

## Question Q245

<b>National Group:</b>	<b>Denmark</b>
<b>Title:</b>	<b>Taking of unfair advantage of trademarks: parasitism and free riding</b>
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## Questions

### I. Current law and practice

- 1) Do the laws of your jurisdiction provide for protection against:
  - a. the taking of unfair advantage of trademarks as defined in these Working Guidelines (see paragraphs 27) and 28) above); and/or

Answer: Initially it is relevant to note that Denmark is a member of the European Union. Accordingly, Danish law and Danish case law must comply with decisions from the Court of Justice of the European Union (hereinafter referred to as "CJEU"). As there is only a very limited amount of relevant reported Danish case law after the C-487/07 (L'Oreal/Bellure)-case, the major part of the case law referred to below are decisions from the CJEU.

Referring to question 1a above; Yes, Danish legislation provides for protection against the taking of unfair advantage of trademarks, meaning the use of a third party trademark in circumstances where advantage is taken of the distinctive character or

reputation of that third party trademark, in a manner which is unfair, as defined in paragraph 27 of the Working Guidelines.

- b. use that you consider similar but outside the scope of the definition in these Working Guidelines?

For the questions below, if b. applies either separately or in addition to a., please make that clear in any relevant answer.

Answer: No, in the group's opinion Danish legislation does not provide for protection against use that is similar, but outside the scope of the definition.

- 2) What is this protection called, and is this a definition developed in case law or found in a statutory provision? If such protection is characterised as a form of protection against dilution, please state this and provide any explanation as to the basis for such characterisation.

Answer: There is no specific name for this protection and no specific legal definition of "the taking of unfair advantage" in either Danish legislation or Danish case law. However, the fundamental principle of "free riding" is often referred to in Danish legal literature and applied by the Danish courts in both trademark cases and cases concerning violation of fair and honest marketing practices. In Danish, this is commonly referred to as "snyltning", meaning parasitism and exploitation of goodwill.

Though Danish law does not acknowledge protection of the taking of unfair advantage as a strictly defined principle of law, Danish trademark law acknowledges extended protection for well-known marks against such use by third parties. This protection is found in a statutory provision, cf. question 3 below. As to whether the protection is characterised as a form of protection against dilution, please also see the answer to question 3 below.

Moreover, the principle of fair and honest marketing practices under the Danish Marketing Practices Act (which is a kind of both unfair competition law and consumer protection law) includes protection against exploitation of goodwill and free-riding. The principle of fair and honest marketing practices is found in a statutory provision, whereas the protection against exploitation of goodwill and free-riding is developed in case law. Moreover, the protection is in line with Article 15 of the International Chamber of Commerce's Code on Advertising and Marketing, under which marketing communication should not in any way take undue advantage of another firm's, individual's or institution's goodwill in its name, brands or other intellectual property, or take advantage of the goodwill earned by other marketing campaigns without prior consent.

- 3) If such protection is available, what is the basis for the protection, e.g. trademark law (distinguishing between unregistered and registered trademarks where relevant), unfair competition, consumer protection law, common law? If multiple causes of action are available, is there an interaction between them, and if so, what?

(i) What is the basis for the protection?

Answer: The basis of the protection is trademark law and marketing law, cf. below:

Trademark law:

The legal basis for the protection is primarily Article 5(2) of Directive 2008/95/EC of 22 October 2008 of the European Parliament and of the Council to approximate the laws of the Member States relating to trademarks (hereinafter referred to as "the EU Trademarks Directive") regarding protection of marks with a reputation. In Denmark, the provision is implemented in the corresponding provision in Section 4(2) of the Danish Trademarks Act (consolidated act no. 109 of 24 January 2012) regarding well-known marks.

The provision protects against a third party's use of an identical or similar sign for dissimilar as well as for similar products and services, which may lead to the taking of unfair advantage of the distinctive character or the reputation of the trademark.

Section 4(2) of the Danish Trademarks Act providing for the protection of well-known marks does not distinguish between unregistered and registered trademarks. Danish trademark law provides for trademark rights to be obtained by way of registration as well as by way of use, resulting in equal protection. The mere first use can be sufficient to obtain a trademark right, meaning that no further establishment is required.

As to whether the protection is characterised as a form of protection against dilution (cf. question 2 above), Section 4(2) of The Danish Trademarks Act provides for:

1. protection against unfair advantage of the distinctive character or the reputation in a third party trademark,
2. protection against detriment to the distinctive character of a third party trademark, and
3. protection against detriment to the reputation of a third party trademark.

The classification under 1-3 above is equal to that used by the CJEU in C-487/07 (L'Oreal/Bellure), paragraphs 39-41.

The first part of the provision (cf. 1 above) regarding unfair advantage is corresponding to the definition of unfair advantage set out in paragraph 27 in the Working Guidelines. The second part of the provision regarding detriment to the distinctive character (cf. 2 above) is corresponding to the definition of dilution set out in paragraph 28 of the Working Guidelines, where dilution is defined as the situation where detriment is caused to the distinctive character of a trademark. The third part of the provision regarding detriment to the reputation (cf. 3 above) does not fall under the scope of this questionnaire, and is commonly referred to as tarnishment.

We note that dilution is defined differently in different jurisdictions. Generally, the Danish provision is not based on the understanding of dilution in its classical sense (i.e. Schechter's concept of dilution).

In Danish case law the abovementioned distinction between dilution and the taking of unfair advantage is not always clear. The parties normally base their claim on the joint protection in Section 4(2) of the Danish Trademark Act, and the courts often refer to both "unfair advantage" and "detriment" jointly. Therefore, the theoretical distinction between unfair advantage and dilution (detriment) is not always clear in Danish case law.

#### Marketing law:

Additionally, the legal basis for protection against the taking of unfair advantage of trademarks (goodwill exploitation), is Section 1(1) of the Danish Marketing Practices Act (consolidated act no. 1216 of 25 September 2013) regarding fair and honest marketing practices.

Under Section 1(1) of the Danish Marketing Practices Act, businesses must act in accordance with the principle of fair and honest marketing practices. The provision is a general legal standard, which includes protection against exploitation of goodwill and free-riding in relation to third party trademarks.

We note that under Section 5(2)(7) of the Danish Marketing Practices Act comparative advertising is not allowed, if the competitor by way of comparative advertising takes unfair advantage of the reputation attached to a competitor's trademark, trade name or other distinguishing features, or of competing products' designation of origin. The provision is corresponding to Article 4, litra f) in Directive 2006/114 of 12 December 2006 of the European Parliament and of the Council concerning misleading and comparative advertising. Therefore, if a competitor takes unfair advantage of the reputation of a trademark in comparative advertising, this provision will apply as *lex specialis* in addition to the provisions mentioned above. The group will not elaborate further on this provision.

(ii) What is the interaction between the causes of action?

Answer: Section 4(2) of the Danish Trademarks Act would be the primary cause of action in a case regarding protection against the taking of unfair advantage of well-known trademarks. However, Section 1(1) of the Danish Marketing Practices Act applies more broadly as a general legal standard, and is therefore often invoked as a supplement to the trademark provisions.

In Danish case law the parties often invoke both provisions jointly, and therefore the distinction is not always clear.

4) What are the elements of any available cause of action, e.g. the requirement for the trademark to be registered, reputation in the trademark, establishment of a link or association with the trademark, bad faith, change in the economic behaviour of consumers, actual advantage, potential future advantage? How are they proven?

Answer: Initially it is emphasized that the leading case, also in Danish law, regarding protection against the taking of unfair advantage of trademarks is C-487/07 (L'Oreal/Bellure).

In C-487/07 (L'Oreal/Bellure) the CJEU has specified that "unfair advantage" of the distinctive character or the reputation of the trademark does not require that detriment is caused to the mark, but aims at the advantage taken by the third party as a result of the use of the identical or similar sign. The taking of unfair advantage occurs when there is a clear exploitation on the coat-tails of the mark with a reputation, cf. C-487/07 (L'Oreal/Bellure), paragraph 41. The taking of unfair advantage does not require a likelihood of confusion or a likelihood of detriment to the distinctive character or the reputation of the mark, or to its proprietor, cf. C-487/07 (L'Oreal/Bellure) paragraph 43 and C-65/12 (RedBull), paragraph 40.

The advantage is regarded "unfair", if the intention is *to attempt to ride on the coat-tails of the mark* with a reputation in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image", cf. C-487/07 (L'Oreal/Bellure), paragraph 49.

In a recent Danish Supreme Court case published in UfR 2014.876 H regarding the well-known mark "noma", the Danish Supreme Court quotes the wording "riding on the coat-tails of the mark" in its reasoning for finding unfair advantage.

(i) the requirement for the trademark to be registered

Answer: The well-known trademark does not have to be registered in order to be protected against the taking of unfair advantage.

(ii) reputation in the trademark

Answer: For a mark to be protected against the taking of unfair advantage, it has to have a certain degree of knowledge among the public, cf. C-357/97 (General Motors), paragraph 24-28.

The criteria is further described under question 5a below.

(iii) establishment of a link or association with the trademark

Answer: In C-408/01 (adidas/Fitnessworld), C-102/07 (Marca Mode) and C-525/07 (Intel) the CJEU established that a "link" or "mental association" is required in order to obtain protection against both detriment and the taking of unfair advantage of the distinctive character or the reputation of a third party trademark.

It is sufficient for the degree of similarity between the mark with a reputation and the mark used by the third party to have the effect that the relevant section of the public establishes a link between the sign and the mark, cf. C-408/01 (adidas/Fitnessworld), paragraph 29 and 31. This means that if the later mark calls the earlier mark with a reputation to mind for an average consumer, this is enough to establish such a link, cf. C-525/07 (Intel), paragraph 63.

The existence of such a "link" or "mental association" must be appreciated globally, taking into account all factors relevant to the circumstances, cf. C-408/01 (adidas/Fitnessworld), paragraph 30.

It follows from C-525/07 (Intel), paragraph 42 that the following factors are relevant to this assessment:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark's reputation;
- the degree of the earlier mark's distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public.

(iv) bad faith?

Answer: There is no requirement of bad faith of the owner of the later mark.

However, proof of bad faith of the owner of the later mark may very well influence the infringement assessment in favour of the owner of the earlier mark.

(v) change in the economic behaviour of consumers?

Answer: There is no requirement of proof of a change in the economic behaviour of consumers. The requirement is not referred to in C-487/07 (L'Oreal/Bellure) regarding the taking of unfair advantage, cfr. C-525/07 (Intel), paragraph 77 regarding protection against dilution, where detriment has to be proven.

(vi) actual advantage or potential future advantage?

Answer: It follows from C-487/07 (L'Oreal/Bellure) that the mere *attempt* to ride on the coattails of a mark with a reputation can be sufficient to assume that unfair advantage has been taken, cf. paragraph 49. Hence, establishment of actual advantage is not required, and it is sufficient to establish that the third party is attempting to obtain potential future advantage as a result of the use of the later mark.

(vii) how are they proven?

Answer: The proof of the reputation in the trademark and the establishment of a link or association with the trademark can be produced by any kind of evidence that may be able to substantiate the degree of knowledge of the mark or the assessment of a link between the marks, e.g. by way of documents, witness hearings, court appointed experts, surveys etc.

We note that the proprietor of the later mark may object to expert declarations and surveys unilaterally obtained during the preparation of the case.

5) Further to question 4):

a. what degree of reputation, if any, in the trademark is required?

Answer: In Denmark, the trademarks afforded protection against the taking of unfair advantage are the marks that are considered to be well-known. However, the term "well-known" does not have a specific definition in Danish law.

In C-375/97 (General Motors), paragraph 26 and 28, the CJEU ruled that the trademark must be known by a significant part of the public concerned by the products or services which it covers, and that the trademark must be known in a substantial part of the country in which the mark enjoys protection. In C-301/07 (Pago), paragraph 30, the CJEU ruled that in relation to the term "has a reputation in the Community", the territory of one member state may be considered to constitute a substantial part of the territory of the Community.

As mentioned, the Danish courts will apply the principles as set out by the CJEU in their assessment of whether a trademark is well-known. There are no thresholds or certain percentage as to knowledge or recognition for a mark to be considered well-known, and the legal assessment of whether a trademark is considered well-known is based on a global appreciation of all relevant factors, cf. paragraphs 23-28 in C-375/97 (General Motors).

b. who bears the burden of proof regarding the requirements?

Answer: The burden of proof lies with the owner of the earlier trademark.

c. must the use at issue cause confusion? If so, what degree of confusion is required, e.g. actual confusion, a likelihood of confusion and/or initial interest confusion?

Answer: No, the use at issue does not have to cause confusion nor risk of confusion, cf. C-487/07 (L'Oreal/Bellure), paragraph 36.

d. can the protection be invoked in case of both similar and dissimilar goods/services?

Answer: Yes, the protection can be invoked in case of both similar and dissimilar goods and services, cf. C-292/00 (Davidoff), paragraph 30 and C-408/01 (adidas/Fitnessworld), paragraph 20.

e. are there any other factors, even if not a separate requirement, that may be relevant, and if so, what are they?

Answer: No, it is the group's assessment that there are no other factors that may be relevant.

- 6) Are there any defences against and/or limitations to the protection? If so, what are they, and what are the elements of such defences/limitations?

Answer: Pursuant to the Danish Trademarks Act, Section 5, the owner of a trade mark is not entitled to prohibit others from using, in the course of trade and in accordance with honest practices in industrial or commercial matters:

(i) his/her own name and his/her own address;

(ii) indications concerning the kind, quality, quantity, intended purpose, value or geographical origin of the goods or services, the time of production of the goods or of rendering the services or other characteristics of the goods or services or;

(iii) the trade mark where it is necessary for the indication of the intended purpose of the goods or services, in particular as accessories or spare parts.

Essentially, the decision whether a trademark right has been violated is determined by taking all circumstances into account. Normally the defendant will argue that 1) the older trademark is not well-known, 2) that the younger (conflicting) trademark is not identical or similar with the older trademark, 3) the registration/use of the younger trademark does not take unfair advantage of, or is not detrimental to, the distinctive character or the repute of the older trademark and 4) the use of the younger trademark is necessary or is permissible due to the right to use one's own name.

The Danish Supreme Court has in a previous case (published in UfR 2008.372 H) found that an owner of a gallery named Louise Lego was entitled to use "GALLERY LEGO" as her company name, in metatags, as domain name and as her e-mail address since Lego was her last name and since she had not used her name (Lego) in any unfair manner or in any deliberate attempt to take unfair advantage of the reputation of the well-known trademark LEGO.

- 7) Who bears the burden of proof in relation to any defences and/or limitations? In this context, please also consider the relationship with the element of "unfairness". For example, is it a defence that the use is with "due cause" (see paragraph 31) above and footnote 2)? If so, can such use ever be "unfair"? Or is this just a matter of a shifted burden of proof?

Answer: As a main rule, the trademark-owner has the burden of proof in relation to proving an actual damage to the reputation of the trademark or a serious risk of a future damage to the reputation of the trademark, cf. C-252/07 (Intel), paragraph 38. However, if the burden of proof is lifted by the trademark-owner the burden of proof will shift to the defendant or the person invoking any limitations. In reality, the

defendant will therefore often have to lift the burden of proof if he/she invokes any defences and/or limitations.

Furthermore, even if the trademark owner lifts the burden of proof and proves an attempt to take unfair advantage of the reputation of the trademark, the registration/use of the infringing trademark cannot be prevented if the owner of the “younger” trademark demonstrates a “due cause”. This follows from the case C-323/09 (InterFlora), paragraph 91:

*“By contrast, where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that trade mark, without causing dilution or tarnishment and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without ‘due cause’ for the purposes of Article 5(2) of Directive 89/104 and Article 9(1)(c) of Regulation No 40/94.”*

Finally the ECJ found in case C-65/12 (Red Bull), paragraph 45 that It follows that the concept of "due cause" may not only include objectively overriding reasons, but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

- 8) If a defence exists or only limited protection is available, what rights does that give the free rider? For example, may the free rider simply use the trademark or may the third party obtain a separate trademark registration in respect of the goods and/or services in respect of which the free rider is using the trademark?

Answer: If a defence exists or only limited protection is available, the owner of the younger trademark can, as demonstrated in the cases C-323/09 (InterFlora) and C-65/12 (Red Bull), use the “younger” trademark in some cases depending on the specific circumstances, e.g. if the owner of the “younger” trademark has used the trademark prior to the registration of the “older” trademark and the owner of the “younger” trademark is in good faith about the rights of the “older” trademark owner.

In relation to obtaining a separate trademark registration for the “younger” trademark, it is difficult to imagine a situation where it is found that the “younger” trademark takes unfair advantage of the “older” trademark but the “younger” trademark is registered anyway. In case R 283/1999-3, paragraph 101, the Board of Appeal found that:

*“The Board of Appeal considers that it must generally be imposed as a condition for due cause that the trademark applicant should be obliged to use the sign in question, such that, notwithstanding the detriment caused to the proprietor of the earlier trademark, the applicant cannot reasonably be required to abstain from using the trademark, or that the applicant has a specific right to use this sign, over which the right of the earlier trademark’s proprietor does not take precedence. In particular, the condition of due cause is not fulfilled merely by the fact that (a) the sign is particularly suitable for identifying the products for which it is used, (b) the applicant has already used this sign for these products or similar products within and/or outside the relevant territory of the Community, or (c) the applicant invokes a right ensuing from a filing over which the filing by the proprietor of the opposing trademark takes precedence”*

9) Can the protection be invoked in:

a. court in civil proceedings;

Answer: The protection against the taking unfair advantage of trademarks can be invoked in court in civil proceedings normally instituted by the injured party.

Cases regarding the taking of unfair advantage of Danish trademarks can be filed with both the city court and the Danish Maritime and Commercial Court in first instance.

To the extent claims have not been put forward in the first instance, it may under certain conditions be possible to submit such claims and defences.

b. court in other proceedings, and if so what other proceedings (e.g. criminal proceedings);

Answer: Protection from the taking of unfair advantage of trademarks can also be invoked in 1) a preservation of evidence case and 2) in an interlocutory injunction case. The advantage with these proceedings is that the claimant does not have to document any actual infringement of his rights, but only make probable that an infringement is taking place. If the proceeding(s) is promoted by the court, the claimant will have to commence “normal” proceedings within 2 weeks after the preservation and/or injunction case.

Further, violation of trademark rights involving aggravating circumstances (significant and obviously unlawful profit is intended by the infringement), can also be invoked in criminal proceedings. These proceedings will normally only be instituted by the

prosecution authority at the request of the injured party.

c. opposition proceedings;

Answer: Yes, the protection against the taking of unfair advantage of trademarks can also be invoked in opposition proceedings, cf. the Danish Trademarks Act, Section 15(4)(1).

d. any other, and if so what, proceedings?

Answer: There are no other proceeding possibilities available than those already described above.

10) If the protection can be invoked in multiple proceedings, are there different requirements for different proceedings? If so, please state the requirements.

Answer: In preservation of evidence cases and interlocutory injunction cases the claimant will only have to make probable the violation of his/her rights, as opposed to "normal" proceedings where the claimant will have to prove a violation. Besides this, the Danish Administration of Justice Act applies to all trademark cases within the Danish courts both in relation to civil- and criminal cases.

## **II. Policy considerations and proposals for improvements of the current law**

11) Should there be protection against:

a. the taking of unfair advantage of trademarks as defined in these Working Guidelines; Why/why not?; and/or

Answer: Yes, the group is of the opinion that there should be protection against the taking of unfair advantage of trademark as defined in these Working Guidelines.

Whereas blurring and tarnishment both concern damage to a mark (i.e. respectively damage to a mark's distinctiveness and reputation), protection against parasitism has more to do with protection against third parties' unjust enrichment by free-riding on a reputed trademark. Arguably, protection against unjust enrichment could also be dealt with - and is to some extent already dealt with - under the Danish Marketing Practices Act.

However, it is nonetheless the group's opinion there exists a need for protecting reputed trademarks against the taking of unfair advantage specifically under trademark law.

The group sees two main considerations for providing such a protection; (i) protecting the investment the trademark owner has made in promoting his/her trademark, (ii) protecting the consumer's interest in the goodwill associated with the product he/she has bought.

In Danish literature and case law it is mainly the first consideration which is recognised. Although the taking of unfair advantage of trademarks may not at first dilute or tarnish a reputed trademark, the taking of unfair advantage of such a trademark will nonetheless be detrimental to the trademark owner and his willingness to invest money in advertising his trademark, i.e. it may be detrimental to the investment/advertising function of the trademark.

The group also recognises that a consumer may have paid a premium for the goodwill associated with a trademarked product and that the consumer's investment is damaged if other companies are allowed to free-ride on the reputation of that particular trade mark. Free-riding on the mark destroys its value for the consumer by damaging the prestige of the product for which the consumer paid.

- b. use that is similar but outside the scope of the definition in these Working Guidelines? Why/why not?

Answer: N/A

- 12) Is the basis for protection or the cause of action relevant? Why/why not?

Answer: The group understands the questions as meaning whether Danish courts apply protection against the taking of unfair advantage of trademarks separately from other causes of action.

Some Danish case law on protection of reputed marks illustrates that courts can find it hard to distinguish protection against the taking of unfair advantage of trademarks from protecting against confusion. Courts have in some instances used likelihood of confusion arguments when reaching a conclusion of parasitism. This indicates that the cause of action has little relevance. The vast majority of trademark cases in Denmark revolve around likelihood of confusion.

However, as indicated above, protection against the taking of unfair advantage of trademarks has been specifically - and solely - used as a basis for infringement in a few cases, and the Supreme Court case published in UfR 2014.876 H, is one of the examples of the relevance for this cause of action.

The group finds that protection against the taking of unfair advantage under the Danish Marketing Practices Act would not be sufficient as there is a requirement of subjective intent to free-ride, (i.e. knowledge of all relevant elements) in order for this Act to apply. Such a requirement is not in the Danish Trademark Act and it thus grants a broader protection against the taking of unfair advantage of trademarks.

- 13) Should it be possible to invoke the protection in all types of proceedings mentioned above under 9) above? Why/why not?

Answer: Yes. Differing standards between court proceedings and administrative proceedings is not advantageous. If protection against the taking of unfair advantage of trademarks was only possible in some proceedings, it could lead to undesirable forum shopping.

- 14) How can your current law as it applies to the taking of unfair advantage of trademarks and/or the interpretation thereof (in particular, in case law) be improved?

Answer: The group notes *inter alia* that there exists some uncertainty as to the requirements for the geographic extent of a mark's reputation. Further, although market surveys are sometimes used as evidence in trying to document reputation for a mark, there exists no specific percentage point that has to be met in order to reach the fame requirement mentioned in C-375/97 (General Motors), paragraph 25. One consideration could be to introduce more specific rules on the two above mentioned areas, including percentage requirements. However, such rules can be problematic in that they restrict the courts and leave less room for the courts to reach the 'correct' result based on all the factors in each matter.

### **III. Proposals for harmonisation**

- 15) Is harmonisation in this area desirable?

Answer: Yes.

If yes, please respond to the following questions without regard to your national or regional laws.

Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

- 16) If your answer to question 11) is no in respect of a. and/or b., is it your view that no such protection should be available anywhere?

Answer: N/A

- 17) Should there be harmonisation of the definition of:
- a. the taking of unfair advantage of trademarks as defined in these Working Guidelines; If so, please provide any definition you consider to be appropriate; and/or

Answer: No, it is the group's opinion that there should be protection against the taking of unfair advantage of trademarks, but that there is no need to develop a specific definition of the protection or to harmonize the existing definitions. The group finds it desirable that the scope of application for the protection against the taking of unfair advantage of trademarks remains discretionary to some extent, in order to ensure that the rules applying within this area are able to follow the market development without having to be amended.

- b. use that you consider similar but outside the scope of the definition in these Working Guidelines? If so, please provide any definition you consider to be appropriate.

Answer: N/A

- 18) What should the basis for protection/cause(s) of action be?

Answer: The basis for the protection/cause(s) of action should be both trademark law and marketing law, since both legal areas seek to protect the investment that the trademark owner has made in promoting the trademark, but from a different outset and with a different focus. However, marketing law/unfair competition law materially differ in different jurisdictions, so it might be easier to complete harmonisation within trademark law, where the national rules seem to be more uniform.

- 19) What should the requirements for protection be? In your answer, please address at least the following, in addition to any other relevant factors:

- a. what level of reputation, if any, in the trademark should be required; and

Answer: It is the group's opinion that the requirements for protection should be that the trademark is known by a significant part of the public concerned by the products or services which it covers and that the trademark must be known in a substantial part

of the country in which it enjoys protection as defined by the CJEU in C-395/97 (General Motors), paragraphs 26 and 28 respectively.

Introducing percentage requirements for the level of reputation in a trademark could lead to more transparency about whether or not a mark is well-known. However, introducing such a requirement would leave less room for the courts to reach the "correct" result based on its discretionary assessment of all the factors in each matter. Further, a percentage requirement would entail the need for expensive surveys to be performed in each case in order to prove that a mark is above the determined percentage. Therefore, the group is adverse to introducing percentage requirements.

b. who should bear the burden of proof?

Answer: The plaintiff should be the burden of proving that a mark qualifies for protection against free-riding.

- 20) What defences against and/or limitations to the protection should be available? Please state the proposed requirements for any defence/limitation, and the effect of any defence/limitation.

Answer: The group find that the defences under Danish law are fair and relevant, and should be available in general as defences against and/or limitations to the protection. If any further defences should be allowed, it must be on the condition that the burden of proof remains on the party invoking the defence, and that the only effect should be the right to use the mark in accordance with fair practice.

- 21) Who should bear the burden of proof in respect of any defences and/or limitations?

Answer: The defendant should bear the burden of proof in respect of defences and limitations.

- 22) In what type(s) of proceedings should it be possible to invoke the protection?

Answer: It should be possible to invoke the protection in all types of proceedings. If it was only possible to invoke the protection in some proceedings, it could lead to undesirable forum shopping.

## **SUMMARY:**

In Denmark, the taking of unfair advantage of trademarks is not a strictly defined principle of law, but statutory law provides for protection against such use by third parties. The protection is based on the extended protection of well-known marks, and

is supplemented by traditional marketing law/unfair competition principles on exploitation of goodwill and free-riding. In order to obtain protection the owner of the earlier mark has to prove that the mark is well-known, that there is a link or mental association between the well-known mark and the later mark, and that the owner of the later mark has an intention of riding on the coattails of the trademark. The owner of the later mark bears the burden of proof if he invokes any defences/limitations. The protection can be invoked in all types of proceedings. The Danish group finds the protection adequate, although there is some uncertainty as to the requirements for the degree of reputation in the mark. The group is against the creation of a specific definition for the taking of unfair advantage of trademarks, but adherent of general harmonisation.