

BRAZIL

Local Company Has Prior Right to LG Mark for Computers

In a recent ruling, the 35th Federal Court in Rio de Janeiro decided a court action filed by the Brazilian company LG Informática Ltda. against LG Electronics Investment Ltd. and its Brazilian subsidiary, both part of the LG Electronics Group of South Korea, partially in favor of the plaintiff. Specifically, the court found that LG Informática's earlier commercial name rights gave it priority over the trademark LG in the field of computers.

The judge's ruling canceled two registrations for the mark LG owned by LG Electronics Investment, covering computer equipment belonging in Class 9, and ordered the Brazilian National Institute of Industrial Property to reject five pending applications in Class 9 and one in Class 38 for LG, covering goods and services related to computer hardware and software. Further, neither defendant may register the mark LG in relation to computer software or hardware in Brazil. Finding that LG Informática's priority was limited to the field of computers, however, the court declined to cancel or order rejected other LG Electronics Investment registrations and applica-

tions covering scientific, medical, dental and veterinary equipment and cellular telephone devices in Class 9.

In a second court action between the same parties, also concerning registrations and applications for the trademark LG covering goods and services in Class 9 but unrelated to the field of computers, the 35th Federal Court rejected all of LG Informática's claims, including the plaintiff's request for a general order prohibiting the defendants from using the mark LG in Brazil.

Both rulings (35th Federal Circuit in Rio de Janeiro – Court Action Docket Nos. 2006.51.01.518113-3 and 2006.51.01.520589-7) are subject to appeal.

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EUROPEAN UNION

CFI Upholds CANNABIS as Descriptive in Classes 32 and 33

On November 19, 2009, the European Court of First Instance (CFI) ruled that the Community trade mark (CTM) CANNABIS was descriptive for "beer" in Class 32 and for "wine, spirits, liqueurs, sparkling beverages, sparkling wine, champagne" in Class 33.

Mr. Giampietro Torresan filed a CTM application for CANNABIS on February 12, 1999. The mark matured into registration on April 16, 2003, for products in Classes 32 and 33 and for services of "providing of food and drink, restaurants, self-service restaurants, public houses, ice cream parlours, pizzerias" in Class 42. On June 27, 2003, the German company Klosterbrauerei Weissenhof GmbH & Co. KG filed before OHIM a request for invalidation of the trademark in respect of the products claimed in Classes 32 and 33.

On March 9, 2005, the OHIM Cancellation Division found the claim grounded and determined that the mark CANNABIS was descriptive for the products. Torresan appealed, but his appeal was dismissed on June 29, 2006, by the OHIM Second Board of Appeal, which upheld the Cancellation Division's finding that the word "cannabis" designated in everyday language either a textile plant or a narcotic substance and therefore would be a clear and direct indication for consumers as to the characteristics of the goods at hand. The CFI confirmed the Board's view.

For the CFI, "cannabis" could actually or potentially refer to one

of the ingredients that might be used in the manufacture of the products covered by the contested trademark, especially in view of the supply of beverages containing hemp already in existence on the market. The existence of several meanings in relation to "cannabis" was regarded as having no influence on its descriptiveness, as a direct and specific relationship existed between only one of the meanings and the goods involved.

People purchasing a beer branded CANNABIS probably would do so because they were convinced that it contained cannabis and were attracted by the possibility of obtaining from the beverage sensations very near those felt from the consumption of cannabis in another form. The average consumer, reasonably well informed, observant and circumspect, would therefore immediately and without further thought make a connection between the mark and the features of the products for which it was registered.

The CFI's decision was indeed quite strict. It is intriguing that the mark was not challenged on the ground of being contrary to public order, which could have resulted in a more borderline situation.

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Selecting a Survey Method

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by side or in close proximity and therefore will be forced to use *Eveready*. The plaintiff's attorney and its survey expert should explain to the plaintiff what the logical results of the survey would be. The plaintiff may well look to settle the case quickly or forgo a survey, recognizing that a survey might be very detrimental to its case.

Final Thoughts

Before deciding on a survey method, counsel for either party

should realistically consider the value of a survey in the context of the case. A well-conducted survey will easily cost in excess of US \$50,000. It is true that nowadays courts do expect surveys to be conducted in most trademark cases. Given this expectation, take your time to realistically assess your case under the rubric discussed above. With that toolset in mind, you will make better-informed decisions regarding the survey method, which may have a decisive impact on your case.