

'Embassy' Mark does not Infringe the 'Marlboro Mark'

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Cigarette giants Philip Morris S.A. and British American Tobacco (Brands) Limited had an epic battle in Belize over the registration of BAT's Embassy trademark. The dispute arose in July 2008 when Philip Morris opposed the registration of BAT's trademark alleging that the tail end of the vertical ribbon on BAT's trademark was similar to its registered trademark described as a roof device (see trademarks below).

In 2009, that opposition was resolved by the Deputy Registrar of Intellectual Property in favor of BAT, which meant that BAT could proceed to register its Embassy mark. Dissatisfied with that decision, Philip Morris appealed to the Supreme Court and alleged that the tail end of the vertical ribbon on BAT's trademark was slowly transitioning to resemble Philip Morris' roof device. In July 2010 the then Chief Justice of Belize, Dr. Abdulai O. Conteh, ruled in favor of BAT. The decision by the former Chief Justice was the first judicial decision on a trade-mark dispute in Belize under this legislation.

Philip Morris appealed and in July 2012 the Court of Appeal delivered its landmark decision, being the first decision on a trademark dispute to be delivered by that Court. As such, the decision of the Court of Appeal is the highest authority on modern trademark law in Belize.

The sole issue on appeal was whether section 37(3) of the Trade Marks Act afforded some protection to Philip Morris' roof device. The registration of a mark may be prevented pursuant to section 37(3) if it is established that:

- the later mark is identical or similar to the earlier mark,
- the later mark is being registered for goods and services which are not similar to those for which the earlier mark is protected, and
- the earlier mark has a reputation in Belize and the use of the later mark would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier mark.

Section 37(3) provides protection against the dilution of a mark which has a reputation in Belize. This protection is separate and distinct from the protection afforded to a registered mark against the registration of a similar or identical mark in respect of similar goods and services. According to the Court, dilution under section 37(3) "involves 'the gradual whittling away or dispersion of the identity and hold on the public mind' of the earlier registered trade mark." In other words, dilution would occur if 'Rolls Royce' restaurants, 'Rolls Royce' cafeterias and 'Rolls Royce' pants were permitted. Over time, the distinctiveness of the 'Rolls Royce' brand name as it relates to cars would be diluted.

A key requirement for protection under section 37(3) is that the earlier mark must have a reputation in Belize. The Court of Appeal noted that there was no finding by either the Deputy Registrar or the Chief Justice that the Philip Morris registered roof device had a reputation in Belize. Philip Morris' evidence in relation to reputation was that the Marlboro brand consisting of the name "Marlboro", the crest and the roof device had acquired a reputation worldwide. There was no evidence that the roof device itself had acquired a reputation in Belize. In its evidence, BAT admitted that Philip Morris's Marlboro brand may have acquired a reputation in Belize. The Court of Appeal accepted that BAT's concession was not an admission that the registered roof device (as distinct from the Marlboro brand) had acquired a reputation in Belize. The Court noted that there was an obvious difference between the registered mark which resembles a roof, and the Marlboro brand which includes the name "Marlboro". It was therefore the Marlboro "get up" which was a candidate for protection under section 37(3).

Aside from reputation, there are two further requirements for protection under section 37(3): (1) the marks must be identical or similar and (2) the marks must be registered for goods and services which are not similar.

The Court of Appeal stated that:

"The test for determining whether a trade mark is identical with or similar to another mark for the purposes of section 37(3) is whether the relevant section of the public would establish a link or connection between the two, without necessarily confusing them. It is that link or connection which creates the possibility that the use of the latter trade mark would cause detriment to or take unfair advantage of the distinctive character or reputation of the earlier registered mark."

Applying that test, the Court was satisfied that the cigarette buying public in Belize would not make a link with Philip Morris' roof device. Furthermore, there could be no dilution of Philip Morris' roof device due to the lack of prominence of the cut triangle at the tail end of the vertical ribbon on BAT's trademark. In consequence, the Court determined that even if it were assumed that Philip Morris' roof device was distinctive or that it had acquired a reputation in Belize, the use of BAT's trademark would not take unfair advantage of or cause detriment to Philip Morris' roof device.

A peripheral issue that arose on the appeal was whether section 37(3) should be interpreted literally, thereby excluding protection in circumstances where the goods and services for which the trade mark is to be registered are similar. The Court stated that based on the language of section 37(3), if interpreted literally, the appeal would have failed based on the admitted fact that the respective goods and services are similar, if not identical. The Court expressed grave misgivings about following European Court of Justice in *Davidoff* wherein that Court rejected the literal meaning of a similar statute and afforded protection to a mark in circumstances where the goods and services were similar. However, the Court of Appeal did not make any ruling on the point since the appeal was dismissed on other grounds.

BAT has thus far persuaded the Deputy Registrar, the Supreme Court and the Court of Appeal that it should be permitted to register its Embassy mark and in so doing, has created judicial precedent in trademark law.

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