

Question Q195

National Group: Finland

Title: Limitations of the Trademark Protection

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I) Analysis of current law and case law

1) *Are there statutory limitations of trademark rights in your trademark law? If so, which ones? If not, have similar concepts been developed in case law? (Please only briefly list the limitations here; more detailed explanations will be required below).*

According to Article 6.1 in the EC Trademark Directive 89/104 a trademark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:

- a) his name or address;
- b) indications concerning the kind, quality, intended purpose, value, geographical origin, the time of production of goods or of rendering services, or other characteristics of goods or services;
- c) the trademark where it is necessary to indicate the intended purpose of a product or service, in particular in accessories or spare parts;

provided he uses them in accordance with honest practice.

The Finnish legislator has not directly implemented the above limitations as such, but the Finnish courts are bound to respect such limitations, a fact which the Supreme Court also has recognized in its case law.

The Finnish Trademark Act provides with the following *statutory limitations* (in a broad sense) of trademark rights for descriptive use:

Use of another's mark or a confusingly similar symbol otherwise than in the course of trade or otherwise than as a symbol for goods or services (Section 4.1)

Use of another's trademark to indicate product compatibility that is not capable of causing confusion as to the origin of the products or the commercial relationship between the parties (Section 4.2)

According to Section 5 the exclusive rights in a trade symbol shall not apply to any part of it that is intended mainly to render the goods or their packaging more suitable for their purpose, or serves some other purpose different from that of a trade symbol.

According to Section 13, a mark that denotes either alone or with only few alterations or additions, the kind, quality, quantity, use, price or place or time of manufacture of the goods shall not, as such, be regarded as distinctive and thus not eligible for registration.

- According to Section 15 exclusive rights in a trademark acquired by registration do not cover any part of the mark that cannot be registered as such.

Concepts developed by case law:

- The limited right to use a confusingly similar foreign trade name (which is not a prior right in Finland in relation to a trademark seeking protection) as a sign for similar goods, could be considered as a limitation of trademarks rights developed by case law (KKO 2005:143 Budweiser/Budvar)

2) *If descriptive use defenses are recognized under your trademark law, what is descriptive use and what types of descriptive use defenses are recognized? (Please only briefly list the types of descriptive use defenses here; more detailed explanations will be required below)*

Descriptive use defense as such and as an independent concept is not recognized under the Finnish Trade Mark Act, but these types of defenses are included in the law by interpretation and are clear from the case law.

For descriptive use defenses recognized by law please refer to point 1 above:

- According to the law third party offering spare parts, accessories or the like that are suitable for use with another's goods offered for sale are entitled to bring this information to the public by reference to the trade symbol for such goods. The trademark may, however, not be alluded to in a way liable to create an impression that such goods offered for sale originate with the proprietor of the trademark or that the proprietor has permitted the use of said trademark (Trademark Act Section 4.2). By reference to case law (KKO:2006:17 Gillette) it is further clear that such reference need to be necessary for this purpose in order to be a permitted restriction to the trademark rights. In the case at hand a red sticker made in a manner

drawing attention was necessary in order to bring the information to consumers.

- 3) *Is use of one's own name permissible under your trademark law? If so, under which circumstances? Specifically, may anyone use his or her name as a trademark?*

According to Section 3 of the Finnish Trademark Act any person may use his surname, address or trade name, auxiliary trade name or secondary symbol in his business as a trade symbol for his goods unless that use is liable to cause confusion with another's protected trademark.

- 4) *Is a company entitled to make use of the "own name" defense? Specifically, is the "own name" defense only available to a company whose name includes a surname (e.g. William Smith Limited)? How are conflicts between the company's use of its "own name" and confusingly similar trademarks resolved?*

Yes, a company is entitled to use "own name" defense against a trademark. This defense is available regardless whether the company's name includes a surname.

Basically, conflicts between the company's use of its "own name" as a symbol for goods and confusingly similar trademarks are resolved on the basis of priority. In this regard foreign trade names might be, to some extent, in a better position in relation to domestic ones, which have to be either registered or established in order to gain protection. Foreign trade names, instead, could gain protection under the precondition that they have become "to some extent known" among the relevant business or consumer circles in Finland at an earlier point of time compared to the priority of a conflicting trademark. This difference is mainly due to the application of Art 8 of the Paris Convention and the TRIPS-Agreement.

Even if the trademark holds priority in Finland in relation to a confusingly similar trade name, against which protection is sought, the conflict might be resolved in favor of the trade name, if on the basis of an overall assessment the trade name is considered to be used in accordance with honest practice. (KKO:2005:143 Budweiser/Budvar).

Thus, on the basis of Budweiser/Budvar case it can be concluded that the own name defense is available not only to business names covering surnames but also to other trade names.

- 5) *Is the use of indications concerning the characteristics of the goods or services, including the kind, quality, value, geographical origin or time of production of goods permissible under your trademark law? If so, under which circumstances?*

Section 13 of the Trademarks Act provides that a mark that denotes either alone or with only few alterations or additions, the kind, quality, quantity, use, price or place or time of manufacture of the goods shall not, as such, be regarded as distinctive and thus not registrable. According to Section 15, exclusive right in a trademark acquired by registration does not cover any part of the mark that cannot be registered as such.

Since such descriptive signs are not as such protected in the first place, no separate, specific provisions of equal limitations of protection are included into the Trademarks Act.

However, a trademark right may be gained even to such descriptive symbols through

use/establishment. In these cases it could be allowed to use such descriptive term, even if it is identical or confusingly similar with a valid trademark of another's, by claiming that it is not used as a trademark, but just to indicate certain characteristics of the goods. In such a case the overall assessment of the way of use would be decisive, especially the determination whether the use has been in accordance with honest practice in business. For instance this way of use could include, among other aspects, that there is another trade symbol used to indicate the commercial origin of goods and the indication regarding characteristics of the goods is not serving for this purpose.

- 6) *Is the use of another's mark to indicate product compatibility permissible under your trademark law? If so, under what circumstances? Is only the use of another's word mark in ordinary script or neutral letters permissible or also the use of another's logo or special script format of the mark?*

The use of another's mark to indicate product compatibility is permissible under the Finnish trademark law. There is a specific provision on this under Section 4.2 of the Trademarks Act. The Supreme Court has confirmed the interpretation of this provision in accordance with the preliminary ruling of the ECJ (C-228/03, Gillette) concerning Article 6.1 (b) of the Trademark Directive 89/104/EC. According to this interpretation such indications would be allowed as long as not used in a way liable to create the impression that the described goods or services offered for sale originate with the proprietor of said trade symbol or that the proprietor has permitted the use of said trade symbol. Such indications must be necessary and in accordance with honest practices in industrial or commercial matters (KKO:2006:17 Gillette). Use of another's word mark with neutral letters would be allowed, but the use another's logo or special script format of the mark most likely not.

- 7) *Is decorative use of another's mark permissible under your trademark law? If so, under what circumstances?*

Use, including decorative use, of another's mark is permissible under the Finnish trademark law for goods which are not identical or similar with those for which another's mark has been already protected. An exception to this is the right of an owner of a well-known trademark to prohibit the use of the well-known trademark even for goods which are not covered by the registration.

In the absence of a specific statutory limitation it could be concluded, that if decorative use of another's mark concerns the goods covered by another's mark then the use would not be permissible. If, however, the decorative use would be considered as use otherwise than as symbol of the goods (or otherwise than in the course of trade) then it would not fall within the scope of protection conferred by a trademark and thus it would be permissible. Apparently, a claim that use of another's mark is only decorative and not use as a mark would in most of the cases be a weak defence.

- 8) *Is use of descriptive terms permissible regardless of whether it is in accordance with honest or fair practices or whether it constitutes unfair competition? If descriptive use of another's mark is only permissible if it is in accordance with honest or fair practices, what are typical examples of use which are not in accordance with honest or fair practices?*

The use of descriptive terms is permissible when it is in accordance with honest or fair practices. As already stated above this would mean that such terms would be allowed as long as not used in a way liable to create the impression that the term is used as a trademark or that the proprietor has permitted the use of said trade symbol. Such

indications must be necessary and in accordance with honest practices in industrial or commercial matters. (KKO:2006:17 Gillette).

- 9) *Do the above mentioned types of descriptive use constitute limitations of trademark rights because they would not be regarded as “use as a mark” or are they specifically exempted regardless of whether trademark use is involved?*

Such descriptive use defenses which are successfully invoked in accordance with trademark law constitute limitations of trademark rights primarily because they would not be regarded as “use as a mark”. This is due to the fact that use of a trademark “as a mark” is the prerequisite for the use to constitute infringement of an identical or similar mark. According to the Trademark Act non-commercial use of another’s trademark is not considered to be “use as a mark”. In addition, commercial use of another’s trademark not used as a symbol for goods or services (for example used for information purposes) is not considered to be “use as a mark”.

- 10) *If your trademark law recognizes other types of descriptive use defenses which have not been discussed above, please explain.*

The Group has not been able to find any other types of descriptive use defenses which have not been discussed above. In respect of parody as a descriptive use defense the Group is of the opinion that the Finnish Group’s Report Q168 is still valid.

- 11) *Does your trademark law provide for a prior user right/defense? If so, under what circumstances?*

Section 14.1 subsection 7 of the Trademark Act provides that a mark shall not be registered if it is liable to be confused with a trade symbol being used by another party for his goods at the time of the application and if the applicant was aware of that use at the time of his application and had not used his own mark before the other trade symbol came into use. Even though this is not an actual prior user right, there is a similar type of effect provided in some situations.

- 12) *If your trademark law provides for other limitations of trademark rights which have not been discussed above, please explain.*

There are no other limitations provided.

II) Proposals for adoption of uniform rules

- 1) *Should descriptive use of another’s trademark be permissible? If so, under what circumstances? Should descriptive use of another’s trademark be permissible regardless of whether it is in accordance with honest or fair practices or whether it constitutes unfair competition?*

Descriptive use of another’s trademark shall be permissible to the extent necessary in order to bring information to the public of the product or service or its compatibility with

another's product and to the extent the use is honest fair in relation to the legitimate interests of the owner of the trademark. As honest is not considered for example use which is done in such a manner to give the impression that there is a commercial link between a third party and the trademark owner, which affects the value of the trademark by taking unfair advantage of its distinctive character, which entails the discrediting or denigration of a trademark or which is a reproduction thereof.

- 2) *Should use of one's own name be permissible? If so, under which circumstances? What should the position regarding the use of corporate names be?*

Use of one's own name shall be permissible provided that it is in accordance with honest practice in business. Use of legitimate corporate name or business names shall be allowed in order to indicate the trade name and provided done in accordance with honest practice, which means that it shall not be capable of giving the impression that there is a commercial link between a such party and the trademark owner, be capable of affecting the value of the trademark by taking unfair advantage of its distinctive character, entailing the discrediting or denigration of a trademark.

- 3) *Should the use of indications concerning the characteristics of the goods or services, including the kind, quality, value, geographical origin or time of production of goods be permissible? If so, under which circumstances?*

The use of indications concerning the characteristics of the goods or services, including the kind, quality, value, geographical origin or time of production of goods should be permissible for all traders. These kind of expressions are to be considered void of any distinctive character and thus not registrable as such. The Trademark Act delimits such expressions outside the scope of protection. If included in a trademark, the protection should only be granted to the mark as whole. However, even a purely descriptive indication may reach trademark protection if established through use. In those situations use of such indications by others should be possible to the extent that such use is necessary for information purposes and is in accordance with honest business practice.

- 4) *Should the use of another's mark to indicate product compatibility be permissible? If so, under what circumstances? Should only the use of another's word mark in ordinary script or neutral letters be permissible or also the use of another's logo or special script format of the mark?*

The use of another's mark to indicate product compatibility should be permissible. Such use must be necessary and in accordance with honest practices in industrial or commercial matters. The use of another's word mark should only be permissible in ordinary script or neutral letters, as there is no need for using another's logo or special script format of a mark to indicate product compatibility.

- 5) *Should decorative use of another's mark be permissible? If so, under what circumstances?*

The decorative use of another's mark should, as a main rule, not be permissible.

- 6) *Should trademark law provide for a prior user right? If so, under what circumstances?*

Rules on acquiescence and mala fide registrations should be provided with but are sufficient.

7) *Should trademark law provide for other limitations of trademark rights which have not been discussed above? If so, under what circumstances?*

No, the interpretation of existing law seems to give sufficient space for different situations.

SUMMARY

There are only very few actual statutory limitations to trademark rights in Finland. Strictly, there is only one specific statutory limitation provided, namely the right to refer to another's trademark in order to indicate product compatibility (Section 4.2 of the Trademarks Act). In addition the Trademarks Act contains very basic limitations according to which the right conferred by a trademark gives protection against use in the course of business (in contrast to purely private use) and use as a symbol for the goods or services.

Other limitations which are part of trademark law are due to interpretation of the Trademark Act and especially by the effect which the content and interpretation of the EU Trademark Directive gives for the national trademark law. The specific limitations provided under Article 6 of the Trademarks Directive are not implemented into the Trademarks Act as such, but are followed through interpretation.

It could be concluded that the limitations are, in generally, exceptions to the rights conferred by a trademark because use would in most of the cases be considered as use otherwise than "use as a mark". However, the available court practice indicates that in some situations even use that could factually be considered use as a symbol for the goods covered by another's trademark (i.e. use as a mark), is still beyond trademark holder's sole right. According to the court practice this could be relevant in cases where foreign trade names are used as a symbol for the goods in question, but simultaneously with another sign serving as the primary sign (more visible and dominant trademark) for the goods in question and provided the overall assessment of the way the signs are used leads to a conclusion that use is in accordance with honest business practice.

RESUME

La législation finlandaise ne prévoit que quelques exceptions limitées à la protection des droits de marques. La Loi des Marques envisage strictement une seule exception : le droit de faire référence à une marque d'un autre titulaire afin d'indiquer la compatibilité d'un produit avec un autre (l'article 4.2 de la Loi des Marques). De plus, la Loi des Marques prévoit une dérogation générale à la protection des marques, car cette protection ne s'applique pas dans un premier temps à l'emploi privé des marques (contre l'emploi commercial) et dans un deuxième temps à l'emploi de marque comme un symbole dans l'abstract, sans lien avec un produit ou service.

Autres exceptions à la protection des droits de marques sont établies en vertu de l'interprétation donnée par la jurisprudence aux dispositions de la Loi des Marques. Cette

interprétation est de son côté affectée par les dispositions de la Directive du Conseil sur les Marques. Les exceptions spécifiques prévues dans l'article 6 de cette Directive n'ont pas été transposées dans la loi nationale telles quelles, mais elles s'appliquent à travers de la jurisprudence. En résumant, ces exceptions sont basées à l'emploi de marque en fonction autre que «comme une marque».

Cependant, la jurisprudence prévoit que dans certains cas, même si l'emploi de marque pourrait être considéré de constituer l'emploi comme symbole mais lié aux marchandises protégés par une marque d'un autre titulaire (en autre termes l'emploi comme une marque), cela ne fait pas partie du droit exclusif du titulaire de la marque. Selon la jurisprudence, cela peut être le cas où raisons sociale étrangers sont utilisés comme symboles conjointement avec un signe lequel est le signe primaire (marque plus visible et dominante), à condition que dans l'évaluation globale les signes soient utilisés conformément aux pratiques de commerce honnête.

ZUSAMMENFASSUNG

In Finnland gibt es nur sehr wenige gegenwärtige gesetzliche Beschränkungen der Markenrechte. Grundsätzlich ist nur eine spezifische gesetzliche Beschränkung vorgesehen, nämlich das Recht auf das Markenrecht eines anderen hinzuweisen, um Produktkompatibilität anzudeuten (Artikel 4.2 des Markengesetzes). Außerdem beinhaltet das Markengesetz sehr elementare Beschränkungen, gemäß welchen das durch eine Marke verliehene Recht Schutz gegen die Benutzung im geschäftlichen Verkehr (im Gegensatz zur reinen Privatbenutzung) und gegen die Benutzung als Kennzeichen für Waren oder Dienstleistungen bietet.

Weitere Beschränkungen im Rahmen des Markenrechts sind eine Folge der Auslegung des Markengesetzes besonders durch die Wirkung des Inhalts und der Auslegung der EU Markenrichtlinie auf das nationale Markengesetz. Die unter Artikel 6 der EU Markenrichtlinie vorgesehenen spezifischen Beschränkungen sind nicht im Markengesetz *per se* implementiert worden, aber werden durch Auslegung eingehalten.

Man könnte schließen, daß die Beschränkungen unter den allgemeinen Ausnahmen von den Rechten aus der Marke fallen, weil in den meisten Fällen die Benutzung für anders als „Benutzung als Marke“ gehalten würde. Die vorhandene Rechtsprechung zeigt jedoch, daß in einigen Fällen sogar die Benutzung, die sachlich als Benutzung als Kennzeichen für die durch die Marke eines anderen erfaßten Waren (d.h. Benutzung als eine Marke) erachtet werden könnte, doch über das ausschließliche Recht des Markenrechtinhabers hinausgeht. Nach der Rechtsprechung könnte dies von Bedeutung sein in Fällen, in denen ausländische Handelsnamen neben einem Hauptkennzeichen (eine erkennbare und dominierende Marke) als Kennzeichen für die Waren in Frage verwandt werden, soweit die umfassende Würdigung der Benutzungsart der Kennzeichen ergibt, daß sie den anständigen Geschäftsgepflogenheiten entspricht.