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THE DANISH SUPREME COURT GAVE JUDGEMENT IN FAVOUR OF COOP DANMARK IN A CASE CONCERNING ALLEGATIONS OF VIOLATION OF PUMA'S TRADEMARK

On 14 September 2011, the Danish Supreme Court gave judgment in favour of the Danish retailer COOP Danmark A/S (hereinafter "COOP") in a case concerning allegations of violation of the right to the registered trademark the "Form Strip", which is owned by PUMA AG Rudolph Dassler Sport (hereinafter "PUMA").

The case in brief

Despite continuous adaptations to modern footwear, the so-called "Form Strip" is still characterised by a stripe divided into 3 "lanes" by means of dotted lines. The "Form strip" has been marketed by PUMA since 1958 in the shoe selling industry, and on 23 October 1959 it was registered as a figurative trademark in Germany and as a trademark in Denmark. The "Form Strip" is PUMA's distinctive feature in the same way as its biggest competitors' trademarks, Nike's "Swoosh" and Adidas' 3 stripes.

In the beginning of 2007, PUMA became aware that COOP was marketing a sports and leisure shoe with a fixed sign similar to the "Form Strip". According to PUMA, the marketing of COOP's shoes was a violation of their trademark.

PUMA was granted an injunction against COOP at the Court of Glostrup, but at the subsequent court case at The Maritime and Commercial Court, PUMA was imposed a liabil-

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ity to pay damages of DKK 100,000. It is this dispute that the Danish Supreme Court has now finally settled.

The legal basis

The protection of figurative trademarks such as the "Form Strip" is regulated in the Danish Trademarks Act (hereinafter "TMA"). According to Section 4(1), no. 2, the proprietor of the trademark may prohibit any person from using any sign commercially if the sign is (i) identical with or similar to the trademark (ii) the goods or services are identical or similar or (iii) if there is a possibility of confusion.

A possibility of confusion typically exists if a consumer confuses two trademarks; however, it also exists if the consumer is immediately able to see the difference between the products, but because of certain similarities mistakenly believes that the product stems from the same supplier.

In addition to the protection granted by Section 4 (1), no. 2, of the TMA, it follows from subsection 2 of the provision that the proprietor is entitled to prohibit the use of the trademark, also in relation to goods or services which are not identical or similar, if the trademark is well-known in this country, and that the use would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the trademark, even if there is no risk of confusion.

The Danish Supreme Court's decision

The Danish Supreme Court decided that the sign used by COOP as a side application on their sport and leisure shoes was distinguishable from PUMA's "Form Strip" on numerous points. The decision was based on a specific overall assessment of all the facts, supported by the results of a market survey carried out in connection with the dispute. The Danish Supreme Court found that the sign used by COOP was distinguishable from the "Form Strip" as the sign branched out towards the sole of the shoe, and furthermore, pointed towards the tongue of the shoe as opposed to the PUMA trademark design. Therefore, the trademark used by COOP appeared as a different idiom than the "Form Strip". Based on the above, the Danish Supreme Court was of the opinion that the sign used on the COOP sports and leisure shoes was materially distinguishable from PUMA's "Form Strip", and there was therefore no risk of confusion or any connection between the two trademarks. The COOP trademark therefore did not constitute a violation of Section 4 (1), no. 2, of the Danish Trademarks Act.

Despite of the fact that the PUMA "Form Strip" had to be considered a familiar trademark, Section 4(2) was also found not to have been violated because there was no risk of other association which would be detrimental to the trademarks distinctive character and repute.

The Danish Supreme Court confirmed the decision made by the Maritime and Commercial Court and lifted the injunction on COOP. COOP was also awarded damages amounting to DKK 100,000, and PUMA was ordered to pay the costs of the case. The damages awarded to COOP were a rough estimate of the loss sustained by COOP in regards to the unwarranted injunction, which ran for 4 years.

The consequences of the decision

The decision made by the Danish Supreme Court illustrates the extent and limitations of the protection of trademark proprietors. A couple of similarities between two signs, which are used in the course of trade, do not constitute a violation of the trademark, even though both trademarks are used for similar goods or services.

If you have any questions or require additional information on the above, please contact Attorney Christoffer Galbo (cga@mwblaw.dk), attorney Henrik Syskind Pedersen (hsp@mwblaw.dk) or junior associate Mattias Vilhelm Warnøe Nielsen (mvn@mwblaw.dk).

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