Trademark case law puts 'extraordinary burden of proof' on claimants

Clients' rights to brand exclusivity are being seriously threatened by "concessions and forced case-law constructions"

New concessions and case law concerning the unauthorised use of trademarks in internet search engines mean that, in any related litigation, there will be an "extraordinary burden of proof on claimants to provide evidence of the risk of confusion".

This warning is issued by Javier Matanzo, partner in the litigation and arbitration department at Lener, who adds that such developments demonstrate that the rights of exclusivity inherent to brands are being greatly undermined.

Matanzo explains that clients' rights to brand exclusivity are being seriously threatened by "concessions and forced case-law constructions which, on a European level, are being made to legitimise the use – unauthorised by their proprietor – of signs of registered trademarks in internet search engines or which, at least, make it difficult for the proprietor to protect its trade mark".

Matanzo adds that he is referring, firstly, to services that some internet operators offer that allow any company to select keywords – irrespective of whether they have been registered as a trade mark – so that "advertising linked to its website is shown and, if selected by several advertisers (including the proprietor of the trade mark), prominence is given to the link of the competitor that pays a higher price per click".

Secondly, Matanzo highlights rulings from the European Court of Justice, which, he claims, effectively mean the proprietor of a "trademark with a reputation is only entitled to prevent a competitor from advertising on the basis of the keyword corresponding to that trade mark, where the competitor thereby takes unfair advantage of the distinctive character or repute of the trademark (free-riding) or where the advertising is detrimental to that distinctive character (dilutions) or to that repute (tarnishment)". Jesús Giner, an associate at Lener, adds that, until the doctrine changes, the "growing use of internet referencing services imposes challenges for which procedural laws are not well prepared".

Javier Matanzo

Industry and sector technical expertise is now critical in arbitration

With demand for arbitration proceedings in Portugal on the rise, the requirements for industry and sector technical expertise has become key for arbitrators, says Paulo de Moura Marques, founding partner at AAMM.

"Alternative dispute resolution is becoming more and more visible in non traditional fields such as public construction contracts and public concessions. Even in cases when there was no specific arbitration requirement in the contract, we now see parties agreeing to submit specific conflicts to arbitration," he says.

"There are many advantages to solving a dispute or conflict via arbitration, it is competitive, relatively faster and can be done privately. There is also an increase in mandatory arbitration, particularly in patents in the pharmaceutical sector. Mandatory arbitration can be quite controversial."

However, a rise in arbitration cases does not necessarily translate into more lawyers active in the market, de Moura Marques points out.

"It is a relatively restricted field, so it takes a long time to learn the expertise and earn the reputation to become a lawyer in the field, the same applying to an arbitrator. It is no longer enough to know the procedures and regulations; you have to learn the technical side of the sector and industry of your clients."

The quest for talent

Finding the talent with the experience and the technical know-how to handle this demand is quite a challenge for law firms, explains de Moura Marques: "I've noticed a rise of full service law firms which used to keep the work in-house setting up strategic partnership with arbitration experts, and completely referring the arbitration work."

Paulo de Moura Marques