

# Trademark Litigation

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One of the most common and efficient methods of defence from trademark infringement is to initiate a legal action by filing a lawsuit to a court.

Except for infringement actions we will also include here cancellation actions (where cancellation of trademark registration or early termination on the basis of non-use is claimed) as all such disputes in fact arise due to contemplated infringement of trademark rights.

Many important issues, related to both trademark law and procedural law, arise where trademark litigation is concerned. Below we will provide an overview of some of those issues and relevant regulations.

## Right to Apply to Court

If the parties to the proceedings are legal entities or private entrepreneurs then we should look at the provisions of the *Commercial Procedural Code of Ukraine*. According to the aforesaid Code, a legal entity or private entrepreneur can apply to the commercial court to seek protection of their infringed or challenged rights or lawful interests and with the purpose of taking measures aimed at preventing infringements.

A similar provision is stipulated by the *Civil Procedural Code of Ukraine* which shall be applied if at least one party to the proceedings is an individual who is not a private entrepreneur. However, in this and further sections we will concentrate on proceedings in commercial courts as the majority of trademark disputes arise between companies.

Taking into account the aforesaid provisions a plaintiff initiating a lawsuit in court shall prove that its rights or lawful interests are infringed or challenged.

Therefore, there is a point of view that if a legal action concerns early termination of a trademark registration on the basis of non-use then it is necessary to prove that the trademark registration being challenged infringes the plaintiff's rights and interests. For instance, prevents from use and/or obtaining registration of the same or a similar mark in Ukraine. At the same time, the *On Protection of Rights in Marks for Goods and Services Act of Ukraine* says that proceedings on the basis of non-use may be initiated by any person. The conflict between the two aforementioned approaches has not been resolved and thus in practice any of them may be applied by the court.

## Jurisdiction

There may be many cases where a foreign company needs to initiate a legal action to defend its trademark rights in Ukraine.

According to the *Commercial Procedural Code of Ukraine* foreign companies and organizations can apply to the commercial courts to seek protection of their infringed or challenged rights in accordance with established jurisdiction. Article 16 of the *Commercial Procedural Code of Ukraine* envisages that disputes on infringement of intellectual property rights shall be considered by a commercial court at the place of infringement.

At the same time, Article 124 of the same Code provides that Ukrainian courts shall consider disputes where foreign entities are involved in the event that the defendant is a resident of



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Ukraine or if a foreign entity has a branch office, representative office or other division on the territory of Ukraine.

The *On International Private Law Act of Ukraine* says that a Ukrainian court shall have exclusive jurisdiction over disputes involving a foreign element if such a dispute concerns registration of intellectual property right for which such registration (obtaining a certificate or patent) is required in Ukraine.

Thus, disputes concerning registration of trademarks in Ukraine shall be considered by Ukrainian courts regardless of the plaintiff's place of residence. The State Department of Intellectual Property shall be involved in the hearing as a defendant. In the event that the claim is satisfied the court shall in its decision oblige the State Department of Intellectual Property to enter respective information into the register. The other defendant will be the holder of respective trademark registration. The same refers to disputes where cancellation or termination of the International Registration of trademark is concerned.

## Court Examination

Court examination is one of the crucial issues of trademark litigation in Ukraine. It may be appointed to clarify some specific issues which often arise in trademark disputes, for instance: whether the trademarks are confusingly similar, whether the goods and services for which trademarks are used and/or registered are similar, whether the trademark is distinctive or is deceptive, etc. Though the latest trend in court practice is that some questions which may arise in trademark disputes can be resolved by judges from the consumer standpoint, in many trademark cases a court examination is appointed. The court can appoint an examination at its own initiative or at the request of a party to the proceedings.

According to the *Commercial Procedural Code of Ukraine* court examination is appointed to clarify questions which arise during consideration of the dispute and requires specific knowledge. The list of questions to be put before the experts is defined by the court; however the parties to the proceedings can suggest the questions to be included in the list. At the same time, the court should not raise before a court expert questions of a legal nature (those shall be resolved by the court directly) or

questions the answers to which can be obtained directly from information resources.

The court examination shall be entrusted to competent institutions or directly to specialists which have respective knowledge and are certified as court experts. According to recent court practice the court shall allow each party to the proceeding to suggest the expert institution or individual expert to which the court examination may be entrusted in the case. However, the court is not bound by the suggestions of the parties and the final choice of expert institution or individual expert is made by the judge.

The parties can challenge an expert if he/she is directly or implicitly interested in the outcome of the case or is a relative to the persons participating in the court proceeding, or on the grounds of incompetence. The challenge should be usually claimed before the examination is commenced unless the grounds for such challenge became known after the examination is commenced.

The expert conclusion shall be in writing and shall contain a detailed description of the expert investigation, the conclusions made and the grounded responses to the questions raised by the court. The court can also summon the expert to appear in the court sitting to clarify questions which the court or the parties may have in relation to the expert conclusion or questions raised therein.

If the expert's conclusion is incomplete or is not clear enough (i.e. is not accurate and specific) and it appears impossible to cure such non-completeness or ambiguity by hearing the expert in a court sitting, an additional court examination may be appointed. The additional examination may be entrusted to the same expert or another expert.

If the expert's conclusion is recognized as being ungrounded or contradicting the other materials of the case or if it causes doubt as to its correctness the court may appoint another court examination which shall be entrusted to another expert. It is also prescribed by relevant Clarification of the High Arbitration Court of Ukraine (No. 02-5/424 of 11 November 1998) that another court examination can be appointed if there are discrepancies in the conclusions of several examiners and they cannot be eliminated by obtaining additional explanations from the examiners in the court sitting.

The expert's conclusion is not binding for the court and should be evaluated like any other evidence in the case. The court can decline the expert's conclusion, but should reason such an opinion in the court decision. Where several expert conclusions are obtained in the case the court has the right to accept one (or more) of them and to decline others. At the same time, it should be noted that court decisions are often based on expert conclusions obtained.

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