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Unfair Competition in the Use of Intellectual Property Objects: Problems and Ways to Protect a Trademark in Belarus

In the course of carrying out its business activities, the company may face unfair actions of a competitor. One of the common methods of unfair competition is the illegal use by a competitor of a designation that is identical or confusingly similar to the trademark of another business entity. In Belarus, the prohibition on committing such actions is established in the civil and antimonopoly legislation.

The Civil Code of the Republic of Belarus (hereinafter - the Civil Code) stipulates that all actions that can in any way cause confusion in relation to legal entities, individual entrepreneurs, goods, works, services or business activities of competitors should be recognized as unfair competition (Article 1029 of the Civil Code).

This provision is disclosed in more detail in the Law of the Republic of Belarus dated 12.12.2013 "On Counteracting Monopolistic Activities and Development of Competition" (hereinafter referred to as the Law).

Thus, Article 28 of the Law states that unfair competition related to:

- the acquisition and use of the exclusive right to the means of individualization of participants in civil circulation, goods;
- the commission by an economic entity of actions for the sale, exchange or other introduction into civil circulation of goods, if at the same time there was an illegal use of the intellectual property object.

Article 29 of the Law is devoted to the prohibition of creating confusion with the activities of another economic entity or its goods.

According to the provisions of this article, actions related to the illegal use of a designation identical to the trademark of another economic entity or similar to them to the point of confusion are prohibited:

- by placing it on goods, labels, packaging or otherwise using it in accordance with the legislation on trademarks and service marks in relation to goods that are sold or otherwise introduced into civil circulation on the territory of Belarus; as well as
- by using it in the global computer network Internet, including placement in a domain name.

A similar rule is contained in paragraph 3 of Article 3 of the Law of the Republic of Belarus dated 05.02.1993 "On Trademarks and Service Marks" (hereinafter - the Law on Trademarks), according to which the use of a trademark or a designation similar to it is recognized as a violation of the exclusive right to a trademark to the point of confusion, without the permission of the owner of the trademark, expressed in the commission of actions provided for in paragraph 1 of Article 20 of the Law on Trademarks in relation to homogeneous goods, as well as heterogeneous goods marked with a trademark recognized as well-known in the Republic of Belarus.

As actions of a competitor that violate the right to a trademark, which are listed in Article 20 of the Law on Trademarks, the illegal use of a trademark on goods and related documentation, in the performance of work and in the provision of services, in advertising, printed publications, on signs, is recognized, when demonstrating exhibits at exhibitions and fairs and on the global computer network Internet.

The following penalties may be applied to violators of the exclusive right to a trademark on the basis of Article 29 of the Trademark Law:

- removal at the expense of the offender from counterfeit goods, labels, packaging of an illegally used trademark or designation similar to it to the point of confusion, and if it is impossible to remove them, their removal from civil circulation and destruction;
- removal, at the expense of the infringer, of a trademark or designation similar to it to the point of confusion from materials that accompany the introduction of this product into civil circulation, the performance of such work and / or the provision of such services, including from documentation, advertising, printed publications , signboards, as well as from the global computer network Internet;
- compensation for losses or payment of compensation in the amount of up to fifty thousand base units (approximately more than 570,000 US dollars), determined by the court taking into account the nature of the violation, at the choice of the person whose right has been violated.

The suppression of actions that violate the exclusive right to a trademark and constitute unfair competition can be carried out in two ways:

- administratively: by filing with the Ministry of Antimonopoly Regulation and Trade of the Republic of Belarus (hereinafter – MART) an application for violation of antimonopoly legislation in terms of unfair competition;
- in a judicial proceeding: by filing a claim to the judicial collegium for intellectual property of the Supreme Court of the Republic of Belarus (hereinafter – the judicial collegium of the Supreme Court) for the suppression of actions that violate the exclusive right to a trademark.

When considering claims for the suppression of these illegal actions, the judicial board of the Supreme Court evaluates the totality of the following facts:

- homogeneity of goods / services of subjects;
- identity of designations or their similarity to the point of confusion.

When establishing homogeneity, the attribution of goods / services to a certain class of the international classification of goods and services (ICGS) is taken into account.

Evaluation of identity or confusion of designations is made on the basis of the overall impression. In this case, the formation of a general impression can occur under the influence of any features of the designation, including the dominant verbal or graphic elements, their compositional and color performance, and so on.

For this purpose, the following is analyzed:

- phonetic similarity, including the identity of sounds;
- the semantic (semantic) meaning of the compared designations;
- graphic (visual) similarity of designations;
- the possibility of mixing designations directly by the consumer (for example, from the data of sociological studies, surveys,

questionnaires, etc.).

To reduce their own labor costs, save financial and time resources, for example, on paying state duties and court costs, persons whose rights have been violated by actions that constitute unfair competition often prefer to contact MART.

At the same time, when contacting MART, the following circumstances must be taken into account:

Firstly, the limitation period for recognizing a competitor's actions as unfair competition is 3 years from the date of the relevant actions (inaction), and in case of continuing violations - 3 years from the date of detection of such actions or their termination (if the action was terminated before detection).

Secondly, the fact of a violation of antimonopoly legislation in terms of unfair competition can only be established in relation to economic entities. MART does not establish the fact of the presence of these violations in the actions of individuals, with the exception of individuals registered as individual entrepreneurs or carrying out income-generating licensed activities.

Antitrust violations can be filed with MART in writing or electronically. The term for consideration of the application is 3 months from the date of its receipt, if its extension is not required. However, during the consideration of the application and before making a decision, MART has the right to issue a warning to a competitor in order to prevent illegal actions (inaction).

Based on the results of consideration of the submitted application, MART decides to establish the fact of the presence or absence of a violation of the antimonopoly legislation. On the basis of this decision, the antimonopoly authority has the right to issue an appropriate order to the violator. The decision taken by the antimonopoly body can be appealed in court within 30 calendar days from the date of its adoption.

At the same time, both when applying to the judicial collegium of the Armed Forces, and in the case of submitting an application to MART, it is necessary to collect and provide evidence confirming that a competitor has committed actions that constitute unfair competition and violate the exclusive rights to a trademark, and the better and If the evidence provided to MART is drawn up, the more chances for a positive decision on this issue are.

In accordance with the Methodological Recommendations for establishing the fact of the presence (absence) of a violation of the antimonopoly legislation in terms of unfair competition, approved by the order of MART dated September 18, 2017 No. 154, in order to establish the fact of unfair competition, it is required to prove the following set of signs:

- the presence of competitive relations in the commodity market between economic entities;
- the focus of actions on the acquisition of advantages (benefits) in entrepreneurial activity;
- the actions may cause or have caused losses to other competitors or may cause or damage their business reputation;
- contradiction of actions to the Law, other acts of antimonopoly legislation or requirements of good faith and reasonableness.

We propose to consider these signs using specific examples of decisions made by MART.

The first sign: the presence of competitive relations in the commodity market between business entities. To establish it, it is required to determine the commodity and geographical boundaries of the market, as well as the period of time in which the entities carried out their activities.

Case 1

In the decision of MARCH No. 315 / 62-2020 dated 12/11/2020, it was established that there was no violation of antimonopoly legislation due to the fact that the person against whom the inspection was initiated and the applicant were not competitors in

the same product market.

In this case, the organization "K" applied to MART with a statement of violation of antimonopoly legislation, as unidentified persons used photographs and video materials about the work of the Fitness and Yoga Center, owned by the organization "K", as an advertisement of their activities on the page on the social network Instagram.

It should be noted that all photo and video materials presented on this page have dates of placement presumably from 04/01/2019 to 03/17/2020. Moreover, the materials posted after 03/13/2020 do not contain the name of the organization "K".

During the consideration of the application, the potential belonging of this page to citizen P. was established, who in April 2020 registered as an individual entrepreneur to carry out activities in the field of physical culture and sports.

MART acknowledged the absence of competitive relations between the organization "K" and the individual entrepreneur P., since the latter began to operate on the product market of services in the field of physical culture and sports only from April 2020, and materials about the work of the Fitness and Yoga Center on its page were removed after March 13th.

Case 2

In the decision of MARCH No. 261 / 8-2020 dated 06.02.2020, it was established that there was no violation of antimonopoly legislation due to the failure to establish a set of signs of violation, including competitive relations between the entities.

According to the applicant (company “N”), limited liability company “T” (LLC “T”), service center “R”, individual entrepreneur M. (IP M.), limited liability company “K” (LLC “ K ") violate antitrust laws in terms of unfair competition through illegal use of a designation identical to a trademark in a domain name.

The applicant in this case is a foreign organization, the owner of the trademark. The activity of the company "N" consists in the production and sale of products in the field of data processing, software-controlled switches, transmission equipment, computers. However, in Belarus the applicant himself does not carry out this activity.

MART concluded that there is no competitive relationship between the applicant and the persons in respect of whom the applications are filed, since they do not operate on the same product market.

LLC "T" carries out repairs of computers and peripheral equipment, IP M. - consulting on commercial activities and management, LLC "K" - other retail trade in specialized stores not included in other groups, as well as repairs of computers and peripheral equipment. In addition, H. does not operate on the territory of the Republic of Belarus.

Thus, the presence of competitive relations between business entities was not confirmed in the presented cases.

The second sign: the focus of actions on the acquisition of advantages (benefits) in entrepreneurial activity.

Case 3

Consider the MART decision No. 270 / 17-2020 of March 25, 2020, in which MART established the fact of a violation of antimonopoly legislation, including the direction of a competitor's actions to acquire advantages (benefits) in entrepreneurial activity.

In this case, the private unitary enterprise "D" (PE "D") filed a complaint with MART about the violation of the antimonopoly law by the joint limited liability company "Z" (JLLC "Z") by using the designation "C" on the label of the drink "M" produced by it. ", Similar to the degree of confusion with the trademark registered by PE" D ".

PE "D" and SOOO "Z" are business entities that operate on the same product market for the production and sale of carbonated soft drinks and are competitors.

MARCH established the fact that JLLC "Z" was using a designation similar to the point of confusion with the trademark of PE "D".

With regard to the sign of the focus of actions on the acquisition of advantages (benefits) in entrepreneurial activity, MART made the following conclusion that the focus of actions of the JLLC "Z" on the acquisition of advantages in the implementation of entrepreneurial activity was expressed in the introduction of the drink "M" into civil circulation using the designation "C", similar to the degree of confusion with the trademark PE "D" in relation to goods of 32 class MKTU, without additional costs for its promotion.

At the same time, MART drew attention to the fact that non-alcoholic carbonated drinks belong to everyday goods of a low price category and their purchase does not imply a high degree of attention and discretion on the part of buyers (including children), there is a likelihood of an unconscious or mistaken choice in favor of the product. a competitor, when a new product is mistaken for a well-known one.

The third sign: The actions of a person violating antitrust laws may or may cause damage to other competitors, or may harm or harm their business reputation.

According to Article 14 of the Civil Code, losses are understood as expenses that a person whose right has been violated has made or will have to make to restore the violated right, loss or damage to property (real damage), as well as lost income that this person would have received under normal conditions of civil turnover if his right had not been violated (loss of profits).

We propose to consider this sign of unfair competition using the example of the above Case 3. Thus, in the decision of MARCH No. 270 / 17-2020, the possibility of causing losses to the applicant in the form of lost profits as a result of the redistribution of consumer demand was established. MART also acknowledged that the applicant had real damage in the form of expenses incurred by him for the urgent preparation of a patent attorney's opinion to restore the violated right to the applicant's trademark.

Case 4

Let us consider another decision of the MART, according to which the fact of infliction of losses or harm to the applicant's business reputation was not confirmed.

In decision No. 328 / 6-2021 of March 4, 2021, MART established the fact that there were no violations of antimonopoly legislation in the actions of the limited liability company "G" (LLC "G").

In the framework of this case, an individual entrepreneur K. (IE K.) filed an application with MART on the issue of unfair competition in the actions of LLC "G" on the use of several trademarks belonging to the applicant.

On the website of the LLC "G" company, goods were advertised for sale under trademarks belonging to IE K.

Earlier, a supply agreement was concluded between the applicant and LLC "G", the shipment of goods, which was carried out until July 2020.

LLC "G" explained that using its website, it sold the remains of goods marked with the trademarks of IE K., obtained under the contract concluded with him. At the same time, it was established that the website of LLC "G" posted information only about the original products marked with the trademarks of IE K. The above circumstances were confirmed during the consideration of the

application. In this regard, MART concluded that when LLC "G" sold the remnants of goods with the trademarks of IE K., purchased from him earlier, there is no reason to assert that the actions of LLC G cause losses to IE K. his business reputation.

The fourth sign: contradiction of a competitor's actions with the Law, other acts of antimonopoly legislation, or the requirements of good faith and reasonableness. Confirmation of the presence of this feature consists in proving the fact of violation of the prohibitions on the commission of certain actions (inaction), in particular, provided for in Articles 28-29 of the Law.

So, in order to establish the fact of unfair competition in accordance with Article 29 of the Law, it is necessary to prove that there was a use of a designation that is confusingly similar to the trademark of another economic entity without its permission.

Case 5

In the decision of MARCH No. 227 / 79-2019 of August 29, 2019, it was established that there was no violation of the antimonopoly legislation, provided for in Article 29 of the Law, in terms of the implementation of unfair competition of the individual entrepreneur I. (IP I.).

The applicant Private enterprise "D" (PE "D") indicated that IE I. when selling soft drinks "A" used on their labels designations similar to the trademarks owned by PE "D".

However, this fact was refuted by a combination of the following evidence:

- an expert opinion of a patent attorney, which indicated that the designation on the label of a soft drink is not confusingly similar to the trademark "D";
- comparative analysis of the label design of the still drink "D" and the still drink "A" provided by the contractors of IP I. In particular, it was noted the difference in verbal designations in the labels phonetically, semantically and visually, as well as significant differences in the labels in the artistic and graphic design;

At the same time, the Center for the Study of Belarusian Culture, Language and Literature of the National Academy of Sciences of Belarus indicated that the trademarks “D” and “A” are similar to the point of confusion due to the similarity of color, visual elements, compositional solution, and presentation style:

- a survey of buyers, carried out by MART in retail outlets, to compare the appearance of labels of non-alcoholic drinks from the above manufacturers.

The purpose of the questionnaire was to determine the degree of difficulty in individualizing one or another image in relation to the legal entity using it, as well as the similarity to the degree of confusion between the images on the labels of drinks "D" and "A".

According to the results of the survey, it was found that 71.4% of the respondents did not confirm the fact of the similarity of the images, 81.8% of the respondents did not confirm the possibility of purchasing the drink "A" by mistake, the ability of the images on the labels of the drinks "D" and "A" to generate an idea of 60.6% of respondents do not confirm that they are goods of one manufacturer.

Taking into account the collected evidence, MART concluded that there was no similarity between the images on the labels of drinks "D" and "A" and ruled that there was no violation of antitrust laws.

The mechanisms of protection of trademark rights considered in this article by applying to MART with a statement of violation of

the antimonopoly legislation in terms of unfair competition or to the judicial collegium of the Armed Forces with a claim to suppress actions that violate the exclusive right to a trademark are quite effective and make it possible to suppress any acts unfair competition from other business entities. However, in this case, the person whose right has been violated should take into account the need to confirm the totality of the circumstances included in the subject of proof with sufficient and appropriate evidence.

Practice areas

INTELLECTUAL PROPERTY

Locations

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