a mark is considered to be well known, evidence to support such character is required; a simple claim to that effect is not enough. In regard to how a mark's reputation should be determined, the Andean Court of Justice has stated as follows:

> *To evaluate the evidence on the reputation of a trademark, an examiner must consider whether one or more of the following criteria are met:*
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> *1. The extent of its recognition among consumers as a distinctive sign of the goods or services for which it was applied for.*
> *2. The intensity and scope of dissemination and advertising or promotion of the mark.*
> *3. The age of the mark and its continued use.*
> *4. Production analysis and marketing of the products identified by the mark.*

When dealing with special protection as a well-known mark, two issues are taken into account by the court: the evidence submitted by the plaintiff and the legal authority's assessment made under the obligation of protecting the interest of consumers.

The ministry ignored the facts contained in the administrative file by upholding the appeal filed by Citadino, which stated that evidence must be presented in order to establish the reputation of a well-known mark and that Hugo Boss AG had submitted no evidence to demonstrate that its HUGO BOSS trademark was well known.

Hugo Boss AG filed a nullity action before the Supreme Court of Justice. This action stated that the ministry had failed to apply the law or interpret the facts correctly in its decision on the grounds that it had considered that the reputation of the mark had not been proven, whereas in fact, proof of the mark's reputation was evidenced by the decisions issued and published by the Trademark Office.

The nullity action also alleged violation of administrative *res judicata*, since the Trademark Office, as an authority with the power to render such decisions, had already granted rights to Hugo Boss AG by acknowledging that HUGO BOSS was a well-known trademark.

The court ruled that the ministry had ignored the facts established by the Trademark Office in order to find grounds for its decision (ie, the lack of evidence produced by Hugo Boss AG). In its statement, the ministry said that:

> *the protection granted by law to a well-known mark is in the interest not only of the holder who has an individual right, but to consumers in general whose interest is to protect the community in connection thereof... In connection with the general interest, it is up to the judge or to the authority responsible for assessing the circumstances of fame, since it is up to that Office to decide its own motion, on the refusal of a trademark that may cause confusion with another seen as well-known.*

The fame of the HUGO BOSS mark was declared by the Trademark Office, since it considered that this was the result of "knowledge and extensive international exposure, sub-regional, national advertising disclosure, length and consistency in the use, commercial success and market leadership".

The court acknowledged that Hugo Boss AG "had been very active in proving, both in the judicial and administrative instance, by bringing, in its judgment, what was the main purpose of the matter in question, i.e. existence of the reputation character of its 'HUGO BOSS mark". It also recognised the graphic and phonetic similarities between the trademarks BOSS CITADINO (design) and HUGO BOSS, as well as the confusion that may have been created among consumers as a result of the unfair exploitation of the prestige and commercial or advertising value of the well-known HUGO BOSS trademark.

According to the Supreme Court, Hugo Boss AG had proven throughout the procedure that its mark was well known. Thus, the court upheld the nullity action and annulled the decision issued by the ministry.

Comment

The Supreme Court's decision highlights the fact that the relevant administrative offices have now changed the criteria that they have used for years and have recognised that there are certain well-known trademarks in Venezuela, which third parties have attempted to copy in an unfair manner by submitting identical or similar trademark registration applications.

There have been few cases in which the Trademark Office has recognised the fame of a mark, this has always depended on the criteria applied by an examiner in a particular case. In 1998 the Trademark Office, after considering the evidence, acknowledged the reputation of the trademark TOYS R US, claiming that Venezuela and the United States were subject to reciprocity as they are both members of the Paris Convention for the Protection of Industrial Property. Article 6 of the Paris Convention provides that a member country can, whether *ex officio* or at the request of the interested party, refuse an application to register a trademark, cancel a trademark registration or prohibit the use of a trademark that constitutes a reproduction, imitation or translation of, or that it is liable to cause confusion with, a mark considered to be well known in the country where it is registered or used. Venezuela is still a member of the Paris Convention. However, the rules of the convention are rarely applied by the Trademark Office in its decisions. In 2001, when Decision 486 of the IP Common Regime of the Andean Community was still in force, the Trademark Office ratified the reputation of the trademark TOMMY, which had been previously declared by that office in 1997.

However, in other cases the Trademark Office has not recognised the reputation of a trademark, even though enough evidence to show such character was submitted.

Decisions 344 and 486 of the Andean Community prohibit the registration of trademarks that are similar or identical to those that have been declared to be well-known trademarks. In contrast, the Industrial Property Act of 1955, which was recently re-established in Venezuela, does not expressly prohibit the registration of a mark that is similar or identical to a mark that is considered to be well known. However, when the act was in force (before Venezuela became a member of the

Andean Community), the Trademark Office acknowledged the reputation of some trademarks in Venezuela and prohibited the registration of similar or identical trademarks, in accordance with Article 33(12) of the act, which prohibits the registration of a trademark that is similar or identical to a registered trademark or which may cause confusion leading to false origin or quality. Accordingly, this article was used as grounds to protect well-known trademarks in Venezuela.

Although the Industrial Property Act does not expressly prohibit the registration of trademarks that are similar or identical to a mark that has been declared well known, based on the prohibition set out in Article 33(12) the Trademark Office used to protect well-known trademarks in Venezuela.

In this regard, the Supreme Court ruled that if a mark is liable to cause confusion among consumers in regard to its origin or quality, it reflects the legislature's intention to protect consumers from the possibility that if a mark gives its owner an unfair advantage, it may deceive consumers in regard to the source or quality of the product that it covers. This prohibition protects well-known marks by preventing the use of similar or identical marks by other parties, thus making it impossible for consumers to assume that the products that they are purchasing come from the well-known mark owner, when in fact the mark is being used by a different party.

Previously, when Venezuela was not a member of the Andean Community and the Industrial Property Act was in force, the Trademark Office declared marks to be well known more often in comparison to the years when Decisions 344 and 486 were in force. While Venezuela was a member of the Andean Community, which strictly prohibits the registration of trademarks that are similar or identical to well-known trademarks, the Trademark Office reduced the frequency by which it declared trademarks to be well known on the basis of the strict interpretation of the rules established to analyse the evidence in support of a trademark's reputation.

Now that the Industrial Property Act has been re-established, and in light of the Supreme Court's decision, it will be interesting to see how the Trademark Office applies the criteria for well-known trademarks and the supporting evidence required in order to declare a mark well known.

The Supreme Court's ruling is an important precedent for future decisions to be rendered by the Trademark Office, where it should consider, before analysing the evidence, whether a mark is well known in Venezuela.

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