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REVIEW OF LEGISLATION ON TRADEMARKS, GEOGRAPHICAL INDICATIONS AND INDUSTRIAL DESIGNS

Finland¹

The present document reproduces the questions put to the delegation of Finland and the responses given in the review of legislation on trademarks, geographical indications and industrial designs at the Council's meeting of 11-15 November 1996.²

I. REPLY TO THE GENERAL QUESTION CONCERNING PRIORITY RIGHTS³

Does your country recognize a right of priority on the basis of an earlier trademark application filed in any other WTO Member by a national of a WTO Member?

Yes. According to the Decree amending Section 17 of the Finnish Trademarks Decree, which was issued on 22 December 1995 and entered into force on 1 January 1996, the six months priority time is accepted to all applications first filed in a member of the Paris Convention or a Member of the WTO.

II. REPLIES TO QUESTIONS POSED BY THE UNITED STATES

1. *Article 1 of the Finnish Trademarks Act sets forth the types of signs that are capable of being protected as a trademark. This list of signs does not include colour marks. Please indicate whether colour marks are capable of constituting a trademark under Finland's trademark law, and if so, under what authority.*

Article 1.2 of the Finnish Trademarks Act contains the general definition of a trademark. According to it, a trademark may be any kind of mark that can be represented graphically and by means of which goods marketed in business can be distinguished from those of others. Following the definition the Article sets forth a list of examples of what a trademark in particular may consist of (words, figures, letters, numerals or the shape of goods or of their package). Graphic representation is a very wide

¹As regards laws and regulations relevant to the areas under review as notified by Finland, reference is made to document IP/N/1/FIN/1.

²The minutes of this meeting are contained in document IP/C/M/11.

³At the meeting of the TRIPS Council of 11-15 November 1996, Members agreed to respond to this question in the context of the present review (document IP/C/M/11, paragraph 43).

concept. It may include, for example, musical jingles, slogans or colours. This is explicitly stated in the preparatory documents of the Bill No. 39 of 25 January 1993, whereby the Article was amended in preparation for the European Economic Area (EEA). This means, that under Finland's trademark law colour marks are capable of constituting a registrable trademark, provided that they fulfill the requirements of distinctiveness.

2. *Please explain whether the nature of goods or services to which a trademark is to be applied can serve as an obstacle to the registration of the mark under Finnish law. If so, please identify and explain the subject matter excluded under this authority, the relative provisions of the Finnish law that serve as a basis for these exclusions, and how this practice complies with TRIPS Article 15.4.*

According to Article 7 of the Paris Convention, which Finland is a member of, "the quality of the good" may not serve as an obstacle for the registration of a trademark. Although Finnish trademark law does not contain an analogous provision, Finland is obliged by the Paris Convention to take notice of the above-mentioned provision. The Finnish Trademarks Act does not contain provisions under which the nature of the goods or services could serve as an obstacle to the registration of the mark.

3. *Article 26 of the Finnish Trademarks Act allows the proprietor of a trademark to present "proper reasons" to justify continued registration despite non-use of a trademark. Please explain the types of circumstances that would be sufficient to satisfy this provision, including, where relevant, results of administrative or judicial decisions addressing this issue.*

The preparatory documents relating to Article 26 of the Finnish Trademarks Act (the Bill mentioned in the answer to US question 1 above) do not specify the situations in which the holder of a trademark may invoke proper reasons for the non-use of the trademark. It remains thus for the court to ultimately define the concept of "proper reasons". There are at present no administrative or judicial decisions addressing the issue. The general principle, however, is that situations which occur independently of the holder's will or ability, such as war or other crisis, import or export restrictions, or a pending administrative decision, e.g. a marketing licence for a pharmaceutical or chemical product, may form such reasons.

4. *Please explain how unregistered well-known marks are protected in Finland, as required by TRIPS Articles 16.2 and 16.3.*

According to Article 6.2 of the Finnish Trademarks Act, the confusability of symbols can be referred to in favour of such symbol which has a reputation in this country, if the use of a symbol of another without due cause would mean taking unfair advantage of, or being detrimental to the distinctive character or the reputation of the earlier mark. Usually the owner of the well-known mark reacts to this kind of unfair practice, for example in the form of opposition.

5. *TRIPS Article 20 provides that the use of a trademark shall not be encumbered by special requirements. However, Article 10 of the Finnish Trademarks Act states that "it may be decided where reasonable, that . . . the trade symbols may only be used in a specific manner" in certain situations where a registered trademark has co-existed with an unregistered trademark for a period of time. Please explain how this provision of Finnish law complies with TRIPS Article 20.*

Article 10 of the Finnish Trademarks Act refers to cases where the user of a trademark has neglected his possibility to prevent another party within a reasonable time from using a confusable mark. In those situations, the rights may continue to co-exist. However, for consumers to be able to identify and distinguish between products, some kind of clarification may be requested to be added

to the mark. This provision serves the interest of the right-owners and is not a requirement which unjustifiably encumbers the use of a trademark.

6. *Please explain whether Finnish trademark law establishes a presumption of likelihood of confusion in the determination of confusing similarity in cases where identical marks are used on identical goods, as required by TRIPS Article 16.1. If so, please identify and explain the legal basis for this presumption, and explain the role of Article 14.6 of the Finnish Trademark Act in this regard.*

According to Article 14.1, point 6, a mark may not be registered if it is liable to be confused with an identical mark of another, which was already registered for identical goods at the time when registration is sought. The provision in itself establishes a presumption of likelihood of confusion, although it is not explicitly stated in it.

[Follow-up question from the US]

Where a registered trademark is used on the identical goods for which it is registered by someone other than the registrant or its licensee, will the Finnish courts impose a presumption of confusion that must be overcome by the user?

Yes, where a registered trademark is used on the identical goods for which it is registered by someone other than the registrant or its licensee, the Finnish courts do impose a presumption of confusion that must be overcome by the user.

7. *Please explain how geographical indications are protected under Finland's law, as required by TRIPS Articles 22 and 23.*

Protection of geographical indications in Finland is based on the implementation of the Regulation on the protection of geographical indications and designations of origin (EEC No. 2081/92) and the supplementary provisions to it. The Ministry of Agriculture and Forestry has, by virtue of the Act on implementation of the common agricultural policy of the EC (No. 1100/94), given out a Decision on the minimum protection of agricultural products and foodstuffs (No. 933/95), as well as a Decision on certificates concerning special character of agricultural products and foodstuffs (No. 934/1995) (the translations of the titles of the enactments are unofficial).

8. *The European Council Regulation on the protection of geographical indications and designations of origin specifically excludes protection for wines and spirits. In view of this, please explain how Finland protects geographical indications for use on wines and spirits in accordance with TRIPS Article 23. Please explain whether Finland has implemented any laws or regulations to comply with the requirements of any relevant Council Regulations.*

Geographical indications enjoy general protection under the Consumer Protection Act (No. 38/1978). The purpose of this Act is to discourage any acts which are inappropriate in relation to consumers. To this effect, the Act contains various provisions aiming at prohibiting such acts. In particular, Sections 1 and 2 contain prohibitions to use in marketing allegations or other statements which are contrary to good practice or which may be regarded as misleading marketing. These provisions can be applied, for example, in cases where a product has been released on the market with a label or a sign which could be misleading to the public. Similarly, these provisions can be applied when misleading information of the type, quantity, quality, origin or other characteristics of the product has been given to consumers.

When these prohibitions are violated, the Market Court may issue orders, also interimistic ones, prohibitions or fines of the continuation of such violations. If such an order is not obeyed, a

new order may be issued. In addition, compensation for damages shall be paid for violations of such a prohibition.

In addition to the protection given under the Consumer Protection Act, the Finnish Foodstuffs Act (No. 351/95) contains a prohibition to give misleading information on foodstuffs. It is regulated in Section 6 of the Foodstuffs Act that truthful and sufficient information on foodstuffs has to be given in a package, an advertisement or a brochure of the product. The Ministry of Trade and Industry may issue more detailed provisions on indications and information, when necessary. The punishments of the violation of the Foodstuffs Act are much the same as regulated in the Consumer Protection Act.

Indications relating to wines and spirits enjoy protection under the Alcohol Act (No. 1143/94). Section 43 prescribes the responsibility of the producer and the importer. According to this provision, the producer and the importer shall answer for the quality and composition of the alcoholic beverages delivered by them for consumption, as well as for the circumstance that the product and its labelling, and other presentation of it, are in compliance with the provisions and regulations issued. According to Section 49 of the Alcohol Act, the alcoholic beverages may be removed from the market, if the product or its presentation are contrary to the provisions and regulations concerning it.

[Follow-up question from the US]

Do the provisions and regulations concerning the Alcohol Act specifically prohibit the use of geographical indications of origin on such products, where those products do not actually originate in that geographical location?

Provisions and regulations concerning alcoholic beverages include the relevant EC Regulations which implement TRIPS Article 23 (Regulation 3290/94 modifying Regulation 822/87 concerning wines; Regulation 3378/94 modifying the provisions concerning spirits and aromatized wines). The Regulations contain specific provisions on prohibition of the use of geographical indications of origin on such products, where those products do not actually originate in that geographical location.

9. *Please describe the methods by which industrial designs are protected in Finland, in particular:*

- (a) the form or forms of intellectual property used to protect the design (e.g., patent, copyright, sui generis);*
- (b) the conditions that must be satisfied to obtain the grant of such protection (e.g., whether designs must be new or original and the parameters of these concepts), and a brief description of the registration or granting procedure;*
- (c) the nature of the rights granted and the term of protection provided;*
- (d) the nature of remedies available to the owner of each type of protection, including a description of the conditions that may be imposed (e.g., whether commercial use is required); and*
- (e) whether any exceptions to protection or rights exist for each type of intellectual property involved.*

- (a) In Finland industrial designs are, as a general rule, protected by registration according to the Registered Designs Act (No. 221 of 12 March 1971, as subsequently amended).⁴ The protection of the design may also be based on the Copyright Act, provided that the work fulfills a certain level of originality, or by the Trademarks Act, provided that the work can be distinguished from those of others (see answer to US question 1 above). In certain situations, the protection may also be based on utility model law (novelty, inventive step, clear distinctiveness), patent law (novelty, inventive step, industrial applicability, clear distinctiveness) and rules on unfair competition. These forms of protection are not mutually exclusive.
- (b) The conditions that must be satisfied to obtain the grant of design protection are:
- (1) Novelty: the design shall not be made public before the date of the application for registration or the date from which priority is claimed;
 - (2) Substantial difference: the design shall substantially differ from what has become known before the date of application;
 - (3) Creativity: common or simple designs do not obtain registration. Outside of registration are thereby left, for example, basic geometric shapes (circles, squares, etc.).

Any earlier design that has become known before the application for registration, whether by reproduction, exhibition, offering for sale, or otherwise, may be an obstacle for registration.

Applications for registration are subject to examination of formal (payment of fees, power of attorney, assignments) as well as substantive conditions. This novelty examination is, however, restricted to earlier registered designs and pending applications.

- (c) The right granted by the registration of a design gives the owner of it an exclusive right, which implies that, without the owner's consent, no one may exploit the design in the course of trade by producing, importing, offering, putting on the market, assigning or hiring out an article which does not substantially differ from the design or which includes something that does not substantially differ from the design.

The Design Act provides for the protection for five years from the date of application of registration. The registration may be renewed for two additional five-year periods. Consequently the maximum term of protection is 15 years.

- (d) Anyone who, intentionally or through negligence, infringes a design is liable to pay reasonable compensation for the use of the design, as well as compensation for the further damage. The amount of compensation awarded depends upon the degree of negligence. Even where the infringement does not contain any intention or negligence, the infringer is liable to pay compensation for the use of the design, insofar as such compensation may be found reasonable. Where the infringement was intentional, the act may be punishable as a crime. The penalty for deliberate infringement is a fine and/or imprisonment of up to six months. The court may also order the infringing material to be destroyed, altered or to be conveyed to the injured party against compensation, as well as suspensive measures such as confiscation or seizure. This applies to all forms of protection mentioned above under (a).

⁴The text of this law can be found in document IP/N/1/FIN/D/1.

- (e) In the Finnish industrial property legislation, the rule of advance use makes an exemption to protection of rights. Any person who has, in the course of trade, been using or taken substantial steps to use a design at the time the application for registration was made, may notwithstanding another's right to the design continue such use, provided that such use did not entail a manifest abuse.

Another exemption is contained in Article 7 of the Registered Designs Act. The Article states that it may be provided by decree that spare parts and accessories for aircraft, regardless of the protection of designs, may be imported to Finland for the repair of aircraft belonging to a foreign country in which corresponding benefits are accorded to Finnish aircraft. Such decree has not been passed and the Article has become a dead letter.

10. *Please explain how textile designs are protected under your law.*

There are no particular provisions concerning textile designs in the Finnish Registered Designs Act. The same rules that are applied to other designs, apply also to the protection of textile designs.

III. REPLIES TO QUESTIONS POSED BY JAPAN

1. *Since it is not clearly stipulated in the Design Protection Act that textile designs are protected in conformity with the TRIPS Agreement, please explain under which provision of the Act or other copyright related law these designs are protected. Moreover, to make sure that the opportunity to seek and obtain protection for textile designs is not impaired unreasonably, please explain your system or practice particularly with regard to cost, examination or publication (cf. paragraph 2 of Article 25 of the TRIPS Agreement).*

In Finland industrial designs are, as a general rule, protected by registration according to the Registered Designs Act (No. 221/71, as subsequently amended). The protection of the design may also be based on the Copyright Act, provided that the work fulfills a certain level of originality, or by the Trademarks Act, provided that the work can be distinguished from those of others (see answer to US question 1 above). Other possible forms of protection in certain situations are utility model law (novelty, inventive step, clear distinctiveness), patent law (novelty, inventive step, industrial applicability, clear distinctiveness) and rules on unfair competition. These forms of protection are not mutually exclusive.

There are no particular provisions concerning textile designs in the Finnish Registered Designs Act. The same rules that are applied to other designs, apply also to the protection of textile designs.

The average period for the examination of an application for registration of a design is ten months. Concerning the fees collected by the registration authority, as an example may be presented that for the first five years the basic registration fee is FIM 780, which, added by the publication fee (2 x FIM 180), means FIM 228 a year.

2. *The word "selling" is not included in the scope of the right to a design provided for in Section 5 of the Design Protection Act. If the word "assigning" corresponds to the word "selling", please elaborate on the difference between the two (cf. paragraph 1 of Article 26 of the TRIPS Agreement).*

The concept of assigning includes also selling.

3. *In your country, it is stipulated in Section 7 of the Design Protection Act that importations of spare parts and accessories to be used for the repair of aircraft may be excluded from the right to a design. Please explain its consistency with paragraph 2 of Article 26 of the TRIPS Agreement.*

Article 7 of the Registered Designs Act states, that it may be provided by a decree that spare parts and accessories for aircraft, regardless of the protection of designs, may be imported to Finland for the repair of aircraft belonging to a foreign country in which corresponding benefits are accorded to Finnish aircraft. Such decree has not been passed and the Article has become a dead letter.

4. *In your country, the first duration of protection available is less than ten years, and any renewal thereafter cannot be requested at the time of registration. It may happen, therefore, that the duration of protection is less than ten years when the first duration has lapsed and the restoration is not permitted afterwards. Would this not be contrary to the spirit of paragraph 3 of Article 26 of the TRIPS Agreement?*

The Finnish Registered Designs Act provides for the protection for five years from the date of application of registration. The registration may be renewed for two additional five-year periods. Consequently, the maximum term of protection is 15 years. The request for renewal may be made a year before the termination of the registration as well as until six months after the termination. The renewal process is very simple. The registration authority controls that the renewal fee and other possible fees have been paid and makes the necessary indications to the register (concerning the renewal, owner of the design or the attorney), after which the renewal decision is filed to the owner of the design. No novelty examination is done during the renewal process.