

Walrus & Snacks



Anders Fernlund
General Counsel



The panel

- **Susan Meyer**, Greensfelder, Hemker & Gale, P.C., Chicago; representing the USA.
- **Cristóbal Porzio**, Porzio, Rios, Garcia & Asociados, Santiago; representing Latin America.
- **Luca Trevisan**, Trevisan & Cuonzo, Milan; representing the European Union.
- **Paul Jones**, Jones & Co., Toronto; representing the Peoples Republic of China.



International Distribution Institute

Company name

Walrus & Snacks A/S

registered in the

Greenlandic Business Register

Trademarks

We have some trademarks registered
— which is done in Denmark as Greenland's
trademark registry is administered by Denmark.

Interior design

Memorabilia from Greenland



Sound screen

- sounds from the sea and the animals of Greenland
- proven by scientists to enhance hunger



Our menu

spectacular menu including walrus beef
and penguin roast



Operations Manual

filled with trade secrets, recipes, and daily routines



Web shop – Social Media

We sell memorabilia and clothing

We have home delivery

We are active users of social media



Dear panelists

How can we protect:

1. Company name / Trademark
2. Shop layout – offline and online
3. Copyright – manual / sound screen
4. Web shop / social media
5. Concept protection





Expanding Your Franchise System to the United States

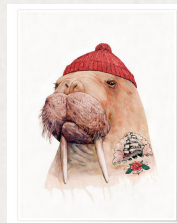
Case Study

Walrus & Snacks



Company Name+Trademarks

- Company Name = corporate entity (who signs contracts) Walrus & Snacks, AS
- Trademark = distinctive mark used in trade to identify source of good/service
 - Words, letters in particular order
 - Design
 - Sound
 - Smell



Walrus & Snacks

Company Name+Trademarks

- Trade Dress = defined elements that identify your business
 - Interiors of your locations (store design)
 - Packaging for your goods (product shape)
- Some Trade Dress is inherently distinctive (elements are definable) and protectable without secondary meaning*

*Two Pesos v. Taco Cabana, Inc., 505 U.S. 763 (1992).

Company Name+Trademarks

- Some Trade Dress needs secondary meaning to obtain protection:
 - Single color of product
 - Product design*
 - Sounds for goods that emit sound in the normal course of operation
 - Flavors of products



*Wal-Mart Stores, Inc. v Samara Bros., Inc. 529 U.S. 205, 232 (2000)

Company Name+Trademarks

- US trademark rights are typically based upon use in commerce
- Registration at USPTO confers additional benefits
- Int'l treaties permit parties to “extend” rights from other countries, obtain registration, and delay proof of use for 5 years
- TM rights last as long as TMs are used

Walrus & Snacks Trademarks

- House mark: **Walrus & Snacks**
 - May face descriptiveness refusal (describes products offered – walrus beef)
 - Can be overcome by extensive use – developing secondary meaning
 - May need to be registered on the Supplemental Register (typically takes 5 years or extensive use to claim distinctiveness in the marketplace and re-apply to the Principal Register)

Walrus & Snacks Trademarks

- Design walrus mark:
- Potential marks:
 - Design of Igloo
 - Design of Uniforms
 - Sounds of Greenland



Company Name+Trademarks

- Can you use the company name and trademarks?
 - To the extent that they are protectable (distinctive)
 - So long as they do not infringe prior users
 - May extend foreign rights to US via direct application or Madrid Agreement

Company Name+Trademarks

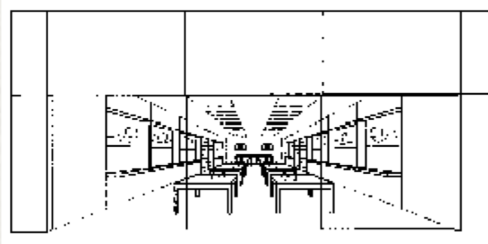
- What if we change our trademarks every other year?
 - If there are material changes – new trademarks (applications); loss of continuity and decreased goodwill
 - If the changes are incremental evolution – the benefit may follow (still register new marks)

Shop Layouts

Apple Store Design

Class 035: Retail store services featuring computers, computer software, computer peripherals, mobile phones, consumer electronics and related accessories, and demonstration of products relating thereto.

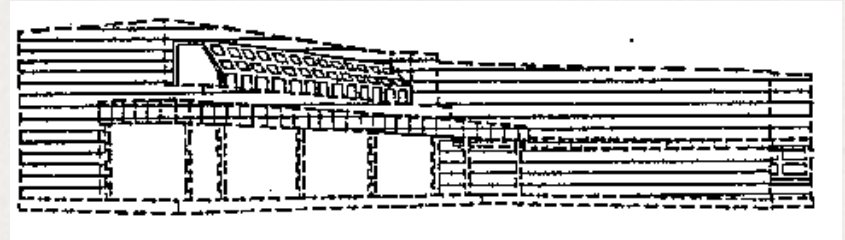
Color is not claimed as a feature of the mark. The mark consists of the design and layout of a retail store. The store features a clear glass storefront surrounded by a paneled facade consisting of large, rectangular horizontal panels over the top of the glass front, and two narrower panels stacked on either side of the storefront. Within the store, rectangular recessed lighting units traverse the length of the store's ceiling. There are cantilevered shelves below recessed display spaces along the side walls, and rectangular tables arranged in a line in the middle of the store parallel to the walls and extending from the storefront to the back of the store. There is multi-tiered shelving along the side walls, and a oblong table with stools located at the back of the store, set below video screens flush mounted on the back wall. The walls, floors, lighting, and other fixtures appear in dotted lines and are not claimed as individual features of the mark; however, the placement of the various items are considered to be part of the overall mark.



Shop Layouts

IKEA Store Design

Reg. No. 2161437 Class 035: retail store services featuring furniture, housewares and home furnishings

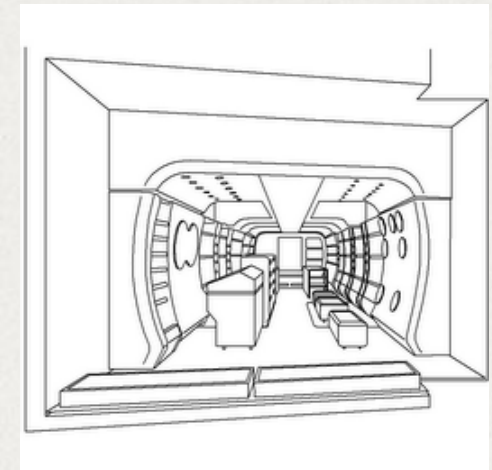


The mark consists of a combination of the colors blue and yellow used on the outside of the applicant's stores. The exterior is predominantly blue with yellow trim. The portion of the drawing shown in broken lines is to show positioning of the mark and no claim is made to the design of the store. The drawing is lined for the colors blue and yellow, and color is claimed as a feature of the mark.

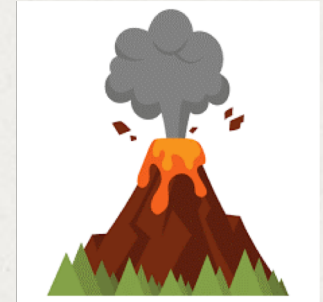
Flight 001 Holdings Interior

Reg No. 3453856; Class 035: Retail store services for travel related products

The mark consists of three-dimensional trade dress depicting the interior of a retail store evoking the theme of the interior cabin of a commercial aircraft and 1960s-era airline travel, with curved walls, a clearly defined center aisle, items on either side of the aisle, cubicle-styled shelving, wood paneling, a commemorative flight route map, a rectangular light panel in the ceiling over the center aisle, and recessed lighting on the ceiling on either side of the rectangular light panel.



Shop Layouts



- Overall Design / Elements
 - Trade Dress – will need to define distinct elements to obtain registration or any protection
 - Seek protection of separate elements as trademarks or copyrighted works



Copyrights ©

- US is part of the Berne Convention and the Universal Copyright Convention
 - Manuals – to the extent not functional
 - Recipes – not protected – but the design of what is created may be; Menus – elements/arrangements maybe
 - Sound Recordings – need to be original works of authorship – not functional
- Strategy: Register © in the US for added benefits (statutory damages)
- Lasts life of author +70 years or for works made for hire, 95 years from publication or 120 years from creation

Webshop + Social Media

- Would need to show that the webshop is distinct enough (with non-functional elements) to be protectable as Trade Dress
- May © elements, layout/arrangement
- Social Media content protectable (be careful not to infringe others or violate privacy rights)



Concept Protection

- Concept alone not protectable as an idea – elements may be
- Trade Dress
- Passing Off
- Unfair Competition
 - Lanham Act
 - State Law Claims

Costs

- USPTO Trademark
 - Application filing fee \$350/class
- US Copyright Office
 - Application filing fee \$65
- Legal Fees vary widely across the US
- Watch Service \$100s/year per mark
- Litigation is very expensive

Walrus & Snacks A/S

Latam Project (countries group 1)



Group 1

- Argentina
- Brasil
- Chile
- Colombia

Walrus & Snacks A/S

Latam Project (countries group 1)

The «Territory and the Law» issues

- Is it one sole «big jurisdiction»? Kind of EU?
- Are the rights for one country applicable in the rest?
- Are the courts of one country competent in the rest?
- Are W&S A/S rights enforceable in Latam?
- Is a «simple validation» of our rights, sufficient?
- Chile and Argentina are close to Antartica and claim territories down there...Is it an issue? With the communities?



Walrus & Snacks A/S

Latam Project (countries group 1)

The Trademark Issues



- Do we need to register our TMs?
- What happens if we don't?
- Is the company name sufficient protection?
- Do these countries use the Nice Convention?
- What if our TM has been registered by a «smart traveller»?



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Latam Project (countries group 1)

The Copyright Issues

- Do we need to register our Copyright?
- Are the countries part of the Berne Convention?
- If we protect the Manual, recipes... will the local copyright office make them available to the Public?
- The design: furniture, shop, etc.
- Is our software protectable? Or protected?
- Social media. Terms and Conditions



Walrus & Snacks A/S

Latam Project (countries group 1)

**Trade dress, «the atmosphere» issues... and...
the unfair competition issue...**

- Are the TM registrations sufficient?
- Will the «local seafood restaurants» attack us?
- Can we protect «the concept» or will the «concept» be protected by means of the trademarks?
- If a local «makes a copy» of our first unit / restaurant, will we have the power to stop him?
- Can we prevent 3rd parties to use our «igloo»...?



Walrus & Snacks A/S

Latam Project (countries group 1)

The Franchising Agreement

- Is registration of the contract mandatory?
- The principle of the «will of the parties»
- Delivery and electronic commerce...





International Distribution Institute



Expanding Your Franchise System to the EU

Company name and trademarks

- **Company name** – registration not needed (Paris Convention), registration only possible / needed if a subsidiary is open in a country different from that of the registered seat of the company.
- **Trademark** – registration strongly recommended as
 - only registered trademarks are IPRs in all EU countries
 - validity of franchising agreement could imply the franchisor's ownership of valid IPRs
 - after 5 years of *bona fide* use novelty not longer challengeable
- Advisable to claim priority (6 months) or seniority (no time limit, pursuant to Article 39 EUTMR, Article 6 and Article 7(h) EUTMIR, Decision EX-17-3 of the Executive Director of the Office of 18/09/2017) of the prior national registration to preserve Danish IPRS.

Company name and trademarks

- Requirement for use? Obligation to put the mark to genuine use within a period of 5 years following its registration under Article 18(1) EUTMR (see 12/03/2003, T-174/01, Silk Cocoon, EU:T:2003:68, § 38). The use by the franchisee / licensee is equivalent to the use of the owner under Article 18(2) EUTMR.
- Modification of trademarks? Possible provided that that distinctive character of the trademark in the form in which it was registered is not changed under Article 18(1)(a) EUTMR (see C-252/12 - Specsavers International Healthcare and Others).

Shop layout – offline and online

- Trademark protection of store layout as offline entity (see C-421/13 - Apple Inc. v Deutsches Patent- und Markenamt).
- Copyright protection should the layout meet the protection requirements (e.g. In Italy, see Italian Supreme Court, 30 April 2020, no. 8433)
- Online shops mainly protected through copyright and trademarks
- Registered/unregistered design protection in EU for certain items (e.g. in the case at hand memorabilia, igloo, uniforms) (Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs)

Manuals, sounds, recipes

- **Operation Manuals** – protected by copyright - filing not required but strongly suggested to prove extent and date of creation of the right
- **Sound screen** – protected by copyright / trademark (Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark)
- **Menu** – protected by copyright / as traditional specialties guarantee (TSG) (Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs) / Trade Secret

Web shop / social media

- **Domain name** protection
- **Web shop** protected by copyright law under certain jurisdictions (e.g. Italy, see Court of Milan, 4 January 2008)

Concept protection

- Protected by copyright (e.g. as «business formats» in Italy, should the concept meet the protection requirements, see Italian Supreme Court, 27 July 2017, no. 18633)
- Protected by unfair competition



Expanding Your Franchise System to China

- Case analysis on Walrus and Snacks seafood restaurant

Company Name Registration

- Need a company name in Chinese characters
- Confusion with a company name with certain influence is prohibited.

Trademark



Trademark



Trademark

Do You Recognize These Famous Marks?

- 肯德基 Ken De Ji
- 星巴克 Xing Ba Ke
- 苹果 Ping Guo
- 百胜 Bai Sheng

Trademark

- Similar sounds – Kentucky - 肯德基 Ken De Ji
- Similar meaning – APPLE – 苹果 – Ping Guo
- Combination – STARBUCKS

星 – Xing – means “star”

巴克 – Ba Ke – sounds like “bucks”

- New unconnected mark – 百胜



“胜” =
(winning)



Trademark

- first-to-file jurisdiction
- National application or designating China under a Madrid protocol application?
- Nice + Sub-classification system in China

Shop Layout

- “Decoration” is protected by the Anti-Unfair Competition Law, provided that it satisfies the following tests:
 1. A unique style, that is, a certain degree of significance;
 2. Be known to consumers and have continuous use;
 3. Both distinctiveness and influence, thus forming a stable correspondence between the decoration and its operator.
- Anti-Unfair Competition Law, Article 6, section 1

Shop Layout

- The Decathlon Case



Shop Layout

- Roji Monster Ice Cream case – Not known to consumers in P.R. China
- Elements protected through trademark or copyright



Shop Layout

- Is shop layout registrable as trademark?

Apple store's layout design has been registered in China under No. G1060320 under Class 35.



Shop Layout

Remedies

- Administrative investigation -penalties
- Litigation – damages

Copyright

- China is a party to the Berne Convention and the Universal Copyright Convention
- Registration is voluntary
- Originality is the key
 - the sound screen
 - the operational manual

Trade Secrets

- Included in Anti-Unfair Competition Law and the Civil Code (2021)
- Employee non-competition covenants are limited but upheld
- Recipe can be protected if it involves trade secrets

Web Shop and Social Media

- Domain name, trademarks, contents are protected

Concept

- Concept as a whole is not protected
- Only the elements in the concept can obtain IP protections, and for some it depends on the extent of use in China.
- Contractual rights in licensing are upheld

Walrus & Snacks



Thank you!