



C & C LAWYERS

Intellectual Property: Trademark Infringement

Lucília Freire, Consultant

When the Mughal Emperor Shahjahan ordered the construction of the Taj Mahal in memory of his favorite wife, Mumtaz Mahal, craftsmen were recruited from all across India and lands as distant as Persia and Turkey. The legend goes that, upon completion of the Taj (c.1648), Shahjahan had the hands of the architects and craftsmen who had been involved in the construction of the mausoleum cut off, so that no one would ever be able to build such a marvellous monument again.

Fortunately for us, nowadays we don't need to rely on such drastic Intellectual Property protection measures. Since 1967, the World Intellectual Property Organization (WIPO) has overseen the effective use and protection of IP worldwide. Additionally, from the 1980s onwards, Intellectual Property standard-setting has laid with the World Trade Organization (WTO). WTO administers the Agreement on Trade Related Aspects of Intellectual Property Rights, often referred to as the TRIPS Agreement, which lays down the minimum standards for many forms of Intellectual Property regulation.

But what exactly are we talking about when we refer to Intellectual Property or IP? Intellectual Property rights are understood as the rights given to persons over the creations of their minds, giving the creator an exclusive right over the use of their creation for a certain period. The main purpose of protecting such rights is to encourage innovation and to reward the efforts and investments of inventors/creators.

IP rights can be divided into two main areas: Copyrights and Industrial Property. The former comprises the rights of authors of literary and artistic works (books and other writings, musical compositions, paintings, sculptures, computer programs, movies and similar creations) and copyright related rights (rights of performers, producers of phonograms and broadcasting), while the latter encompasses trademarks and geographical indications and patents, on the one hand, and patents, industrial designs and trade secrets on the other.

Typical IP rights violations include counterfeiting and piracy. A counterfeit or knock off is an imitation that is usually made

with the intent to deceptively represent its content or origins and often results in patent, design or trademark infringement. Piracy or theft, on the other hand, refers to copyright and related rights infringement. Herein, we will look at trademark infringement in more detail.

Trademark infringement can assume a myriad of forms. Tan Loke-Khoo in his *Pirates in the Middle Kingdom: The Ensuing Trademark Battle*, edited by Sweet & Maxwell Asia in 2007, writes that it generally “appears in an unauthorized use of the same or similar trademark on goods or services in a manner that is deemed likely to mislead or otherwise confuse the consumers as to the source, affiliation, or sponsorship of the goods or services in question”.

In Macau, trademark infringement is regulated under what has been wrongly translated as the Industrial Property Code, approved by Decree-Law No. 97/99/M. In fact, this designation may lead to some confusion as, when translated into Portuguese or Chinese, it shares the name with the previous Industrial Property regulation, which was repealed by the said Decree-Law No. 97/99/M. We will therefore refer to it as the Industrial Property Act hereinafter.

According to the Industrial Property Act, the following trademark infringements qualify as criminal acts:

- a) To counterfeit, in whole or in part, or in any way reproduce a registered trademark by any means;
- b) To imitate a registered trademark in whole or in any of its characteristic parts;
- c) To use counterfeit or imitated trademarks;
- d) To use, counterfeit or imitate well-known trademarks whose registration has already been applied for in Macau;
- e) To use trademarks, even if for goods or services bearing no identity or likeness, which are a translation, the same as or similar to prior trademarks the application for the registration of which has already been made and which enjoy prestige in Macau, whenever the later trademark is used so as to, without fair reason, derive unfair advantage from the distinctive character or prestige of the prior trademark or in a manner which may harm them;

- f) To use, in their goods, services, trade establishment or company, a registered trademark belonging to another.

Additionally, there is also the issue of pirate trademark applications of existing trademarks. Pirate trademark applications are usually of two types: applications to register a trademark identical to a trademark registered in Macau but for dissimilar goods or services or applications to register trademarks of foreign companies which have not yet been registered in Macau. Due to the “first-to-file” rule, both types of pirate applications may result in the preemptive registration of an existing trademark. Unfortunately, both types of pirate applications are currently a common practice in Macau and China.

However, both the Industrial Property Act and the Paris Convention for the Protection of Industrial Property award some degree of protection to owners of well-known trademarks in Macau. A well-known trademark is characterized as a trademark which is widely known and enjoys a good reputation within the relevant sectors of the public in Macau. Owners of such marks have to submit evidence of the level of familiarity and recognition its marks enjoy. They can therefore react against any application to register a trademark with a high degree of similitude and which is likely to confuse consumers.

More often than not, the applicants of similar trademarks are acting on bad faith. Bad faith can be determined in cases where the applicant of the trademark uses identical market channels as the owner of the well-known trademark, is applying for registration with the purpose of obtaining an unfair advantage or is trying to take advantage from the fame and reputation of the well-known trademark. This is not an exhaustive list and other relevant facts may be argued in such cases.

Owners of well-known trademarks must therefore continuously monitor and survey new trademark applications and react accordingly. It is also recommended that they watch the market regularly in order to detect any counterfeit goods or services using well-known trademarks and that they

take adequate measures to avoid such violations of their IP rights.