

## MODULE III

### TRADEMARKS

#### A Introduction

##### 1 General

This module explains the provisions of Section 2 of Part II of the TRIPS Agreement entitled 'Trademarks'. This Section contains seven articles, from Article 15 to Article 21, and deals with the protection that members have to make available for trademarks.

This Section has to be read, like other sections in Part II that cover standards of IPRs, together with the relevant provisions of pre-existing treaties in the area of international IP law which are incorporated by reference into the TRIPS Agreement. In the case of trademarks, the relevant treaty is the Paris Convention. The relationship between the TRIPS Agreement and the Paris Convention is explained below (see section A3).

This module will also have to be read in conjunction with other relevant provisions of the TRIPS Agreement that are explained in other modules. Wherever appropriate, cross-references are made to other modules.

As seen in Module I, the TRIPS Agreement stipulates the minimum level of protection that members have to provide to nationals from other members. In other words, it determines the obligations that members have *vis-à-vis* each other. Given the long history of international cooperation on IP matters, domestic laws in this area are often fairly similar. However, as is the case for all IPRs, to establish how the law applies in any concrete practical situation, the applicable domestic law will have to be consulted.

##### 2 What are trademarks?

A trademark is a sign or a combination of signs that is used to distinguish the goods or services of one enterprise from those of another. The owner of a trademark has the exclusive right to prevent all those not having the owner's consent from using it in the marketplace to identify certain goods or services. The owner may choose to use the trademark itself, or to authorize others to use it, typically through a licence against payment or other benefits. Trademarks can also be assigned to another owner who then acquires the legal rights associated with the trademark.

The trademark system thus serves to protect producers against unfair competition from other producers seeking to free ride on the goodwill and positive reputation earned by the trademark owner. By providing a certain guarantee that a trademarked product or service originates from or is authorized by the trademark owner, trademark

protection also facilitates consumers' choices when purchasing certain products or using certain services. Consumers often rely on trademarks to indicate the source company and to distinguish the product from similar goods that are produced by other enterprises. Trademarks therefore help consumers to reliably identify and purchase a product or service which they prefer because of its taste, quality or other characteristic that consumers have come to expect on the basis of previous purchases or through advertising or word-of-mouth recommendation. Thus, trademarks protect an undertaking's goodwill, as well as the consumers, against confusion and deceptive practices. Registration systems were developed over time as a way of clarifying the existence and scope of trademark rights, and as a way of putting other traders on notice about those rights.

In the past, trademarks were mainly registered and protected for goods. The registration of trademarks for services ('service marks') was optional under the Paris Convention, and few countries provided for registration of such marks. However, with the rise of the service economy and the resulting importance of trademarks in distinguishing services, the TRIPS Agreement stipulated that service marks should be protected in the same way as trademarks for goods. Where the provisions on trademarks apply equally to marks identifying goods and services, the term 'products' will be used in this module to denote both goods and services.

In general, trademarks are registered and protected with respect to certain products, which are described in detail in the trademark registration (e.g. 'FedEx' for document delivery services, 'Toyota' for automobiles and related services and 'Samsung' for consumer electronics).<sup>33</sup> The owner generally only enjoys the exclusive right of preventing others from using the registered trademark with respect to the same or similar products for which it is registered. For example, a trademark registered for hairdressing services would not, normally, be enforceable against use of the mark on a new range of irrigation equipment.

While trademark rights are typically acquired by the *registration* of a sign as a trademark, some countries make these rights available without registration simply on the basis of use. In some jurisdictions, such unregistered trademark rights are referred to as *common law trademarks*. The TRIPS Agreement only obliges members to accord rights to the owner of registered trademarks. However, it explicitly recognizes in Article 16.1 members' entitlement to make trademark rights available without registration on the basis of use. It also requires protection for well-known marks that are not registered.

Trademark rights, like other IPRs, are territorial, which means that they are in principle valid only in the jurisdiction where they have been registered or otherwise acquired.<sup>34</sup> To be protected in different countries, therefore, a mark needs to be registered in each

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<sup>33</sup> Detailed classification systems of goods and services for the purposes of trademark registrations have been agreed to in the Nice Agreement and the Vienna Agreement, which are administered by WIPO.

<sup>34</sup> The protection for well-known marks required by Article 6bis of the Paris Convention and Article 16.2 and 16.3 of the TRIPS Agreement is an exception to that rule.

individual jurisdiction. To go through separate procedures for trademark registration in many countries can be expensive and administratively complicated. A number of international treaties dealing with aspects of national and international registration have therefore been concluded under the auspices of WIPO, to facilitate and harmonize registration in multiple jurisdictions.<sup>35</sup>

### 3 *What is the relationship of TRIPS with the Paris Convention?*

As discussed in Module I, during the Uruguay Round negotiations it was recognized that, for the most part, the pre-existing Paris Convention already provided important basic standards of industrial property protection. It was therefore agreed that the point of departure should be the existing standards under the latest Act, the Stockholm Act of 1967, of that Convention.

However, the Paris Convention is silent on a number of key aspects of trademark protection. Accordingly, the trademark section of the TRIPS Agreement contains a comprehensive definition of trademarks and a description of the rights conferred by registered trademarks, as well as provisions on limitations and exceptions, and on the term of protection. The TRIPS Agreement also adds some significant substantive provisions regarding service marks and the protection of well-known marks. These provisions codify and concretize to some extent the jurisprudence and general practice that had already been developed under the Paris Convention and relevant national laws.

## B TRIPS provisions on trademarks

The obligations of members with respect to the availability, scope and permissible limitations of trademark protection are contained in Articles 15 to 21 of Part II of the TRIPS Agreement, and also include the substantive provisions of the Paris Convention incorporated into the Agreement by the reference in Article 2.1. These provisions also have to be read in the context of provisions in other parts of the TRIPS Agreement.

### 1 *What subject matter is to be protected and what are the conditions for registration?*

#### (a) Subject matter of trademark protection

**(i) Distinctive signs** According to Article 15.1 of the TRIPS Agreement, any sign, or any combination of signs, capable of distinguishing the goods and services of one 'undertaking' from those of other undertakings must be eligible for trademark

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<sup>35</sup> The Trademark Law Treaty and the Singapore Treaty harmonize national and regional registration procedures, the Madrid Agreement and the Madrid Protocol facilitate multiple registrations in a number of jurisdictions, and the Nice Agreement and the Vienna Agreement establish international classification systems relevant to trademarks. These international treaties concluded under the auspices of WIPO have not been incorporated into the TRIPS Agreement. Furthermore, Article 5 of the TRIPS Agreement exempts procedures relating to the acquisition and maintenance of IPRs that are contained in WIPO's multilateral treaties from TRIPS national treatment and MFN obligations.

protection. These signs could be words including personal names, letters, numerals, figurative elements and combinations of colours, as well as any combination of signs. This means that in principle there is no limitation on the type of signs that can constitute trademarks under the TRIPS Agreement. Rather, the emphasis is on *distinctiveness* – i.e. the ability of the signs to distinguish products of one enterprise from those of others. Members can require that signs be visually perceptible to be registered as trademarks, leaving them free to determine whether or not to allow the registration as trademarks of signs such as smells and sounds. The latter are often referred to as ‘non-traditional’ trademarks.

Signs are considered distinctive in relation to a certain class or classes of product (e.g. automobiles) if consumers associate these signs with products from a particular enterprise (e.g. ‘Mazda’), rather than a type of product (e.g. ‘Hatchback’ or ‘Pick-Up’). It follows, therefore, that the more descriptive a term is for the product, the less distinctive it will be in relation to such products. Conversely, the more peculiar or fanciful a term is in relation to the product it is used for, the more likely it is to be distinctive for these products. Fantasy words or completely unrelated words like ‘Yahoo’, ‘Kodak’ or ‘Exxon’ are therefore more likely to be distinctive (with regard to any product) than descriptive words like ‘four-wheel drive’ for cars or ‘lightweight’ for bicycles.

Where signs are not inherently (i.e. ‘by the nature of the sign itself’) capable of distinguishing the relevant products, members can allow their registration as trademarks on the basis of distinctiveness that has been acquired through use. Distinctiveness is acquired if an otherwise descriptive term (e.g. ‘Raisin-Bran’ for bran cereal with raisins or ‘Federal Express’ for express mail service at the federal level), through extensive advertising or use for a product by a particular enterprise, has ceased to be understood as a general term and has come to be associated with the product of that specific supplier. It then serves to distinguish those products from the products of other suppliers, which makes it capable of constituting a trademark.<sup>36</sup>

The Panels in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467) clarified that Article 15.1 does not require members to make eligible for registration as trademarks signs that are not inherently distinctive and have yet to acquire distinctiveness through use.

While most trademarks are word marks, graphic symbols, labels, or logos, there have also been registrations of shapes of products themselves (e.g. the triangular shape of ‘Toblerone’ chocolate, or the particular shape of the ‘Coca-Cola’ bottle) and colours (the magenta colour of ‘Deutsche Telekom’) and some members have allowed the

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<sup>36</sup> This process also works in the opposite direction. A sign can lose its distinctiveness if the consumer no longer understands it as identifying the product of one specific enterprise, but rather sees it as denoting a type of product in general, regardless of the originating enterprise. This may happen if the trademark owner does not take sufficient action against unauthorized use and consumers start using the term more widely, so that the term becomes generic. (e.g. zipper and escalator). The term can also have different significance in different countries, depending on use and legal status – so that ‘Thermos’ is a registered mark in some countries for insulated vessels, but is mentioned in dictionaries as a generic term elsewhere.

registration of sounds ('Nokia' ringtone; 'MGM' lion roar) and, more recently, smells (the smell of fresh cut grass for tennis balls). As of 1 October 2017, the European Union Intellectual Property Office (EU IPO) also recognizes 'multimedia marks', which are a combination of image and sound.

**(ii) Trade names** The notion of a trade name is interpreted in different ways in existing legislations – the term 'business name' is sometimes used. It can generally be defined as being the name or designation identifying the enterprise of a natural or legal person – for instance, Maria Luisa might call her bakery 'Marisa's Cakeshop'. The protection of trade names has been held by the Appellate Body to also fall within the scope of the TRIPS Agreement by virtue of the incorporation of Article 8 of the Paris Convention into the TRIPS Agreement by its Article 2.1.<sup>37</sup> Neither the Paris Convention nor the TRIPS Agreement specify in detail the level of protection that must be applied, so national practice can differ considerably, but it is clear that no formalities are required, and that essentially the same protection must be available to foreign nationals' business names as for those of domestic nationals.

**(iii) Collective marks and certification marks** According to Article 7*bis* of the Paris Convention, members must also accept the registration of signs as collective marks. This means that signs can be registered not only with respect to products from one enterprise, but also with respect to those of a group of enterprises or an association. These enterprises can then own, use and defend the trademark collectively. The collective mark may be used to show that an individual producer or trader is a member of a trade or industry association, and to distinguish its products from those of other undertakings. Such marks are often used to distinguish the geographical origin or other common characteristics of products of different enterprises which use the collective mark under the control of its owner, or to certify that the product bearing the mark has certain characteristics, such as a particular mode of production, regional or other origin, or fulfils certain standards of quality. Such marks are similar to certification marks or guarantee marks – marks that certify or guarantee certain properties or the origin of a product – but are technically different under some national laws. For example, a certification mark could be owned by a separate certifying authority, rather than an association of traders. But these kinds of marks are often grouped together as having a similar character and function.

Examples of terms that have been registered as collective marks in the European Union are 'Bayerisches Bier', 'Royal Thai Silk' (figurative) and 'Madeira'.<sup>38</sup>

See Box IV.1 in Module IV below for additional examples of certification and collective marks.

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<sup>37</sup> Appellate Body Report, *US – Section 211 Appropriations Act*.

<sup>38</sup> EU IPO, eSearch Plus, available at: [euipo.europa.eu/eSearch/](http://euipo.europa.eu/eSearch/) (accessed 2 February 2019).

(b) Conditions for registration as a trademark

As registration of a trademark is the principal way of obtaining trademark protection, a number of rules concern the conditions under which trademark registrations can be obtained, and mechanisms for facilitating the obtaining of registrations in other members. While, according to Article 6(1) of the Paris Convention and Article 15.2 of the TRIPS Agreement, the conditions for the filing and registration of a trademark are in principle determined by the domestic legislation of each member, there are a number of common rules that have to be observed by all members.

**(i) Priority** The right of priority ensures that on the basis of a regular first trademark application filed in a member, the applicant (or the successor in title) may, within a specified period of time, apply for registration of his or her trademark in another member using the same priority date as the first application. According to Article 4 of the Paris Convention, the priority period for trademarks is six months from the date of the first filing of that trademark in a member. During the six-month priority period, applications of the owner for the same trademark in all other members will be regarded as if they had been filed on the same day as the first application and therefore enjoy priority status with respect to any actions (such as use) or applications for similar trademarks that occurred since the date of the first application.

**(ii) Publishing requirement** According to Article 15.5 of the TRIPS Agreement, members must publish a trademark either before, or promptly after, it is registered. They must further provide for a reasonable opportunity to request the cancellation of the trademark, so that interested parties can challenge a registration. In addition, members may, but are not obliged to, allow for trademark opposition, a procedure practised in many members where a trademark can be challenged after it is accepted by the trademark office, but before it is registered.

This provision ensures transparency in the trademark registration process, which is a prerequisite of an effective challenge procedure. It also illustrates the TRIPS Agreement's flexibility in accommodating different registration procedures already in existence in different members. These differ typically with regard to how the owner of a mark is determined. Some systems give ownership to whoever is the first to use a mark ('first to use'), others to those who are the first to file a trademark application ('first to file').

**(iii) Reasons which *may not* constitute grounds for refusal of trademark registrations** According to the rules laid down in the Paris Convention and the TRIPS Agreement, a number of reasons may not constitute grounds for the refusal of a trademark registration in a member:

*'Failure to register in the country of origin'*

A registration of a sign as a trademark may not be refused by a member on the grounds that the trademark is not registered in its country of origin (i.e. country of commercial

establishment, domicile or nationality of the applicant). This principle, provided for in Article 6.2 of the Paris Convention, is called ‘independence of protection’ and asserts that for a trademark to enjoy protection in a member, the owner is not obliged to first seek registration in his home country.

*‘Form of the mark, if already registered in other Member countries’*

Although registration in the country of origin is not obligatory for enjoying trademark protection elsewhere, Article 6*quinquies* of the Paris Convention provides that once a trademark has been registered in its country of origin that is a member, other members have to accept the registration of the mark in that form ‘as is’ (i.e. *telle quelle*, in the original French version of the Paris Convention). This means that other members cannot refuse protection of such a trademark for the reason that the mark, with regard to the signs of which it is composed, does not comply with the requirements of their domestic legislation. This provision reflects the interest of both owners of trademarks and the public in having the same trademark apply to the same products in various countries.

However, Article 6*quinquies* makes clear that such trademarks can still be denied registration in cases where they infringe third-party rights in the country where protection is claimed, if they are essentially devoid of distinctive character, or if they are contrary to morality or public order. For the details of these exceptions, see the text of Article 6*quinquies* itself.

In the dispute settlement case *US – Section 211 Appropriations Act* (DS176), the Panel and Appellate Body confirmed that this provision only applies to *the form* of the trademark (see Box III.1 below). This means that members remain free to apply their domestic rules as regards other aspects of trademark registration, such as the definition of a trademark or any requirement of previous use of the trademark.

The Panels in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467) clarified that Article 6*quinquies* entitles registrants to the protection that flows from the registration of a sign as a trademark under the registering member’s domestic law. This provision does not in itself provide any guidance as to what that protection should consist of. Rather, the scope and content of trademark rights are governed by other provisions of the TRIPS Agreement.

*‘Nature of the goods or services identified by the trademark’*

As was already provided for in Article 7 of the Paris Convention in respect of goods, and confirmed and extended by Article 15.4 of the TRIPS Agreement, members may not refuse the registration of a trademark because of the nature of the goods or services the mark is applied to. Thus, a trademark registration may not be refused merely because the mark identifies products that could be considered immoral, dangerous or otherwise undesirable.

The Panels in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467) clarified that the obligation in Article 15.4 only applies to signs that are otherwise eligible for registration as a trademark. It does not oblige members to permit the use of non-distinctive signs to allow them to acquire distinctiveness, and hence protection as trademarks, irrespective of the products or services to which they are to be applied.

The *Australia – Tobacco Plain Packaging* Panels further clarified that Article 15.4 limits the grounds on which registration may be refused, but does not oblige that the scope and content of protection that flows from such registration be the same, regardless of the nature of the goods or services to which the trademarks may be applied.

These provisions do not, of course, mean that governments cannot regulate the sale of the goods bearing trademarks. Rather, these rules, as also confirmed by the above-mentioned Panels, reflect the nature of IPRs as essentially negative rights – i.e. rights to prevent the use of a trademark by other parties – and not positive rights to sell or market products. The sale, marketing or use of socially sensitive products such as alcohol, firearms, pharmaceuticals and hazardous chemicals is usually regulated by specific areas of law other than IP, such as regulations on medicines, weapons and chemicals, and in some cases criminal law or general civil law. Enterprises must comply with these laws before they can legitimately sell or use such products. Trademark protection only protects the enterprise's signs against confusing use by its competitors on similar products – it does not amount to a licence to sell the product – and therefore a mark may not be refused registration on grounds of the nature of the goods or services to which the mark is to be applied.

*'Actual use of the trademark at the time of registration'*

According to Article 15.3 of the TRIPS Agreement, where countries make trademark registrations dependent on the use of a mark, *actual* use of a trademark may not be a condition for filing an application to register that trademark. Although members may make registration dependent on the use of the trademark, a registration may not be refused solely on the ground that the intended use has not taken place within three years of the application date. This means that, while in principle a member may require that the applicant at least intends to actually use the trademark, he or she must be given at least three years from the filing of the trademark application before actual use must have taken place. A member may cancel a registration if the trademark has not been used for a period of at least three years, unless the trademark owner has valid reasons for the non-use, such as import restrictions or other government regulations covering the goods or services protected by the trademark.

In practice, enterprises often register trademarks before they launch the corresponding product, because the design of a new product and the planned advertisement campaign are usually developed on the basis of the trademark for the product. Such investments would be lost if the trademark was no longer available at

the time of the actual product launch – for instance, if a competitor applies for a similar mark in the meantime.

**(iv) Reasons which may constitute grounds for refusal of trademark registrations** The TRIPS Agreement recognizes in Article 15.2 that members may also refuse the registration of a trademark in their territory on grounds other than those addressed in Article 15.1 (e.g. lack of distinctiveness or visual perceptibility), provided they do not derogate from the provisions of the Paris Convention.

The Panel and Appellate Body in the dispute settlement case *US – Section 211 Appropriations Act* (DS176) established that the grounds members may use to refuse registration are not limited to those expressly mentioned in the TRIPS Agreement or the Paris Convention, such as those listed in Article 6 *quinquies* of the Paris Convention (Box III.1) (see section B1(b)(iii) above).

BOX III.1 US – SECTION 211 APPROPRIATIONS ACT <sup>39</sup> (DS176)		
PARTIES	TRIPS PROVISIONS	KEY DATES
<b>Complainants</b> European Communities	Arts. 2 (incorporating Art. 6 <i>quinquies</i> of the Paris Convention), 3, 4, 15, 16 and 42	<b>Establishment of Panel</b> 26 September 2000
<b>Respondent</b> United States		<b>Adoption of Panel and AB reports</b> 1 February 2002
<i>Measure and intellectual property at issue</i>		
<ul style="list-style-type: none"> <li>• <b>Measure at issue:</b> Section 211 of the US Omnibus Appropriations Act of 1998, prohibiting those having an interest in trademarks/trade names related to certain goods confiscated by the Cuban government from registering/renewing such trademarks/names without the original owner’s consent.</li> <li>• <b>IP at issue:</b> Trademarks or trade names related to such confiscated goods.</li> </ul>		
<i>Summary of key Panel/Appellate Body findings<sup>40</sup></i>		
(a) Section 211(a)(1)		
<ul style="list-style-type: none"> <li>• <b>TRIPS Art. 15 and Art. 2.1 (Paris Convention Art. 6 <i>quinquies</i> A(1)):</b> As Art. 15.1 embodies a definition of a trademark and sets forth only the eligibility criteria for registration as trademarks (but not an obligation to register ‘all’ eligible trademarks), the Appellate Body found that Section 211 (a)(1) was not inconsistent with Art. 15.1, as the regulation concerned ‘ownership’ of a trademark. The Appellate Body also</li> </ul>		

<sup>39</sup> *United States – Section 211 Omnibus Appropriations Act of 1998.*

<sup>40</sup> Other issues addressed in this case: TRIPS Art. 15.2; Paris Convention, Art. 8; scope of appellate review (question of fact or law, DSU Art. 17.6); characterization of the measure (‘ownership’); information from WIPO.

**BOX III.1 US – SECTION 211 APPROPRIATIONS ACT<sup>39</sup> (DS176)**

agreed with the Panel that Section 211(a)(1) was not inconsistent with Paris Convention Art. 6 *quinquies* A(1), which addresses only the ‘form’ of a trademark, not ownership.

(b) Sections 211(a)(2) and (b)

- **TRIPS Arts. 16.1 and 42:** As there are no rules determining the ‘owner’ of a trademark (i.e. discretion left to individual countries), the Appellate Body found that Section 211(a)(2) and (b) were not inconsistent with Art. 16.1. The Appellate Body, reversing the Panel, found that Section 211(a)(2) on its face was not inconsistent with Art. 42, as it gave right holders access to civil judicial procedures, as required under Art. 42, which is a provision on procedural obligations, while Section 211 affects substantive rights.
- **Paris Convention Art. 2(1) (TRIPS Art. 3.1):** As to the effect on ‘successors-in-interest’, the Appellate Body found that Section 211(a)(2) violated the national treatment obligation, because it imposed an extra procedural hurdle on Cuban nationals. As for the effect on original owners, the Appellate Body reversed the Panel and found that Section 211(a)(2) and (b) violated the national treatment obligations as they applied to ‘original owners’ who were Cuban nationals but not to ‘original owners’ who were US nationals.
- **TRIPS Art. 4:** Reversing the Panel, the Appellate Body found that Section 211(a)(2) and (b) violated the MFN obligation, because only an ‘original owner’ who was a Cuban national was subject to the measure at issue, whereas a non-Cuban ‘original owner’ was not.

(c) Trade names

- **Scope of the TRIPS Agreement:** Reversing the Panel, the Appellate Body concluded that trade names are covered under the TRIPS Agreement, because, *inter alia*, Paris Convention, Art. 8 covering trade names is explicitly incorporated into Art. 2.1 of the TRIPS Agreement.
- **TRIPS Arts. 3.1, 4 and 42 and Paris Convention:** Completing the Panel’s analysis on trade names, the Appellate Body reached the same conclusions as in the context of trademarks above, because Sections 211(a)(2) and (b) operated in the same manner for both trademarks and trade names.

**(v) Reasons which *must* constitute grounds for refusal or invalidation of trademark registration** Finally, the regime of trademark protection under the TRIPS Agreement provides for a number of situations in which members must refuse or invalidate the registration of a trademark.

*'Well-known marks'*

According to Article 6*bis* of the Paris Convention, as incorporated in the TRIPS Agreement, well-known trademarks – i.e. those that, without necessarily being registered in that country, are well known there – enjoy stronger protection than ordinary trademarks, and registrations of signs as trademarks must be refused if they are liable to cause confusion with a well-known trademark. Well-known trademarks are explained in detail in section B2(c) below.

*'Geographical indications'*

According to Articles 22 and 23 of the TRIPS Agreement, members must also refuse or invalidate the registration of a trademark which contains or consists of a GI, if use of such a trademark would mislead the public as to the true place of origin of the goods (in the case of all GIs), or if such a trademark is used on wines and spirits not having the indicated origin (in the case of GIs for wines or spirits). Certain exceptions to this obligation are provided for in Article 24 in the Section on GIs of the TRIPS Agreement. The obligations of members under the provisions for GIs are explained in more detail in Module IV.

*'State emblems and official hallmarks'*

Furthermore, according to Article 6*ter* of the Paris Convention, as incorporated in the TRIPS Agreement, members must refuse or invalidate the registration as trademarks, and prohibit by appropriate measures the use without authorization, of state emblems, flags, official hallmarks, emblems or abbreviations of intergovernmental organizations and other official signs which have been communicated to the members. A number of exceptions to this obligation are provided for under that Article. The purpose of Article 6*ter* is not to protect the official signs or hallmarks mentioned above as subjects of industrial property, but rather to exclude them from becoming such subjects in certain circumstances.

WIPO maintains a database regarding Article 6*ter* of the Paris Convention. More detailed information on the interpretation of this Article can be found at [www.wipo.int/article6ter/en](http://www.wipo.int/article6ter/en).

## 2 What rights are to be conferred?

### (a) General

The TRIPS Agreement also stipulates which rights a trademark owner must enjoy in a member (Article 16) and what type of exceptions to these rights are permissible (Article 17). As noted in Module I, the TRIPS Agreement is a minimum standards agreement. This means that the rights described here only constitute the minimum level of protection required by this international agreement, and that members may – and in many cases actually do – provide for higher or more stringent protection in their national legislation. Therefore, in order to establish what rights a trademark owner has in any individual member, reference should be made to the domestic laws of that member.

### (b) Trademark rights

According to Article 16.1 of the TRIPS Agreement, '[t]he owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion.' In short, this means that under a member's national trademark regime the right holder must at least be able to stop the use of similar signs on similar products in the market, where such use would lead to confusion among consumers as to whether or not those products originate from or are endorsed by the right holder's undertaking. While the TRIPS Agreement only obliges members to accord this right to the owners of registered trademarks, it explicitly recognizes in Article 16.1 members' ability to make trademark rights available without registration on the basis of use.

Each of the different elements of Article 16.1 of the TRIPS Agreement is set out below:

#### *'exclusive right to prevent'*

means that the owner of a registered trademark must have the exclusive right – i.e. he or she must be the only person or legal entity authorized – to authorize the use of his or her trademark or signs confusingly similar to it on similar or identical products. The Panels and Appellate Body in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467) clarified that Article 16.1 does not establish a trademark owner's right to use its registered trademark but, rather, only provides a right to prevent certain activities by unauthorized third parties under the conditions set out in the first sentence of Article 16.1. The next element,

*'from using in the course of trade'*

means that the registered trademark must be protected against confusing use in the course of trade. Therefore, trademarks only have to be protected in commercial dealings and there is no obligation to protect against use in a private context. Again,

*'where such use would result in the likelihood of confusion'*

means that the exclusive right of the trademark owner to prevent certain use only concerns the use:

- (1) of a sign that is similar or identical to that registered as a trademark,
- (2) on products similar or identical to those in respect of which the trademark is registered,
- (3) that is likely to confuse the relevant group of consumers.<sup>41</sup>

Article 16.1 of the TRIPS Agreement requires that, in cases where an identical sign is used on identical products, it is presumed that a likelihood of confusion exists (e.g. even if the buyer is aware that he is buying a counterfeit product). When the signs and products are not identical but only similar to those registered, the question of likelihood of confusion has to be assessed case-by-case and on the basis of the individual market situation.

Typically, in assessing whether the use of a sign on particular products causes a likelihood of confusion with a registered trademark, the relevant authorities would consider both the similarity of the sign with the registered sign and the similarity of the products with those in respect of which the trademark is registered, and decide on the basis of the overall consumer impression whether there is a likelihood of confusion. Factors that may play a role in assessing the similarity of signs are the phonetic or linguistic similarity, as well as similarities in meaning. As regards the similarity of products, courts have taken into account factors such as whether the products in question compete with each other in the marketplace, whether they share the same distribution channels, the likely degree of vigilance of the targeted customers (e.g. children or business owners) and the degree of recognition a trademark has in the market. The fact that the likelihood of confusion is established on the basis of the overall impression of the use of a sign on a product means that a strong similarity of signs might be balanced out by a strong dissimilarity of the products on which the sign is used and vice versa.

To illustrate this point, consider the following examples. The trademark 'Euron' is registered for 'surgical, medical apparatus and instruments'. An application requests the registration of the trademark 'Curon' for a variety of goods including also 'surgical,

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<sup>41</sup> For the more extensive protection of well-known trademarks, see section B2(c) below.

medical, dental and veterinary apparatus, instruments and devices ...'. In assessing whether the use of the 'Curon' trademark might result in a likelihood of confusion with the earlier 'Euron' trademark, it would be taken into account that although the goods on which the marks are used may be identical (namely surgical medical apparatus and instruments), the signs that are used are rather dissimilar. On that basis, an overall assessment in a certain territory could come to the conclusion that hardly any relevant consumer would have the impression that medical instruments marked with the 'Curon' trademark could possibly come from the owner of the earlier mark 'Euron', and that there is therefore no likelihood of confusion.<sup>42</sup>

Inversely, use of virtually identical signs may not cause a likelihood of confusion among consumers if the products on which the different signs are used are sufficiently different. In assessing, for example, whether the use of the trademark 'Tosca' registered for 'perfume products' and the trademark 'Tosca Blu' registered for 'leatherwear' and 'clothing' would cause confusion among consumers, the difference in the goods for which the two marks are registered may well be seen to outweigh the similarity (or, in fact, partial identity) of the signs used. An overall assessment for a certain territory may therefore come to the conclusion that no likelihood of confusion exists between these two trademarks, as consumers may not be confused between a perfume producer and a producer of leatherwear.<sup>43</sup>

In a similar vein, the trademark 'Waterford' registered for 'articles of glassware, earthenware, chinaware and porcelain' might not cause a likelihood of confusion with the trademark 'Waterford Stellenbosch' which is registered for 'alcoholic beverages, namely wines produced in the Stellenbosch district, South Africa' because consumers may perceive the goods, glass- and porcelainware on the one hand, and wine from Stellenbosch, South Africa on the other hand, to be sufficiently different so as not to be confused by the use of these partially identical signs.<sup>44</sup>

A further consequence of the fact that the assessment of whether there is a likelihood of confusion is an overall assessment of the two levels of comparison (i.e. similarity at the level of the signs used and at the level of products, on which the signs are used) is that there may be identical trademarks registered for different products. As an illustration, the EU IPO has registered numerous European Union Trade Marks (EUTMs) for the trademark 'Speedy' by different enterprises for different groups of products (see Box III.2).

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<sup>42</sup> Court of First Instance, Case T-353/04, Ontex v. OHIM – Curon Medical (CURON) (2007) ECR II (ECLI:EU:T:2007:47), p. \*10 (unpublished decision).

<sup>43</sup> Court of First Instance, Case T-150/04, Mülhens v. OHMI – Minoronzoni (TOSCA BLU) (2007) ECR II (ECLI:EU:T:2007:214), p. 2357.

<sup>44</sup> European Court of Justice, Case C-398/07 P, Waterford Wedgwood plc v. Assembled Investments (Proprietary) Ltd, Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (2009) ECR I (ECLI:EU:C:2009:288), p. \*75 (unpublished decision).

BOX III.2 EUROPEAN UNION TRADEMARKS <sup>45</sup>			
Trademark (word)	List of goods/services for which the mark is registered	Trademark Registration Number	Expiry date
SPEEDY	Metal fittings for doors and windows...	EUTM 00711648	15/12/2027
SPEEDY	Electric and electronic equipment for operating lamps, small transformers ...	EUTM 001318054	22/09/2029
Speedy	Chocolate products and confectionery...	EUTM 001998939	14/12/2020
SPEEDY	Mobile and modular scaffolding...	EUTM 005654744	19/01/2027
SPEEDY	Curtain suspension devices (other than chains); curtain holders (non textile) ...	EUTM 000121038	01/04/2026
SPEEDY	Meat, fish, poultry and game; ... Preserved, frozen, dried and cooked fruits and vegetables; ... eggs, milk and other milk products; ...	EUTM 011120862	15/08/2022
SPEEDY	Mobile phone cases; ... charging cables; USB adaptors; power banks; ...	EUTM 017038555	26/07/2027

As mentioned above, the assessment of whether there is a likelihood of confusion is to be made on a case-by-case basis taking into account the situation in the territory in question.

(c) Rights with respect to well-known trademarks

As explained above, well-known trademarks are those that, without necessarily being registered in a member, are well known as belonging to a particular trademark owner. Such marks enjoy stronger protection than normal trademarks. According to Article 6*bis* of the Paris Convention, as incorporated into the TRIPS Agreement, the registration of a sign as a trademark must be refused or cancelled, and its use prohibited in a member, if that trademark is liable to cause confusion with a mark that is considered well known in that member and used for identical or similar goods – whether or not the well-known trademark is registered in that country. Such refusal, cancellation or prohibition of use should be affected *ex officio* by the competent authority of a member if its legislation permits its authorities to act on their own

<sup>45</sup> European Union Intellectual Property Office, eSearch Plus, available at: [euipo.europa.eu/eSearch](http://euipo.europa.eu/eSearch) (accessed 19 February 2020).

initiative. Otherwise such action must be available at the request of an interested party (such as the owner of the well-known mark).

The Panels in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467) clarified that, while Article 16.3 and Article 6bis oblige members to protect currently well-known trademarks in the manner specified in these provisions, they do not require members to provide such protection for trademarks that do not, or no longer, fulfil these criteria. Neither are they required to refrain from taking measures that may affect the ability of right owners to maintain the well-known trademark status of individual trademarks, or to provide a ‘minimum opportunity’ to use a trademark in the market.

Whether a trademark is liable to create confusion with a well-known mark will be determined by the competent authority of the member concerned, and in so doing the said authority will have to consider the question from the viewpoint of the consumers of the products to which the marks are applied. Article 6bis specifies that such confusion may occur in cases of reproduction, imitation or translation of the well-known mark, or even if only an essential part of a mark constitutes a reproduction or confusing imitation of the well-known mark.

Article 16.2 of the TRIPS Agreement extends the protection afforded in Article 6bis of the Paris Convention to well-known service marks. Article 16.3 extends protection under Article 6bis of the Paris Convention to protection against use of the mark on non-similar goods or services, provided the well-known mark is registered and that such use would indicate a connection between those products and the owner of the well-known mark, and that the owner’s interests are likely to be damaged by such use.

Article 16.2 provides that, in determining whether a trademark is well known in its territory, a member must take account of the knowledge of the trademark in the relevant sector of the public (e.g. for trademarks on skis among skiers) and must include knowledge obtained through the promotion of the trademark. This means that knowledge based on advertising efforts as well as on use of the trademark on the products shall be taken into account.

#### (d) Licensing and assignment of rights

The TRIPS Agreement provides in Article 21 that, while it is up to each member to prescribe conditions on the licensing and assignment of trademark rights, an owner of a registered trademark must always be able to assign the trademark with or without the transfer of the business to which the trademark belongs. Before the introduction of the TRIPS Agreement, quite a number of countries allowed the transfer or assignment of trademark only with the transfer of the corresponding business or goodwill located in the relevant territory, which effectively barred trademark rights from being traded as independent assets. While countries are free to regulate this aspect in their national legislation under the Paris Convention (Article 6quater), it has become an obligation under the TRIPS Agreement to allow the assignment of trademarks independently from the corresponding business operation.

(e) Other requirements

According to Article 20 of the TRIPS Agreement, use of the trademark in the course of trade must not be unjustifiably encumbered by special requirements, such as use with another trademark (so-called ‘twinning’ requirements), use in a special form, or use in a manner detrimental to the trademark’s ability to distinguish the goods or services of one undertaking from those of other undertakings. As explained by the Panels in *Australia – Tobacco Plain Packaging* (DS435, 441, 458, 467), this provision reflects the balance that the drafters of the TRIPS Agreement intended to strike between the legitimate interest of trademark owners in using their trademarks in the marketplace, and the right of members to adopt measures for the protection of certain societal interests that may adversely affect such use.

The *Australia – Tobacco Plain Packaging* Panels held that the complainant bears the burden of proving a violation of Article 20 by demonstrating (1) the existence of special requirements (2) that encumber the use of a trademark in the course of trade (3) unjustifiably. The Panels interpreted these elements as follows:

*‘special requirements’*

refers to a condition that must be complied with, has a close connection with or specifically addresses the ‘use of a trademark in the course of trade’, and is limited in application. This may include a ban or prohibition, such as a prohibition on use.

*‘encumber[.]’ the ‘use of a trademark in the course of trade’*

means to restrict or impede the use of a trademark in the course of commercial activities, including commercial activities that take place after the point of sale. ‘Use’ is to be assessed factually and objectively, and is not limited to any particular type, function, or purpose. A prohibition on use, which encumbers a trademark to the greatest possible extent, falls within the meaning of this phrase.

*‘unjustifiably’*

refers, as confirmed by the Appellate Body, to a manner that lacks a justification or reason that is sufficient to support the resulting encumbrance. The following factors could be considered in assessing this element: (a) the nature and extent of the encumbrance resulting from the special requirements, bearing in mind the legitimate interest of the trademark owner in using its trademark in the course of trade and thereby allowing the trademark to fulfil its intended function; (b) the reasons for which the special requirements are applied, including any societal interests they are intended to safeguard; and (c) whether these reasons provide sufficient support for the resulting encumbrance.

**BOX III.3 AUSTRALIA – TOBACCO PLAIN PACKAGING<sup>46</sup> (DS435, 441, 458, 467)**

PARTIES	TRIPS PROVISIONS	KEY DATES	
<b>Complainants</b> Honduras, the Dominican Republic, Cuba, Indonesia <b>Respondent</b> Australia	Arts. 2.1 (in conjunction with Paris Arts. <i>6quinquies</i> and <i>10bis</i> , paras. 1, 3(1) and 3(3)), 15.4, 16.1, 16.3, 20, 22.2(b) and 24.3	<b>Establishment of Panels</b>  <b>Adoption of Panel reports (DS458, 467)</b>  <b>Adoption of Panel and AB reports<sup>47</sup> (DS435, 441)</b>	25 Sept 2013 (DS435) 25 April 2014 (DS441) 25 April 2014 (DS458) 26 March 2014 (DS467)  27 August 2018  29 June 2020
<i>Measures and products at issue</i>			
<ul style="list-style-type: none"> <li>• <b>Measures at issue:</b> Tobacco plain packaging (TPP) measures requiring tobacco products and their retail packaging to appear in a uniform manner.<sup>48</sup></li> <li>• <b>Products at issue:</b> Tobacco products and their retail packaging.</li> </ul>			
<i>Summary of key Panel/Appellate Body findings<sup>49</sup></i>			
<ul style="list-style-type: none"> <li>• <b>Paris Convention Art. <i>6quinquies</i> (registration of trademarks):</b> Honduras and Cuba did not demonstrate that the TPP measures were inconsistent with Australia's obligation to accept for filing and protect 'as is' every trademark duly registered in the country of origin.</li> <li>• <b>TRIPS Art. 15.4 (an obstacle to registration of a trademark):</b> Honduras, the Dominican Republic and Cuba did not demonstrate that the nature of the goods to which the TPP measures applied ('tobacco products') formed an obstacle to the registration of trademarks in violation of Art. 15.4.</li> <li>• <b>TRIPS Art. 16.1 (rights conferred to an owner of a registered trademark):</b> The Appellate Body upheld the Panels' finding that the complainants did not demonstrate that the TPP</li> </ul>			

<sup>46</sup> *Australia – Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging.*

<sup>47</sup> Honduras appealed certain findings of the Panel in DS435 on 19 July 2018, and the Dominican Republic appealed certain findings of the Panel in DS441 on 23 August 2018.

<sup>48</sup> The TPP measures consist of two sets of requirements, namely format requirements that standardize the presentation of tobacco products and their retail packaging, and trademark requirements that, *inter alia*, permit the use of word marks in standard lettering on retail packaging, but prohibit the use of stylized word marks, composite marks and figurative marks. The TPP measures operate in conjunction with other legislative requirements that were not challenged in these disputes, including graphic health warnings.

<sup>49</sup> The disputes also involved claims made under Art. 2.2 of the TBT Agreement and Art. IX:4 of the GATT 1994. The Panels' findings were only appealed by Honduras (DS435) and the Dominican Republic (DS441), and were limited to findings made under TRIPS Arts. 16.1 and 20 and TBT Art. 2.2. The Panels' findings with respect to Paris Convention Arts. *6quinquies* and *10bis* and TRIPS Arts. 15.4, 16.3, 22.2(b) and 24.3 were not appealed.

### BOX III.3 AUSTRALIA – TOBACCO PLAIN PACKAGING<sup>46</sup> (DS435, 441, 458, 467)

measures were inconsistent with the obligation to allow the owner of registered tobacco trademarks to prevent the unauthorized use of identical or similar tobacco trademarks on identical or similar products where such use would result in a likelihood of confusion.

- **TRIPS Art. 16.3 (well-known trademarks):** Cuba and Indonesia did not demonstrate that the TPP measures were inconsistent with Australia's obligation to protect well-known trademarks under Art. 16.3.
- **TRIPS Art. 20 (other requirements):** The Appellate Body upheld the Panels' finding that Australia did not exceed the degree of regulatory autonomy available to it under Art. 20 to choose an appropriate policy intervention to address its public health concerns in relation to tobacco products. The Panels noted, *inter alia*, that the TPP measures were an integral part of Australia's comprehensive tobacco control policies, and designed to complement the pre-existing measures. The special requirements, as part of the overall TPP measures and in combination with other tobacco control measures maintained by Australia, were capable of contributing, and did in fact contribute, to the objective of improving public health by reducing the use of, and exposure to, tobacco products. The complainants did not demonstrate that the TPP measures unjustifiably encumbered the use of trademarks in the course of trade.
- **Paris Convention Art. 10bis (unfair competition):** The Panels found that the TPP measures themselves did not constitute an act of unfair competition. They further found that (a) Cuba and Indonesia had not demonstrated that the TPP measures compelled market actors to engage in acts of unfair competition of such a nature as to create confusion within the meaning of **para. 3(1)**; (b) the complainants had not demonstrated that the TPP measures compelled market actors to engage in acts amounting to misleading indications or allegations within the meaning of **para. 3(3)**; and (c) Honduras, the Dominican Republic and Cuba had not demonstrated that the TPP measures required market actors to engage in acts of unfair competition against which Australia is bound to assure effective protection pursuant to **para. 1**.
- **TRIPS Art. 22.2(b) (use of GIs constituting unfair competition):** The complainants did not demonstrate that the TPP measures compel market actors to engage in acts of unfair competition that would amount to misleading indications or allegations about product characteristics within the meaning of Paris Convention Art. 10bis(3)(3) in respect of GIs.
- **TRIPS Art. 24.3 (pre-existing domestic protection of GIs):** The complainants did not demonstrate that the protection that GIs enjoyed under Australian law immediately before 1 January 1995 was diminished as a result of the TPP measures.
- **Doha Declaration on the TRIPS Agreement and Public Health:** The Panels found that paragraph 5 of the Doha Declaration constitutes a 'subsequent agreement' of WTO

**BOX III.3 AUSTRALIA – TOBACCO PLAIN PACKAGING<sup>46</sup> (DS435, 441, 458, 467)**

members within the meaning of Art. 31(3)(a) of the Vienna Convention. The Appellate Body, without commenting on the legal status of the Doha Declaration, agreed with the Panels that paragraph 5 reflects ‘the applicable rules of interpretation, which require a treaty interpreter to take account of the context and object and purpose of the treaty being interpreted’.

### 3 What exceptions are permissible?

With regard to the exceptions to trademark rights that members may provide, Article 17 of the TRIPS Agreement provides a general exception clause laying down the criteria that permitted exceptions must meet.

#### (a) Permissible exceptions

Article 17, entitled ‘Exceptions’, stipulates that members may provide for exceptions to the rights conferred by a trademark, provided that such exceptions are (1) limited, (2) take account of the legitimate interests of the owner of the trademark and of those of (3) third parties. Article 17 cites ‘fair use of descriptive terms’ as an illustrative example of a limited exception.

Article 17 was interpreted by the Panels in *EC – Trademarks and Geographical Indications* (DS174, DS290). The Panels considered that the limitation should be assessed as a legal rather than an economic matter. They interpreted the phrase ‘limited exceptions’ to refer to a narrow exception to the rights conferred by a trademark, rather than to an exception that affected only a few trademarks or a few trademark owners. In other words, the number of trademark owners affected by such an exception or the number of third parties benefiting from an exception was irrelevant, but what counted was whether the exception affected only a limited portion of the spectrum of rights conferred by the trademark. With regard to the legitimate interests of the trademark owner and third parties to be taken into account, they held that these interests must be something different from merely the full enjoyment of the legal rights conferred by a trademark, but would rather include the ‘owner’s interest in the economic value of the mark arising from the reputation that it enjoys and the quality it denotes’.<sup>50</sup>

The Panel also noted that the formulation in Article 17 to ‘take account’ instead of ‘do not unreasonably prejudice’ legitimate interests, which is used in Articles 13 and 30, suggested that a lesser standard of regard for the legitimate interests of the owner of a trademark was required in the context of trademark exceptions than in the context of patents or copyright (see Box III.4).

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<sup>50</sup> Panel Reports, *EC – Trademarks and Geographical Indications*, para. 7.664.

**BOX III.4 EC – TRADEMARKS AND GEOGRAPHICAL INDICATIONS<sup>51</sup>**  
(DS174, 290)

PARTIES	TRIPS PROVISIONS	KEY DATES	
<b>Complainants</b> United States, Australia	Arts. 3, 4, 16, 17, 22 and 24	<b>Establishment of Panels</b>	2 October 2003
<b>Respondents</b> European Communities		<b>Adoption of Panel reports</b>	20 April 2005
<i>Measure and products at issue</i>			
<ul style="list-style-type: none"> <li>• <b>Measure at issue:</b> EC Regulation related to the protection of geographical indications and designations of origin ('GIs').</li> <li>• <b>Products at issue:</b> Agricultural products and foodstuffs affected by the EC Regulation.</li> </ul>			
<i>Summary of key findings of the Panels<sup>52</sup></i>			
(a) National treatment (TRIPS Art. 3.1)			
<ul style="list-style-type: none"> <li>• <b>Availability of protection:</b> The Panels found that the equivalence and reciprocity conditions in respect of GI protection under the EC Regulation<sup>53</sup> violated the national treatment obligation under TRIPS Art. 3 by according less favourable treatment to non-EC nationals than to EC nationals. By providing 'formally identical', but in fact different procedures based on the location of a GI, the EC modified the 'effective equality of opportunities' between different nationals to the detriment of non-EC nationals.</li> <li>• <b>Application procedures:</b> The Panels found that the application procedures under the Regulation requiring non-EC nationals to file an application in the European Communities through their own government (but not directly with EC member States) for a GI registration located in their own countries, provided less favourable treatment to other nationals in violation of Art. 3.1.</li> <li>• <b>Objection procedures (verification and transmission):</b> The Panels found that the objection procedures under the Regulation violated Art. 3.1 to the extent that they did not provide persons resident or established in non-EC countries with a right to directly object to applications for a GI registration in the European Communities.</li> </ul>			

<sup>51</sup> European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs.

<sup>52</sup> Other issues addressed in this case: TRIPS Arts. 1, 2, 4; Paris Arts. 2, 10; GATT Art. III:4; extension of submission deadline; separate panel reports; request for information from WIPO; preliminary ruling; panel request (DSU Art. 6.2); terms of reference; evidence; specific suggestions for implementation (DSU Art. 19); order of analysis (GATT and TRIPS).

<sup>53</sup> For registration in the European Communities of third-country GIs, third countries were required to adopt a GI protection system equivalent to that in the European Communities and provide reciprocal protection to products from the European Communities.

**BOX III.4 EC – TRADEMARKS AND GEOGRAPHICAL INDICATIONS<sup>51</sup>**  
(DS174, 290)

- **Inspection structures:** The Panels found that the ‘government participation’ requirement under the inspection structures violated TRIPS Art. 3.1 by providing an ‘extra hurdle’ to third-country applicants: for a third-country GI to be registered in the European Community, third-country governments were required to provide a declaration that the inspection structures were established on their territories.

(b) Relationship between GIs and (prior) trademarks

- **TRIPS Arts. 16.1 and 17 (trademarks):** Having found that Art. 16.1 obligates members to make available to trademark owners a right against certain uses, including uses as a GI, the Panels initially concluded that the EC Regulation was inconsistent with Art. 16.1 as it limited the availability of such a right for the owners of trademarks. However, the Panels ultimately found that the Regulation was justified under Art. 17, which permits members to provide limited exceptions to the rights conferred by trademarks, including Art. 16.1 rights, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

(b) No compulsory licensing permitted

Article 21 of the TRIPS Agreement makes it clear that members’ legislation shall not permit any compulsory licensing of trademarks. This reflects the view that, unlike in the patent area (see Module V on Patents), there is no public policy rationale for allowing compulsory licensing in the area of trademark rights and governments may not, therefore, permit the use of a trademark without the authorization of the right holder (see Box III.4).

*4 What is the minimum term of protection?*

According to Article 18 of the TRIPS Agreement, the initial registration and each renewal of registration shall be for a term of no less than seven years. It also stipulates that the registration of a trademark must be renewable indefinitely. This means that trademark rights, in contrast to copyright or patent rights, can last for an indefinite period of time, provided the right owner renews the registration at the expiry of each term and pays the required renewal fees.

If members require the actual use of a trademark in order to maintain registration, Article 19 of the TRIPS Agreement provides that cancellation of a trademark may only occur after an uninterrupted period of three years of non-use. This means that even if a country wants to require use of a trademark as a condition for renewal, it must allow for a period of at least three years of uninterrupted non-use before the trademark can be cancelled for that reason.