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A Community Trademark for the Andean Community of Nations
-an example in Peru-

안데스 공동체 국가들의 공동체 상표권
(페루의 예)

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Abstract

A Community Trademark for the Andean Community of Nations
an example in Peru

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The purpose of this thesis is to analyze the possibility to make use of the advantages of European experience in order to constitute an appropriate system in the arena of the protection of trademarks in the Andean countries, especially in the formation of Andean trademark.

The currently thesis seeks to provide the advantages to adapt community trademark system of the European Union in the Andean Community of Nations, analysis of the main problems of the protection of trademarks in the ACN, and possible solutions to strengthening the protection of trademarks in the ACN.

In Latin America exists the Andean Community of Nations, and this community sought the same goals of the European Union in the arena of Intellectual Property. However, because of political, economic and social circumstances, the Andean Community could not establish a common regulation in trademark like the European Union. Hence, the Andean system is diametrically different from the community trademark of the European Union and has deficiencies which limited the protection of the trademark.

The possible solutions of these issues are the harmonization of the intellectual property legislation in the field of trademarks within the CAN, establishment of single entity which regulates the common registration system within the CAN, and the most important, the establishment of community trademark. These steps will lead to the desired economic growth,
increase of international trade and a high-level protection of the rights granted for trademarks within the ACN.

Thus, the research question is whether the adoption of community trademark system (European model) is favourable for protection of trademarks in the Andean region.

**Keywords:** Intellectual Property, Community Trademark, European Union, Andean Community, Peru.

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**Acronyms and abbreviations**

- **ACN**: Andean Community of Nations
- **CTM**: Community Trademark
- **CTMR**: Community Trademark Regulation
- **CJEU**: Court of Justice of the European Union
- **EU**: European Union
- **EUIPO**: European Union Intellectual Property Office
- **EUTM**: European Union trademark
- **IP**: Intellectual Property
- **IPRs**: Intellectual Property Rights
- **INDECOPI**: The National Institute for the Defense of Free Competition and the Protection of Intellectual Property
- **OHIM**: Office for Harmonization in the Internal Market
- **OECD**: Organization for Economic Co-operation and Development
- **TRIPS**: Agreement on Trade-Related Aspects of Intellectual Property Rights
- **TPA**: Trade Promotion Agreement with The United States of America
TLT Trademark Law Treatment

WIPO World Intellectual Property Office

CJAC The Court of Justice of the Andean Community
INTRODUCTION

Nowadays, the actual economy tendency is an aperture to the market and free circulation of goods in order to develop the economy and society in every country. Thus, governments are making strategic alliances in order to achieve the integration of state policies through international treaties.

In the seeking of new strategic alliances, markets and opening them, the intellectual property appears as an important and valuable tool for the growing of economy of countries. For that reason, nowadays international cross-border legal issues in the field of intellectual property can be handled through regional agreements, harmonized law, conventions and uniform law.

As mentioned above, the European Union, since the early 1957 approximately, has taken steps in order to harmonize and create unitary rights for the protection of intellectual property in Europe. Indeed, the creation of common market in the European Union, made necessary the creation of new common institutions for the protection of intellectual property. Thus, one of the important steps for strengthening intellectual property, it was the creation of Community Trademark system, which has between its main goals, the easy and free circulation of goods and services and plays an important role in the fight against intellectual property counterfeiting.

Similar situation is happening in Latin America with the regional integration of Andean countries. The creation of the Andean Community of Nations (ACN), as is better known, sought the same goals of the European Union. Thus, through this regional cooperation, the ACN established the common industrial property law. However, because of political, economic and social circumstances, the Andean Community could not establish a common regulation in trademark like the European Union. Hence, the Andean system is diametrically different from the community trademark of the European Union and has deficiencies which limited the protection of the trademark.
In the international arena for trademark protection, appears the Madrid System\(^1\), which has 98 members and is governed by two legal instruments known as the Madrid Agreement and the Madrid Protocol. Through this system it is possible to protect a trademark in a large number of countries by unique international registration which will have effect in each contracting country.

Thus, these legal instruments of protection marks under common, regional or international system, appears like a useful tool for all the agents in the market, namely, consumers, companies and for authorities in charge of the protection of trademarks.

Thereby, this thesis analyzes the possibility to make use of the advantages of European experience in order to constitute an appropriate system in the arena of the protection of trademarks in the Andean countries, specifically in the formation of Andean trademark.

This thesis seeks to provide the advantages of adopting a community trademark system in the Andean Community of Nations, analysis of the main problems of the protection of trademarks in the ACN, and possible solutions to strengthening the protection of trademarks in the ACN.

Thus, the research question is whether the adoption of community trademark system (European model) is would be favourable for the protection of trademarks in the Andean region.

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\(^1\) It is necessary to mention, that between the members of Madrid Union, it is Colombia, the unique Andean country who is part of this union since August 2012. Unlike of Colombia, in the specific case of Peru, after the entrance of the Trade Promotion Agreement with The United States in 2009, Peru made the promise to adhere the Madrid Union, however until now, Peru has not adhered to this international system. This is because, according some studies, Peru has social, political and economic reasons for not be part of this union.
1.1. The Andean Community: Peru, Colombia, Ecuador and Bolivia

The interest of developed and developing countries for accessing new markets, brought the internationalization of legislation in order to manage investments and technology transfer.

The leading actors in the internationalization of legislation were developed countries; subsequently, developing countries also followed the internationalization route, adapting the foreign legislation model to their own reality.

In Latin America, in May 1959 five South American countries (Bolivia, Colombia, Chile, Ecuador and Peru) signed the Cartagena Agreement to form the Andean Group. Subsequently, Venezuela added its name to the aforementioned agreement.

In 1996, the Andean Community was created through an amendment to the protocol of the Cartagena Agreement. This Community is an internationally recognized organization and its goal is to promote the development of member countries under equitable conditions, through integration and economic and social cooperation.

Today, the Andean Community of Nations (ACN) is composed of Bolivia, Colombia, Ecuador and Peru. This bloc has three main characteristics: the existence of an Andean legal order; the supranational principle; and the creation of a community of independent and autonomous bodies. It should be noted that as part of the supranational principle common norms are binding, directly applicable to the national legislation of individual Andean countries.

This supranational principle was introduced through the Treaty Creating the Court of Justice of the Cartagena Agreement, which in its article 3 says:

“Article 3. - The Commission’s Decisions shall apply directly in Member Countries from the date they are published in the Official Gazette of the Cartagena Agreement, unless a later date is mentioned therein. (…)”

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2 Initially, the integration of Andean countries received the name Andean Group. Following the 1997 reform of the Cartagena Agreement, the Andean Pact became known as the Andean Community of Nations. In addition, the Andean Integration System (AIS) was created as a space for bringing together the various institutions, governmental agencies and community bodies in order to improve Andean integration. Finally, it should be noted that today the ACN is composed of just Bolivia, Colombia, Ecuador and Peru.


4 Ibid., p. 40
Andean integration has developed broadly shared rules across a number of activities and fields, such as agriculture, intellectual property, investment, competition and trade defense instruments, as well as creating optimum conditions for economic growth and integration in Andean countries.\(^5\)

**“Article 3: The Commission’s decisions shall apply directly to Member Countries from the date they are published in the Official Gazette of the Cartagena Agreement, unless a later date is mentioned therein. (...)”**

1.1.1. **The Andean System of Integration (AS)**

The purpose of the Andean System of Integration is to allow an effective coordination among all the institutions to deepen Andean integration, promotes its external projection and strengthen actions related to the process. The most important institutes of AS are:

- The Court of Justice of the Andean Community (CATJ) is an AS institution charged with interpreting and applying community law under the principle of the supremacy of Andean Community Law. It has territorial jurisdiction in the four member countries over the following disputes: nullity action, non-compliance action, preliminary ruling, remedy for omission or inactivity.

In addition, it should be mentioned that the CATJ is modeled upon the European Court of Justice. Indeed, the CATJ replicates the ECJ’s key design features, including a preliminary ruling mechanism, non-compliance procedure, and the foundational doctrines of supremacy and direct effect of Community rules over conflicting national laws. However, unlike the ECJ, the CATJ only interprets Andean IP rules, rather than resolving IP disputes.\(^6\) Also, it should be noted that only the judicial authorities of Andean members can request pre-judicial interpretation of community norms.

- The Andean Parliament is the community body of citizen representation and political control of the Andean Integration System, and it has international legal status.


- The Andean Council of Foreign Ministers is the legislative body responsible for formulating and executing the foreign policy of the member countries in matter of sub-regional interest.
- The Andean Community Commission is the body responsible for formulating, implementing and evaluating Andean sub-regional integration policy in the fields of policy, trade and investment.

1.1.2. Andean Legal Order: Decisions

Articles 1 to 4 of the Treaty Creating the Court of Justice of the Cartagena Agreement establish the rules of which the Andean Community legal system is comprised, as well as its nature and scope, hierarchy and pre-eminence, and the powers of the bodies responsible for its oversight and enforcement.7

Thus, according to the article 1 of the aforementioned treaty8, the legal system of the Cartagena Agreement comprises:

a) The Cartagena Agreement, its Protocols and additional instruments;

b) The Treaty set forth herein

c) Decision of the Andean Council of Foreign Ministers and the Andean Community Commission; and

d) The Board’s Resolutions.

Intellectual property rights in the ACN are regulated by the Decisions. Essentially, Decisions are functional legal norms, which are binding for all Andean countries.

Decisions are drafted and approved by the Andean Council of Foreign Ministers or the Andean Community Commission9, composed of intergovernmental Andean System of Integration organizations10. The former is a legislative organization charged with formulating and implementing the foreign policy of the member countries and it is overseen by the Minister

8 Treaty Creating the Court of Justice of the Cartagena Agreement, article 1
9 Treaty Creating the Court of Justice of the Cartagena Agreement, article 2
10 The purpose of the Andean System of Integration (AS) is to enable an effective coordination among all the institutions, deepen Andean integration, promote external projection and strengthen actions related to the process. At: Andean Community, http://www.comunidadandina.org/Index.aspx (accessed January 05, 2018).
of Foreign Affairs of the country which holds the Presidency of the Andean Presidential Council.

The latter is an organization with legislative power, expressed in the adoption of Decisions related to commerce and investment. It is composed of a plenipotentiary representative from each member country.

1.1.3. ACN Decision Process

The evolution of legislation in the ACN consists of three stages. The first of these is formed by Decisions 24 and 85; the second stage by Decision 344; and the third stage, Decision 486.

a) Stage one: Decisions 24 and 85

On December 31\textsuperscript{st} 1970, Decision 24 entered into force, establishing a common regime for dealing with foreign capital, trademarks, patents, licenses and royalties. This Decision was Andean, although part of its regulations mentioned the regulating of certain intellectual property rights; however, basically this Decision established the requirements for foreign investment.\textsuperscript{11}

Following Decision 24, on June 5\textsuperscript{th} 1979 Decision 85 was approved. In contrast to the previous Decision, Decision 85 incorporated all forms of intellectual property rights. In the specific case of marks, the most significant aspects were the requirement for use of mark in order to renew a mark, and the establishment of a 5-year term of protection. In addition, it incorporated the right of priority for the registering of marks among the Andean countries.

b) Stage two: Decision 344

Decision 344 entered into force in January 1994. With this Decision, the ACN addressed the compatibility of Andean legislation with the international legislation of developed countries. Among the most significant aspects of this Decision in the field of marks was the elimination of use requirement in order to renew a trademark. However, it incorporated the cancellation of a mark which has fallen into disuse. Also, this Decision extended the trademark protection term from 5 years to 10 years. In addition, the Decision established criteria for recognition of a well-

\textsuperscript{11} Victor, Rios, \textit{The coordination and negotiation of the Andean countries in the framework of FTAA and WTO} (Buenos Aires: Intal-ltd, 2004)
known mark. And finally, this Decision included for the first time the protection of industrial secrets and appellations of origin.\textsuperscript{12}

It should be noted that all the changes mentioned were taken from TRIPs, the multilateral agreement setting out minimum levels of protection in the field of intellectual property for World Trade Organization (WTO) member countries.\textsuperscript{13}

\textbf{1.1.4. Uniform legislation for Andean countries: The actual Decision 486}

The ACN has developed common rules across a number of activities and fields in order to create optimum conditions for integrated economic growth. One of the most important common rules adopted by the Andean countries was Decision 486, regulating intellectual property.

While Andean countries began to address the issue of intellectual property in 1970, the first norm adopted was Decision 24, establishing a common regime for the treatment of foreign capital, trademarks, patents, licenses and royalties. Decision 85 followed, providing regulations for the application of intellectual property rules and initiating the process which led to Decision 344, the Common Intellectual Property Regime.

This legal framework, together with the Paris Convention, Cartagena Agreement and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), enabled the creation of Decision 486, which entered into force in December 2000, regulating intellectual property rights (IPR) in the four member countries.

Decision 486 harmonized the intellectual property rights of the four member countries, taking into consideration WTO agreements related to intellectual property rights, TRIPs and the Convention on Biological Diversity (CBD).

This Decision is autonomous and independent and its rules are mandatory and immediately enforceable\textsuperscript{14} by the competent national authorities of each member country and also enforceable by the competent authorities of the ACN.

It should be noted that Decision 486 is based upon the following principles:

\textsuperscript{12} Baldo Kresalja, \textit{Andean Community Law} (Lima: Pucp, 2003)
\textsuperscript{14} See reference 9
National treatment: In Article 1 of Decision 486, we find this principle, through which Andean countries are obliged to treat all other member country nationals as they would treat their own.

Most favored National Treatment: Contained in Article 2 Decision 486, the idea underpinning this principle is that any advantage, favor, privilege or immunity granted by a member to the nationals of any country of the ACN shall be extended to nationals of any member of the WTO or Paris Convention for the protection of intellectual property.

These principles are found in the TRIPs and another two WTO agreements. Andean countries added these principles in order to avoid obstacles to world trade, as well as to achieve equal treatment for nationals and to ensure that any advantage or privilege granted to other nationals of another state are immediately, with the exception of TRIPs, extended to other countries. The intention of the Andean members was to adapt international regulation concerning intellectual property into the Andean communitarian norm.

Decision 486 contains 16 titles and final, supplementary and transitional provisions which regulate: patents, utility models, integrated circuit diagrams, industrial designs, business slogans, signs, geographic indications, trademarks and unfair competition related to intellectual property.

In the specific case of marks, the most important provisions are found in Title VI, which establishes as a requirement of registration the distinctiveness of a sign, meaning that if a sign does possess a distinctive quality it cannot access registration. Also, Articles 135 and 136 establish (absolute and relative) impediments to mark registration, which it will detail below.

1.1.5. The procedures for registration of a trademark in the Andean Community:

Coexistence of competent offices

Ibid.
Maria del Carmen, Arana, “Legal framework of Industrial Property in Peru” in Andean Yearbook of Intellectual Rights, Year 1 No 1, ed. Baldo Kresalja (Lima: Legal Deposit of the National Library of Peru, 2005), 55.
The registration of trademarks in the Andean community differs from the community trademark registration in the European Union (EU). The registration of trademark in the ACN is made through the offices of each Andean country member. These offices are responsible for receiving trademark applications, the assessment of those applications, and the identification of any impediments to registration.

The competent offices in the ACN are as follows:

- The National Intellectual Property Service (SENAPI), Bolivia.
- The Superintendence of Industry and Commerce (SIC), Colombia
- The Ecuadorian Institute of Intellectual Property (IEPI), Ecuador
- The National Institute for the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI), Peru.

And the competent court for the settlement of disputes within the ACN is:

- The Court of Justice of the Andean Community (CJAC)

This Court is seated in Quito, Ecuador and serves the Community’s four member states: Bolivia, Colombia, Ecuador and Peru. In the area of intellectual property, the main function of the CJAC is to interpret and apply community law, through interpretation of the community’s provisions. Such interpretations may stem from compulsory or optional requests made of one of the member states. It should be noted that the CJAC cannot rule on aspects of national legislation.

1.1.5.1. The filing and assessment of trademark in the ACN

a) Requirements for trademarks registration within the ACN

Title VI of Decision 486, Chapters I and II, lists the requirements for registration of marks which must be followed by every member country.

Articles 134 to 137 of Decision 486 describe the requirements for trademark registration. This part of the Decision states that any sign capable of distinguishing goods or services on the market shall constitute a mark. Signs that are susceptible to graphic representation may be

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registered as a mark. In addition, these provisions indicate when signs cannot be accepted as
marks. These provisions include both absolute and relative prohibitions.

The most relevant absolute prohibitions are as follows:

- When a sign lacks distinctiveness, that is, when a mark does not serve the function of
distinguishing the goods or services with which it is associated from other goods
or services.\(^\text{19}\)

- When a sign is descriptive, that is, marks which merely describe the services or goods
with which the mark is associated, meaning that the mark does not serve to identify the
source of the goods or services.\(^\text{20}\)

- When a sign is generic or technical, that is, a mark which actually name a product and
are incapable of functioning as a trademark.

- When a sign is an appellation of origin, that is, a geographical name or a traditional
designation used in association with products which have a specific quality or
characteristic due essentially to the geographical environment in which they are
produced.\(^\text{21}\)

These concepts are not static and their interpretation and analysis has changed in recent
times. Thus, there exist cases of marks which achieved registration because they were
considered distinctive at the time.

For example, the Peruvian Office reports a case in which a recent applicant, who was
the trademark owner of the mark ASSOCIATION OF ANCHOVIES PRODUCERS IN PERU
& design, in order to distinguish class 29 anchovies under the International Nice Classification,
filed an application to renew the mark. However, in a recent resolution,\(^\text{22}\) the Peruvian
Trademark Office determined that the registration could be renewed, but without the phrase
ASSOCIATION OF ANCHOVIES PRODUCERS IN PERU, because this phrase indicates to
consumers that the product (anchovies) in question is industrialized by a nonprofit organization,

\(^{18}\) Decision 486, Title VI, article 135.
\(^{20}\) Ibid, 191
\(^{21}\) Ibid, 196
according to Peruvian legislation. This means that the holder cannot oppose any third party which may wish to use the same phrase to identify anchovies of the aforementioned class.

The most relevant relative prohibitions are as follows:\textsuperscript{23}:

- When marks are identical or similar to a mark previously filed for registration or registered by a third party in respect of the same goods or services, or for goods or services regarding which the use of the mark could cause a risk of confusion or association;
- When marks consist of a sign that affects the identity or prestige of profit-making or non-profit-making legal entities, or natural persons, including especially the forename, surname, signature, title, hypocoristic and pseudonym;
- When marks constitute a reproduction, imitation, translation, transliteration or transcription of all or part of a well-known distinctive sign the owner of which is a third party, regardless of the goods or services to which the sign is applied, where their use would be liable to create a risk of confusion or association with that third party or with his goods or services, constitute misappropriation of the prestige of the sign or dilution of its distinctive power or commercial or advertising value.

b) Complementary rules

These rules are complemented by the domestic law of each member country; each country has its own procedure regulated by its own national competent office. Thus, for example, the form of payment for trademark applications, and application fees, may vary according to the country where the application was filed.

Trademark registration in the ACN is made through an application which has to be filed at the national office of the member country where the person, natural or legal, wishes to register the mark in question. It should be noted that currently application may comprise multiclass trademark application, meaning that it is possible to register under a single application the same trademark across different classes of the International Nice Classification.

\textsuperscript{23} Decision 486, Title VI, article 136.
Also, the application must fulfill the provisions of Articles 134 to 139 of Decision 486, relating to requirements and procedures for trademark registration, including requirements such as the identification of the applicant, payment, express indication of the mark and related goods and services.

According to Article 144 of the Decision, once the application has been filed, the competent national office must assess whether or not the application meets the requirements specified in the Decision. That assessment must be completed within 15 days following the filing date of the application. If the assessment concludes that the application does not meet those requirements, the competent office shall inform the applicant, so that, within a period of 60 days, they may endeavor to meet the conditions specified in the aforementioned Articles. 24

In the event that the applicant, upon completion of the aforementioned period, fails to meet the stated requirements, the application shall be considered abandoned.

1.1.5.2. Andean Opposition

Among the rights conferred by Decision 486, there is Andean opposition, which is defined in Article 147 of the Decision. This is a legal mechanism allowing trademark holders with a registered trademark in any country of the ACN or who have filed a trademark application in any member country, to file opposition against trademark applications that were submitted in any member of the ACN and which infringe upon the previously established rights of the holder or previous applicants. In other words, Andean opposition enables holders of a trademark or previous applicants to file opposition in another member country of the ACN, against other identical or similar marks, or marks associated with the same or similar goods or services, the trademark application of which may mislead the public.

In order to file Andean opposition, the opponent must demonstrate that they have a legitimate interest in the country in question. Hence, in order to demonstrate legitimate interest, the opponent must be the holder of a registered trademark or must file a trademark application in the country where they consider that their previous trademark rights are being infringed. It

should be noted that, in this latter case, where the opponent is obliged to file a new application, this new application must refer to the same trademark and cover the same goods or services, in order to demonstrate their legitimate interest.

In addition, where Andean opposition is based upon a new application in order to demonstrate legitimate interest in the country where the opponent raised their objection, this does not mean that the competent office will automatically grant rights to the new application. Any new application must follow the same procedure as all other trademark applications. Thus, in the event of a legitimate interest application being denied, this does not necessarily mean that the Andean opposition is invalidated.

1.1.5.3. Some problems with Andean opposition

As mentioned, through Andean opposition a trademark owner or previous applicant for trademark in any Andean member country is entitled to file opposition based on that trademark against a third party’s application to register an identical or similar mark filed in another Andean country. Thus, Andean opposition is a useful procedure for the protection of a mark within the Andean community, however, in practice Andean opposition may lead to the following problems:

- Analysis of the description in the competent office: As mentioned, any application filed as legitimate interest must contain the same goods and services and must refer to the same trademark that is the basis of Andean opposition. Hence, the scope of the description will depend upon the description which appears in the certificate of the trademark registration or the previous trademark application filed in a member country. However, the scope of the description will vary, because analysis on the part of the competent office will be different in each country. The competent offices of member countries do not apply the same criteria when analyzing the scope of the description. Thus, some offices may give opponents a broad scope, while other offices will offer a narrower scope. This situation arises from the fact that there is no common criterion for the evaluation of trademark registration. As mentioned, despite the existence of
common rules contained in Decision 486, the Decision is complemented by the domestic laws of each member country. Consequently, this situation generates different evaluation criteria among member country offices.

- **Strict application**: Andean opposition only applies for the protection of trademarks. Thus, this legal tool leaves other types of signs, such as collective marks, trade names, and others, without protection within the Andean community.

- **Limited protection of Andean opposition**: The aim of Andean opposition is to defend the trademark rights within Andean countries. Thus, Andean opposition is an exception to the territoriality principle, since the prerogative to file opposition is not limited to the territory in which the trademark is registered or has been applied for, but rather extends to the territories of the other member countries. However, this prerogative to prevent the registration of third parties’ marks in other Andean Community countries may only be employed to file opposition against mark applications, but not to file nullity or invalidation claims against a registered trademark. This will can be observed in greater detail at such cases in paragraph 2.2.3. Thus, there exists a kind of contradiction in Decision 486 when it comes to rulings in defense of trademarks.

### 1.2. Rights conferred by the trademark and limitations in Andean Countries

The protection of trademarks in the Andean countries, as in other civil laws countries, is achieved through the registration of the mark at the trademark office in any country of the ACN. The duration of such registration is ten years, calculated from the date of its acceptance, and it may be renewed successively for further periods of ten years.

The trademark rights acquired by registration confer upon the holder the exclusive right of use of the sign and to take action against any third parties who make unauthorized use of their trademarks in association with the same or similar goods or services. In principle, the protection of trademarks in each Andean country is territorial and does not extend to other countries, however, Decision 486 provides some scope and limitation to trademark rights.
1.2.1. The extension and the limitation of rights through the principle of territoriality

Under the principle of territoriality, the protection and effects of industrial property rights are limited to the territory of the state in which such rights are recognized. In other words, protection granted by the state cannot be extended beyond its borders. However, exceptions to this principle are derived from international conventions. Thus, in the case of trademark regulation within the ACN, Decision 486 provides for the following exceptions to the aforementioned principle:

- Cancellation: According to article 165 of the Decision “the competent national office shall cancel the registration of a mark at the request of any interested party when, without justification, the mark has not be used in at least one of the member countries, by the owner or his licensee or any other person authorized for the purpose during the three consecutive years preceding the date on which the cancellation action was initiated. (...)

In addition, the article 167, states that “the burden of proof of use of the mark shall be on the owner of the registration. Use of the mark may be proved with business invoices, accounting documents or audit certificates that show the regularity and scale of marketing of the merchandise identified by the mark, among other things.”

These articles make it clear that Decision 486 confers upon the owner the right to defend a trademark against a non-use cancellation action in one member country by proving that the trademark has been used in another member country. Thus, this rule constitutes an extension of the principle of territoriality, because a trademark owner can prove the use of their mark, with documents issued in any ACN member country.

Well-known trademark: As in Community Trademarks Regulation 207/2009, in Article 224 Decision 486 recognizes well-known trademarks and defines these marks as being familiar to the pertinent target sector of the public for the goods or services covered.26

25 Decision 486
26 Miguel Baz et al., The protection of well-known and famous trademarks in Spanish law. (Madrid: Constitucion y Leyes, 2004)
Decision 486 confers the right to claim the notoriety of a mark in any Andean Country, even if possible claim the notoriety of mark not registered. An example of this, in the Resolution No 1347-2014/TPI-INDECOPI, the Peruvian Trademark Office recognized the mark DAKAR & design as well-known mark, in the class 25 of the International Nice Classification, while opposite party did not hold a registered mark in Peru or in any other Andean country.\(^{27}\)

It should also be mentioned that an advantage of recognition in the Andean community is that a mark which is well known in one member country will merit special protection not only in the country where it is well-known, but also in other Andean Community countries. An example of this, contained in Resolution Number 184-2011/TPI-INDECOPI, the Peruvian Trademark Office recognized the mark CLUB COLOMBIA as a well-known mark, in class 32 of the International Nice Classification, because it was recognized as a well-known mark by the Colombian Trademark Office through Resolution Number 45633-2010.\(^{28}\)

Both European and Andean legislation recognize “well-known” in the same terms, with the single difference between them perhaps being that in Regulation 207/2009, “well-known” is replaced by the term “reputed”.\(^{29}\)

### Nullity action:

The second paragraph of the article 172 of the Decision states:

> “The competent national authority may, either ex officio or at the request of any party, declare the relative invalidity of the registration of a mark where it has been granted in breach of the provisions of Article 136, or where it has been obtained in bad faith. Such action shall be barred after five years following the date of grant of the disputed registration.”

This rule is strictly applied. In effect, unlike Andean opposition, a holder who has trademarks rights in any Andean member country cannot request relative nullity or invalidation under the terms of Article 136 a)\(^{30}\) of a registered trademark in another

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\(^{29}\) Article 8. 2 of the Regulation 207/2009.

\(^{30}\) Ibid. Article 136: Those signs may not be registered as marks whose use in trade would unduly harm a third-party right, especially where: (a) they are identical or similar to a mark previously filed for
Andean country, while basing their action upon a trademark registered previously in another Andean country.

Coexistence of trademarks: The first paragraph of the article 159 of the Decision states:

“Where registrations of an identical or similar mark exist in the Subregion, in the name of different owners, for the identification of the same goods or services, the marketing of the merchandise or services identified by the mark on the territory of the member country concerned shall be prohibited except where the owners of the said mark enter into agreements that permit such marketing.(…)

(...)

Thus, even though Decision 486 gives owners of registered marks the right to bring an infringement action against third parties which use in a confusing manner similar marks in the same country, the coexistence of identical or similar marks in the sub-region constitutes a limitation of that right, because the second paragraph requires use of the trademark so that the trademark holder can defend their mark.

1.2.2. The limitation of rights by the principle of exhaustion

- The principle of exhaustion

Exclusive intellectual property rights have two dimensions: Positive and negative. In the positive dimension, or *ius utendi*, IPR confers upon the proprietor the right to exclusive use. In the negative dimension, or *ius prohibendi*, IPR confers upon the proprietor the right to prohibit third party use.\(^ {32} \)

However, IPR is not unlimited, it is limited by the exhaustion of rights of intellectual property. The exhaustion of rights refers to the instance in which the proprietor of an intellectual property right places products subject to such a right in distribution channels. The effect of this registration or registered by a third party in respect of the same goods or services, or for goods or services regarding which the use of the mark could cause a risk of confusion or association;(…)

\(^ {32} \) David Gomez. *The infringement of the community trademark* (Madrid: Marcial Pons, 2011)
is that the IPR relating to that product is thereby exhausted, and the act of purchasing, using, repairing or selling the product cannot be deemed an infringement of the right.  

There are two types of exhaustion: National and international exhaustion. Under national exhaustion certain rights are extinguished after a domestic sale of a product covered by IPR. In the other side, under the doctrine of international exhaustion, an authorized sale in a foreign country will extinguish certain of IPR owner’s right.

- **Trademarks exhaustion in the ACN**

In the field of trademarks, the principle of exhaustion constitutes a limitation of the exclusive rights conferred upon the holder by a trademark. Through this principle, the trademark holder of a registered mark cannot forbid to third parties the trade ulterior acts of products which have are signed with the mark.

In the ACN this principle is regulated by Article 158 of Decision 486, which states:

“**Registration of a mark shall not give the right to prevent a third party from engaging in commercial acts in relation to a product protected by the said registration after the product has been brought on to the market in any country by the owner of the registration or by another person with the owner’s consent or economically connected with him, in particular where the goods and the containers or packaging that are in direct contact with them have not been subjected to any modification, or alteration or deterioration (...).**”

This Article makes it clear that Andean countries adopted international trademark exhaustion doctrine because limitation is defined as the first commercialization of goods identified with the mark in any market. This confers freedom to sell the goods identified with the mark outside and inside the country where the mark was registered, once the holder has begun to trade in any part of the world.

In Article 158, Andean legislators also included parallel importation. The Andean Court defines parallel importation as that conducted by an importer who is not a representative or authorized distributor; namely, the legitimate importation of a product, outside the official trade

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channel. However, parallel importation has a limitation. Andean legislation establishes that the commercialization of goods should not be subject to any modification or alteration or deterioration of the mark which would imply a trademark infringement.

1.3. Infringement action in Andean countries

As the international standard of trademarks protection, the ACN also regulates the infringement of trademark in the following article of Decision 486:

“Article 238.- The owner of rights protected under this Decision may bring an action before the competent national authority against any person who infringes his rights. He may also proceed against any person who engages in acts that indicate the imminence of an infringement.

Where the domestic legislation of the member country permits, the competent national authority may institute the infringement proceedings provided for in the said legislation ex officio. (…)”

This article offers to the trademark owner the opportunity to bring an action against any person who infringes their rights, and in addition, dependent upon national legislation, it enables the competent national authority to initiate action.

Thus, through an infringement action, the trademark owner can request via the competent national authority, inter alia, the cessation of acts that constitute infringement, compensation for damages, prohibition of import or export of infringing products, the seizure of infringing products, etc.

Commonly, an infringement action is brought before the competent office via the administrative route. Once the administrative route has been exhausted, it is possible to request damage compensation through the civil courts.

Since trademark infringement is considered a criminal offense, it is possible to prosecute such acts under criminal law; however, the criminal channel is complex and long. Most Andean countries have strengthened the administrative route, establishing jurisdiction and procedure for infringement actions, as well as for unfair competition, in cases of infringement of trademarks.

It should be noted that in the case of Peru strengthening the administrative route offers two important advantages. Firstly, there remains the possibility to challenge administrative acts

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and resolutions before specialized bodies (within the judicial branch), once the administrative route has been exhausted. And secondly, the administrative route facilitates the *ex officio* action of competent offices.  

All members of the ACN must meet this minimum standard of trademark protection rights, however, some Andean countries, such as Bolivia, do not regulate the application of this standard, this results in the absence of operational frameworks for the Andean regime and unequal trademark protection. It should be noted that even though Bolivia does not regulate this minimum, no sanctions have been leveled against this country, because, as already mentioned, each Andean member country may use its domestic law to complement Decision 486.

Finally, the absence of an Andean mark, in keeping with the EU model, casts doubt over certain crucial aspects related to trademark protection in this region. For example, in the case of Peru, infringement actions are increasing, as the following chart shows:

![Infringement Actions Period 2000-2017 INDECOPI Statistics Year](https://www.indecopi.gob.pe/web/biblioteca-virtual/estadisticas-institucionales)

The chart shows that, from 2000 to 2017, infringements actions have increased, indicating that our system needs to be strengthened.

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*38* Gustavo León et al., *Trademark Law in the Andean Community. Analysis and Comments* (Lima: Tinco, 2015)

CHAPTER 2: THE TRADEMARK SYSTEM IN PERU

2.1. Legislation of Distinctive Signs

The legal regime of Peru is conforming for the provisions of community legislation of Andean countries (ACN), the national legislation and international instruments which Peru is part.

2.1.1. Provision of Community legislation

Peru is a member of the Andean Community of Nations. As member of that community, the protection of IPRs is under the Decision 486 which regulates substantive and procedural aspects related of the registration and protection of marks (and patents).

The Decision 689 was enacted in August 2008. Through this Decision, Andean member countries could develop or specify its internal legislation some aspects related to the Decision 486. For example, the Andean countries could establish a multiclass registration of marks, establish like optional the Registration of License contract in the respective trademark office, between others.40

2.1.2. National provisions

In February 1st, 2009, the Legislative Decree No 1075 entered into force in Peru. The Peruvian Executive Branch enacted this decree, which is complementary to the Decision 486, basically procedure aspects41. The enactment of this Decree had, as its main purpose, the adequacy of

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41 Maria del Carmen Arana, “Implementation process of APCPE in the field of Intellectual Property” in *Yearbook of Intellectual Rights*, Year 5 No 5, ed. Baldo Kresalja (Lima: Legal Deposit of the National Library of Peru, 2009), 171 and 188
Peruvian legislation into the provisions established by the Trade Promotion Agreement (TPA) with The United States of America.

2.1.3. International provisions

Peru is part of several international legal instruments, as the Paris Convention for the Protection of Intellectual Property Rights for example, which Peru joined in 1995. The most important contribution of this legal instrument is the principle of national treatment\(^{42}\) and the priority right\(^{43}\).

Other important legal provisions which Peru is a part of, is The Agreement on Trade-Related Aspects of Intellectual Property Rights or well known as TRIPs, which establishes minimum standards and basic principles in order to harmonize the intellectual property system in the world.\(^{44}\)

Also, Peru is a part of the Trademark Law Treaty (TLT). The aim of this treaty is to standardize and streamline national and regional trademark registration procedures. Peru joined the TLT in November 6, 2009, which brought many changes.

The most important changes were the introduction of the registration multiclass system of marks and the elimination of some formalities in the case of disposal or assignment of industrial property rights. Indeed, in these cases, and except where greater formality is required by Law, it shall suffice for this act to be mentioned in a private deed and for the signatures to be

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\(^{42}\) According Paris Convention, national treatment means that, as regards the protection of industrial property, each country party to the Paris Convention must grant the same protection to nationals of the other member countries as it grants to its own nationals. The relevant provisions are contained in articles 2 and 3 of the Convention.

\(^{43}\) This provision is contained in article 4 of the Paris Convention. Thus, the right of priority means that, on the basis of a regular application for an industrial property right filed by a given applicant in one of the member countries, the same applicant (or its or his successor in title) may, within a specified period of time (six or twelve months), apply for protection in all the other member countries. These later applications will then be regarded as if they had been filed on the same day as the earliest application. Hence, these later applications enjoy a priority status with respect to all applications relating to the same industrial property right filed after the date of the first application.

\(^{44}\) Gamboa. Op cit. p. 35.
certified by a notary. If the document is drawn up abroad, it shall be authenticated by a Peruvian consular official.

In the area of appellation of origin, it is necessary to mention that Peru is a member of the Lisbon Agreement. The objective of this agreement facilitates the registration and protection of appellation of origin in countries other the country of origin, by a registration at WIPO.

2.1.3.1. Peru and the promise to join the Madrid Protocol

The Madrid System for the International Registration of Marks is governed by the Madrid Agreement and the Protocol relating to that Agreement, both are managed by WIPO. The system makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties. The following chart, shows in brief how the process works:


In the case of Peru, after the entered force of Trade Promotion Agreement with The United States of America in 2009, Peru made the promise to adhere the Madrid Union, however until now, Peru has not adhered to this international system\textsuperscript{45}. The main reason why Peru does not want to adhere is the impact on its domestic economy.

\textsuperscript{45} Patricia Gamboa et al., *Intellectual Property* (Peru: Legal Deposit of the National Library of Peru, 2013).
The adhesion to Madrid System could affect the Peruvian economy, because its domestic economy is small. Even though the Madrid System seems like an international system which could increase the importation trade flows, nevertheless, this flow would affect the exportation trade of Peruvian goods. Indeed, foreign companies could register more brand easily, instead of Peruvian companies.  

This reasoning is confirmed because Peruvian companies do not tend to register marks in foreign markets frequently. In 2005, the number of Peruvian marks registered in the United States was 261, 12 in Spain, 3 in Japan and 2 in the United Kingdom. Nevertheless, in 2004, the number of the North American marks that were registered in Peru were 1,344, those from Spanish, Japanese, and English companies were 104, 100 and 38, respectively.

The mentioned previously is confirmed in the following charts which demonstrate how some developed economies (like China, Republic of Korea, the United States, among others) are registering more marks abroad than developing countries (like Peru, Romania, among others):

![Graph showing trademark application activity by origin](http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2015.pdf)

Note: Trademark application activity by origin includes resident Applications and applications led abroad.

Source: WIPO Statistics Database, October 2015.


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47 Ibid.
As it should be noted, in the case of Peru, unlike other economies, there is a tendency to register marks in their own market than foreigner market. For that reason, for some scholars, the accession of Peru to the Madrid System could adversely affect our economy instead of improving it.

2.2. The need to strengthen the protection of trademark in Peru

2.2.1. Trademark counterfeiting

Intellectual property rights are important for the economy of every country, because protection of them encourages private investment in research and develops other inventive or creative activities. However, the IPRs are being threatened by the counterfeiting of goods. The counterfeiting is a worldwide problem posing a threat to our society, in that they hamper investment in research, development and creativity, in addition to endangering public health and safety.

In the case of public health and safety, the counterfeiting could bring serious implications, because counterfeiters have limited interest in ensuring the quality, safety or performance of their products. This increases the potential of negative effects on consumers. Concerns about this issue, appear frequently in the responses to the OECD surveys. The industries where health and safety effects tend to occur include: automotive, electrical components, food and drink, chemicals, toiletry and household products, pharmaceuticals and tobacco products.  

Among the different types of IPRs, trademarks play a key role for customers and businesses, consequently, in the economy of countries. This important economic role of trademarks has been reflected in available statistics. For example, in the United States, trademarks intensive industries accounted for 24.7% of total employment in 2010. A similar study for the European Union highlighted that IP industries accounted for almost 26% of all jobs in EU during the period 2008-2010, with almost 21% in trademark intensive industries. In the case of Peru, trademarks intensive industry represents the 8% in 2010. Having this in mind, it is possible to observe that the counterfeiting of goods has more incidence in trademarks, like the following figure shows, where trademarks occupy the big seizure among the other forms of IPRs:

![Note: shares of seizures by IP infringing category](Source: OECD library.)

In the specific case of Peru, the percentage of trademark counterfeiting is almost the same of copyrights counterfeiting, as the following chart of 2016 shows:

![Note: Shares of seizures by IP infringing category](Source: The National Institute for the Defense of Free Competition and)

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49 This means active industries in protecting trademarks.
51 International Trademark Association (INTA). *The trademarks in Latin America. Economic Impact study in five countries: Chile, Colombia, Mexico, Panama and Peru.* [https://www.inta.org/Communications/Documents/Latin_America_Impact_Study_ES_121216.pdf](https://www.inta.org/Communications/Documents/Latin_America_Impact_Study_ES_121216.pdf) (accessed October 10, 2017)
It should be noted that in Peru, the seizure of products which infringe intellectual property rights represent approximately a cost of loss of $6,374,952 American dollars every year.\(^{52}\)

Since counterfeiting is a longstanding problem which is growing in magnitude and have negative impact in innovation, in sales and licensing, brand value and company reputation, in December 2015, the European Parliament approved a reform package consisting of an amended European Union Trademark regulation and included the regulation of counterfeit goods in transit.

The new provisions extend the rights of the proprietor of a European Union trademark registered at Union level or of a national trademark registered at Member State level to prevent third parties from bringing, in the course of trade, into the Union without being released for free circulation, goods coming from third countries and bearing without authorization a trademark which is identical with the trademark registered with respect to such goods or which cannot be distinguished in its essential aspects from that trademark, even if the goods are not intended to be placed on the market of the Union.\(^{53}\)

In the Andean Community, chapter III of the Decision 486 (from article 250 to 256) establish the border measures regulation, however does not expressly establish about counterfeit goods in transit. Nevertheless, this legal gap is overcome with the article 276 of the same Decision, which states that some intellectual property issues not regulated by the Decision 486, could be regulated by intern norms of the member countries. Hence, some member countries as Peru\(^{54}\) and Colombia\(^{55}\), when establish the border measures in its intern legislation, included the counterfeit goods in transit, but not Ecuador and Bolivia\(^{56}\).

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\(^{54}\) In Peru, the border measures are regulated by the Legislative Decree No. 1092, Border Measures for the Protection of Copyrights or Related Rights and Trademarks, article 3, which says: This regulation is applicable to goods referred in the Law that have been destined to importation regimes for consumption,
It should be noted, although those changes in the control of counterfeit goods in transit is recently in the EU, however those changes will be applied to all the European member countries, according the principle of unitary trademark, which prescribes that the EUTM has uniform protection and uniform legal effect over the entire territory. In contrast, as it was aforementioned, in the Andean community, only Peru and Colombia applies control rules of counterfeit goods in transit. Hence, a community trademark -regulated under the principle of unitary- for the ACN could have a positive effect and reduce the counterfeiting in this region.

2.2.2. Trademark registration in bad faith

Since trademark is a valuable tool today, the interest of get trademark rights is increasing, however, also increase the possibility of trademark grabbing, enabling third parties to register marks which are being used or registered in other countries, and even, in the same country.

Nowadays, trademark laws of countries are trying to curb trademark abuse by enacting specific protective provisions or making easier the registration of mark. Indeed, in order to reduce the procedures of trademark registration, many countries entered into bilateral treaties, making integration of trademark procedures (like community trademark in EU) or making international cooperation (like Madrid System).

In Peru, through the Decision 486, in case of registration of trademark in bad faith, third party may challenge it through the invalidity of registration. However, this action is not working well, because has some limitations. Indeed, the article 172 of the aforementioned Decision refers that the competent national authority may, either ex officio or for request of any party, declare the invalidity of the registration of a mark if it has been obtained in bad faith. Such action must be submitted within the 5 years following the date of grant of the disputed registration.

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55 In Colombia, the border measures are regulated by the Decree No. 4540, Adopting Customs Controls to Protect Intellectual Property, article 2, which says: For the purposes of this Decree, the customs authority will intervene in respect of allegedly pirated or counterfeit trademark goods linked to an import, export or transit operation.


57 See numeral 3.2.1

58 Alexander Tsoutsanis, Trade mark registrations in bad faith (USA: Oxford University Press, 2010)
The Andean provisions presume the good faith as general principle which should govern the actuation of trademarks applicants. Thus, a plaintiff who file nullity action, must the burden of proof. However, in practice, is difficult to prove the bad faith before the Trademark Office.

In the ACN, the invalidation action cannot have as base of the action a trademark registered in other Andean country. Example of this, it will be explained in the following lines. In addition, it should be noted, that Andean provisions do not establish bad faith conducts. In consequence, is difficult for trademark officers to determinate the invalidity of trademark under bad faith.

2.2.3. Cases in the Peruvian trademark office

The following cases have been resolved in the Trademark Office of INDECOPI in Peru. These cases show how the Peruvian office resolved invalidity actions of marks in bad faith.

After the lecture of these cases, is possible to conclude that the registration of mark in one country member of ACN does not give security to the real holder to protect their mark against third parties who pretend the registration in bad faith of the same or similar mark.

2.2.3.1. Lotte Co., Ltd. v. Song Kim, Chong Cha

On November 3rd, 2014, LOTTE CO., LTD., from Japan, filed an invalidation action of trademark in bad faith against SONG KIM, CHONG CHA, from Republic of Korea, since he got the registration of the following mark LOTTE & design (Title No 215204) in the class 30 of the International Nice Classification in Peru:

The Japanese company claimed that the mark LOTTE is property of LOTTE CO., LTD., they have the mark registered in many countries, is well-known mark in Asia and in the Andean

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Community. In addition, indicated that SONG KIM, CHONG CHA even knowing that the mark LOTTE is well-known, he registered the aforementioned mark in Peru. In order to prove the bad faith registration of the mark LOTTE by the defendant, the Japanese company attached to the case several documents, within them the mark titles obtained in Ecuador and Bolivia. About these trademark titles the Peruvian Intellectual Property Office of INDECOPI states:

"Even though is possible to observe the mark LOTTE is registered a worldwide level, this is not relevant, thus those documents do not prove that the aforementioned mark is well-known, and as consequence, do not prove the alleged bad faith."61

Thus, for the the Peruvian Intellectual Property Office, LOTTE CO., LTD., did not prove that the registration of the mark LOTTE & design was in bad faith. In consequence, rejected the action filed by LOTTE CO., LTD.

It should be noted that even though LOTTE CO., LTD., as company as trademark, is not well-known in South America, however is currently the owner of the brand LOTTE & design in two Andean member countries (Ecuador and Bolivia). Hence, this trademark ownership should serve as protection against bad faith registration within the four Andean member countries.

It should be noted once again, the importance to strengthen community trademark in the Andean region, because that common system offers uniform protection, which implies that if a community trademark right is surrendered, transferred, revoked or invalidated is for the entire territory of the EU.

2.2.3.2. Nike Inc. v. Veliz Ticse, Ruben62

On January 29th, 2014, NIKE, INC, from The United States, filed an invalidation action of trademark in bad faith against to VELIZ TICSE, RUBEN, from Peru, since he got the registration of the mark LUNARLON FITSOLE (Title No 194994) in the class 25 of the International Nice Classification in Peru.

The North American company claimed that the mark LUNARLON FITSOLE is property of NIKE, INC., that they have the mark registered in many countries, the aforementioned mark is well-known mark, the company is selling sneaker with the mark

LUNARLON in Peru and the denomination FITSOLE is a cushioning system for sneakers invented by NIKE, INC. In addition, indicated that VELIZ TICSE, RUBEN even knowing that the mark LUNARLON is well-known, however, he registered the mentioned mark in Peru. In order to prove the bad faith registration of the mark LUNARLON FITSOLE, the North American company attached to the case several documents, within them the mark titles obtained in different countries (within them one title obtained in Bolivia), several documents about the system FITSOLE, and documents of the commercialization of sneakers with the mark LUNARLON in Peru. About these documents the First Instance of the Peruvian Intellectual Property office said:

"Is possible to observe the mark LUNARLON distinguish sneakers, is registered in different countries in favor of the plaintiff, that NIKE, INC. Developed a system denominated FITSOLE and is selling sneakers with the mentioned mark at least in Ecuador (one member of Andean Community). In consequence, from the documents attached to this case, it is possible to infer that VELIZ TICSE, RUBEN, registered the mark LUNARLON in Peru in bad faith. For that reason, it is necessary to order the invalidation of LUNARLON registered under the title No 194994"

It is necessary to mention, that VELIX TICSE, RUBEN appealed the Resolution No 2361-2016/CSD-INDECOPI. In consequence, still pending of pronouncement by the Second Instance of Intellectual Property office of INDECOPI.

2.2.3.3. Differences between the mentioned cases

From these cases, it should be observed how INDECOPI resolved similar cases of invalidation of trademark registration in bad faith with different criteria.

In the first case LOTTE CO., LTD. v. Song Kim, Chong Cha, the Peruvian authority resolved against Lotte Co., Ltd., because despite this Japanese company got the registration of the mark LOTTE in some Andean member’s countries (like Ecuador and Bolivia) before Song Kim, Chong Cha, nevertheless did not demonstrate the commercialization of goods with the mark LOTTE in at least one Andean Member country.

In the second case, Nike Inc. v. Veliz Ticse, Ruben, the Peruvian authority resolved the case in favor of Nike Inc, because this North American company got the registration in one

63 Resolution No 2361-2016/TPI-INDECOPI. P. 15.
Andean member country (Bolivia) and in addition proved the commercialization of sneakers with the mark LUNARLON at least in one Andean member country (Ecuador).

2.2.4. Some problems related with the protection of trademarks in Peru

From the explanations of this chapter, it should be noted that Peru, and in consequence the other members of the ACN, are facing the following problems:

- Even though the legal framework for protection of intellectual property in Peru has improved over the past decade, enforcement remains weak. Unfortunately, Peru has remained on USTR's Section 301 "Watch List" since 1992 because of continued high counterfeiting and piracy rates, inadequate enforcement of IP laws, and weak or unenforced penalties for IP violators.

- Within the Andean member countries, same marks which the same distinguish of goods or services, but with different owners can coexistence. Namely, in the ACN exists duplicity of marks, which represents a legal problem when the real owner wants to protect or use the mark in other member country.

- Some actions for prevent the registration of trademarks in bad faith are not working well along the ACN. Certainly, as the mentioned cases, in order to prove the registration of a mark in bad faith is necessary to demonstrate the use, at least in one member country, because the solely registration of a mark does not give a real protection of mark in this region.

- The autonomy of the Trademark offices along the ACN, generates different criteria. These problems, among others, make necessary the implementation of the Andean Community Trademark in this region.

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64 It should be noted that according to the 2011 Special 301 Report, the annual review of the global state of intellectual property rights (IPR) protection and enforcement made by the Office of the United States Trade Representative (USTR), the other Andean member countries remains on the "Watch list", because the high level of counterfeiting and piracy rates http://www.ipophil.gov.ph/images/IPEnforcement/Special301Review/2011USTRSpecial301Report.pdf (accessed June 30, 2017)

CHAPTER 3: THE COMMUNITY TRADEMARK IN THE EUROPEAN UNION

3.1. Development of European trademark law

The creation of the Community Trademark (CTM) System began in 1957, after six countries of Europe wanted to create a European Economic Community based on a common market, which rose as the sign of treaties which established the ECC and Atomic Energy.

After the signing of the mentioned treaties, emerged the need, inter alia, to create a European Trademark Law that would allow economic operators to make free trades of goods and services. Thus, in 1959 the work for the creation of a Community Trademark System began, with three milestones: The draft of the Convention of European Trademark Law, The memorandum on the creation of a Community Trademark and the Proposal for a Regulation on the Community Trademark. These previous works led to the promulgation of the Community Trademark Regulation in 1994.

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66 France, Germany, Italy, Netherlands, Belgic and Luxemburg
68 Ibid.
3.1.1. The Europeanization of trademark: Uniform protection in all Member States and the harmonization of domestic legislation

The Europeanization of trademark has two grounds: The uniform protection in all member states and the harmonization of the domestic trademark legislation of the member states. This means, uniform rights and unity of law, have the same effect throughout the EU in order to improve the internal single market. Thus, the European Commission to give life the CMT created the Community Trademark Regulation, for the unification and the Trade Mark Directive, for the harmonization of the domestic trade mark legislation. Both coexist and complement one another, each in its own way contributing to the Europeanization of trade mark law and the establishment of common internal market.


The consecration of the system of the CTM was accomplished when the Regulation 40/1994 was ratified by the Council of the European Union (CEU) on 20th December 1993 and came into force on 15th March 1994.

The aforementioned Regulation contains thirteen titles, sub-divided into sections. The titles include general provisions introducing the character of the CTM and OHIM, the application for the CTM, the enforcement of CTM rights where it describes the jurisdiction of judicial authorities and stipulates procedural rules, and where the CTM has effect on the national legal systems of the member states.

The Regulation 40/1994 has had several reforms, and hence, it was repealed when the Council Regulation 207/2009 was enacted on 26th February 2009 and which entered into force on 13th April 2009. It should be noted, this last Regulation it was amended once again when the

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70 Alexander Tsoutsanis, Trade mark registrations in bad faith (USA: Oxford University Press, 2010), 109
71 Tobias Cohen et al., European Trademark Law: Community trademark law and harmonized national trademark.
Regulation 2015/2424 was enacted and published on 24th December 2015 and entered into force on 23 March 2016.

Some of the most important changes of this last regulation of 2015, is the new name of the Office for Harmonization in the Internal Market (OHIM) changed its name to the European Union Intellectual Property Office (EUIPO) and the Community trademark (CTM) change the name to the European Union trademark (EUTM).\textsuperscript{72}

Thus, in this work, the study of the European provisions will be having in consideration the last-mentioned Regulation.

3.2. Principal aspects related to the community trademark

3.2.1. Principles in the CMT system

- Principle of unitary trademark

This principle prescribed in the article 1 (2) of the Regulation\textsuperscript{73} means, that the EUTM has uniform protection and uniform legal effect over the entire territory of the EU. Thus, through a single application, an applicant can get a unitary trade mark right which extends to all 27 member states of the EU.\textsuperscript{74} In addition, this uniform protection implies that if the EUTM right is surrendered, transferred, revoked or invalidated, it is for the entire territory of the EU. However, this principle has limitations. For example, the registration of a EUTM can be limited for a national previous registration. Indeed, the EUTM exists parallel to the national trademark law of every country. Thus, if there is a previous national trademark registration, an application of community trademark can be refused it as a whole for the entire European Community.

\textsuperscript{72} WTR, \url{http://www.worldtrademarkreview.com/Blog/detail.aspx?g=5a9c3922-443d-47f2-bd4a-5d2920415b73} (accessed March 10, 2017)
\textsuperscript{73} Regulation (EC) N° 207/2009, article 1 (2) says: A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.
\textsuperscript{74} Alexander Tsoutsanis, \textit{Trade mark registrations in bad faith} (USA: Oxford University Press, 2010)
However, the aforementioned limitation is overcome, because from a national registration followed by a community registration can maintain its effects when seniority of the community trademark is based on this national registration.75

- **Principle of autonomy**

According to this principle, the EUTM is independent, autonomous and supranational legal system, which exist alongside the national trade mark legislation of the member states.76 In other words, the autonomy of the CTM is through the application of the community legislation. Thus, according to this principle, the application of the national legislation is subsidiary. However, according to David Gómez Sánchez in his book “La infracción de la marca comunitaria” (or “infringement of community trademark”)77, the reality about this principle is different. According this author, the application of the national legislation of the members of EU is not only for exceptional and secondary issues, its application it is indispensable for the function of the EUTM system, especially in the cases of mark infringements.

#### 3.2.2. The procedures for registration a community trademark

The process of registration of EUTM rights may be a long-winded and difficult process, because it can take many steps and some obstacles can appear during the registration process. In consequence, the entire registration process can take many years.78 In the following lines, it will explain -in brief- some relevant aspects about the registration of EUTM.

**3.2.2.1. Filing and assessment of the application**

Before explaining the filing and assessment of community trademark application, it should be noted that according to the article 5 of the Regulation, any person natural or legal entities, even bodies governed by public law, can be proprietors of Community trademark. In addition,

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75 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 469
77 David Gómez, *La infracción de la marca comunitaria*, 81
78 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 474.
nationals of the member states and any country that is party to the Paris Convention and/or the TRIPs Agreement are recognized as proprietors.\textsuperscript{79}

The Section 1 of Title III of the Regulation states the requirements of the community trademark application. Thus, every application must have the information of the applicant, representation of the trademark, description of goods and services (classified in conformance with the Nice Agreement). Also, the application shall be written in one of the official languages\textsuperscript{80} of the Community, and shall indicate a second language that is one of the five languages of EUIPO. In addition, the application must satisfy the formal requirements like application fee and -if it is the case- plus an additional fee in connection with and application for more than three classes.

With all the aforementioned requirements, the application must be filed at EUIPO or at the Central Industrial property office of a member state or at the Benelux Office for Intellectual Property. In the latter case, the application will have the same effect as if it had been filed on the same date at EUIPO.\textsuperscript{81}

After filing the application with all the mentioned requirements, the EUIPO examines the procedural formality and substantive grounds for refusal. In the first case, the office examines if the application has the requirements in the sense of Articles 26\textsuperscript{82} and 27\textsuperscript{83} of the Regulation. In the second case, EUIPO examines if the application of trademark is under the article 7\textsuperscript{84} of the Regulation, absolute grounds of refusal. The grounds contained in the mentioned article, do not exist to protect individual but public interests and must always lead to a refusal. Thus, each ground for refusal must be interpreted in the light of the specific public interest and independently of the other grounds. In consequence, it is sufficient that one of

\begin{itemize}
\item \textsuperscript{79} Ibid.
\item \textsuperscript{80} According the article 119 of the Regulation, the official languages are: English, French, German, Italian and Spanish.
\item \textsuperscript{81} Tobias Cohen, et al., European Trademark Law: Community trademark law and harmonized national trademark, 476
\item \textsuperscript{82} The article 26 of the Regulation describes the conditions with which applications must comply as: a) a request for the registration of a Community trade mark; b) information identifying the applicant; c) a list of the goods or services in respect of which the registration is requested; d) a representation of the trademark.
\item \textsuperscript{83} The article 27 of the Regulation indicates that the date of filing of a Community trade mark application shall be the date on which documents containing the information specified in Article 26.
\item \textsuperscript{84} This article contains the provisions of absolute grounds for refusal. For example, this article refers that shall not be registered as trademarks those one are not distinctive, generic or descriptive; trademarks which contain or consist of a designation of origin or a geographical indication; among others.
\end{itemize}
absolute grounds applies to refuse the trademark application. If an absolute ground for refusal is found, the office will refuse the registration, however only after the applicant has been given the opportunity to withdraw the application and make changes in the application.

The examination of trademark application at EUIPO can be complex. Indeed, the process includes an extensive mechanism for search similar marks throughout the European Union, including transmittal of the application to the trademarks offices of all Member States of EU, identified by the applicant, that have expressed willingness to search their own registration records with respect to Community Trade mark applications; the preparation of report for the EUIPO and the notification at the time of publication of proprietors of any community trademark or community trademark applications that have turned up in the EUIPO or national search report as possible opponents of registration. It is necessary to mention, that prior to publication, EUIPO notifies the applicant of the reports and waits at least a month before publishing the mark, so the applicant can decide whether to withdraw its application, amend it, negotiate a coexistence agreement with the owner of prior registration, or wait for possible opposition. However, is should be remarked, there is not any financial incentive to withdraw an application, since the application fee has already been paid when the report is received.

3.2.2.2. Opposition

As every trademark system, the Regulation gives the possibility of bringing opposition against trademark application. After publication of the application in the Official Gazette, any third party may file observations, relating absolute grounds for refusal. For a period of three months after publication, any third party may also enter an opposition to the application on the grounds that the opponent holds earlier rights in the trademark sought to be registered.

85 Charkes Gielen et. al., Concise European trademark and design law. (Netherlands: Kluwer Law International, 2011)
In addition, the possibility of opposition under the Regulation is also facilitated by the Rules regarding the search prescribed in Article 38\(^{88}\) numeral 6 of the Regulation. According this article, proprietors of earlier rights found during a search based on the mentioned article, must be informed. This considerably increases the likelihood that opposition will be initiated.\(^{89}\)

If the opposition is admissible, the EUIPO will transmit the corresponding opposition to the applicant giving time for reply and, after the reply, the Office will resolve the case. The decisions of the Office are subject to appeal before the Board of Appeals of the EUIPO and the Board's appellate decisions may, in turn, be brought before the Court of Justice of the European Communities for a final decision.

Finally, if a Community Trademark does not receive any opposition or if the opposition has been withdrawn or dismissed, the Trademark is registered.

In the case of refusal, applicants can appeal before the Boards of Appeal of the EUIPO and the decisions of this board can be appeal before the General Court and then, only for questions of law, before the European Court of Justice (ECJ). The following chart shows the registration process before EUIPO (before OHIM):

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\(^{88}\) The mentioned article 38 relates about the search report about the trademarks already registered or those one that are pending to register.

\(^{89}\) Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 491.
3.2.3. The rights conferred by the Community Trademark

The main effect of the CMT is grants uniform protection in all the countries of the EU. For that reason, in brief, it will explain some relevant aspects about the scope of the rights confers for the CTM.

3.2.3.1. The trademark exhaustion of CMT

The CMT, as any IPRs, confers to the owner an exclusive right, which is linked with the identification of the origin of the business. However, as aforementioned before in the chapter I of this work, this right has two dimensions: Positive (*ius utendi*) and negative dimension (*ius prohibendi*). In addition, there is two types of exhaustion National and international exhaustion. However, the EU has been developed the doctrine of Community-wide exhaustion, namely, an exhaustion between national and international exhaustion.

According to the doctrine of Community-wide exhaustion, once a product has been put on the market in a particular Member State, by or with the consent of the legitimate trademark owner, the owner can no longer rely on his national rights to prevent the importation of the product from that State into another Member State.90

As the ACN, the EUIPO has been stipulated in the article 13 of the Regulation the principle of exhaustion. By virtue of article 13 Regulation, the proprietor of a CTM is not entitled to oppose any use of his trademark for goods that have been put on the market in the EU by the proprietor or with his consent. This exhaustion rule does not apply if the trademark proprietor has legitimate reasons to oppose the further marketing of the (marked) goods, especially if the condition of the goods is changed or impaired after they have been put on the market.91

91 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 505.
Also, from the lecture of the mentioned article and from the jurisprudence of the European Court of Justice (ECJ), unlike the ACN, the trademark exhaustion in the EU is community.\(^2\)

### 3.2.3.2. Jurisdiction and rules of Community Trademark Courts

The aim of the CMTR is the defense of CTM, thus, the Regulation establish Community Courts.

The Regulation of Community Trademark applies a “dual system” in order to protect the exclusive right of the proprietor of a CMT. Indeed, first, the competence of national judges (National Courts)\(^3\), and second, the competence of EUIPO (with Boards of Appeal) under the judicial control of the General Court (GC) and the European Union Court of Justice (EUCJ). These Courts have an exclusive jurisdiction for all infringement actions, declaration of non-infringement and for all counterclaims for revocation or for a declaration of invalidity.

In order to establish jurisdiction and procedure in legal action relating to CMT, the numeral 2, article 94 of the CTMR provides the application of some rules of the Union Rules on Jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (before EC No 44/2001\(^4\)). However, the application of this latter regulation is not applicable for specific actions as infringement and invalidity of a Community Trademark (article 96 of the CTMR). According to the author Cohen, Tobias\(^5\), the main reason why the CTMR limited the application of the Regulation on Jurisdiction and Enforcement, it is because this latter regulation is founded on the principle that jurisdiction is generally based on the defendant's domicile. In consequence, this opens up the possibility positive or negative conflicts of jurisdiction between the Courts of different EU Member States.

Thus, the CTMR determines the Courts have jurisdiction in the follow cases:

1. The courts of the member state in which the defendant is domiciled or
2. The courts of the member state in which the defendant has an establishment or
3. The courts of the member state in which the plaintiff is domiciled or

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\(^3\) According the article 95 of the CTMR, each member of EU shall designate one or more national courts and tribunal of first and second instance which shall govern trademark disputes within that territory.


4. where the plaintiff has an establishment or

5. The courts of the member state where the EUIPO has its seat\textsuperscript{96}

At last, the numeral 5, article 97\textsuperscript{97} of the Regulation, applies the national law of one Member State. Indeed, the mentioned article indicates the actions of infringement, may also be brought before the Courts of the Member State in which the infringement has been committed or threatened.

CHAPTER 4: ADOPTION OF THE EUROPEAN COMMUNITY TRADEMARK MODEL BY THE ANDEAN COMMUNITY OF NATIONS

4.1. Effectiveness of the European Community Trademark

The introduction of CTM in Europe opened the door to many traders and companies, giving them the opportunity to offer goods or services in transnational markets under the same mark.

Before the introduction of EC Regulation Number 40/94, any person or company who wanted to register a mark had to register it separately in each nation, paying legal, filing, and registration fees in each country where that person or company wished to use their trademark.\textsuperscript{98}


\textsuperscript{97} The mentioned article 97 refers about the international jurisdiction. In that sense, for example, in the cases of infringement or validity of trade mark, those actions shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States.

\textsuperscript{98} Retsky, Maxine Lans, “Who needs the new community trademark?”, Marketing News; Jun 3, 1996; 30, 12
The introduction of this regulation led to the extension of trademark protection beyond national borders (within Europe) and the simplification of the procedures for registering marks within Europe. As a consequence, since the start of the Office's activities in 1996, it has received more than 109,000 applications and has registered more than 103,000 CTMs from throughout world, as the chart below shows:

According to the scholars Coralie Maitre and Katharina Rechtsanwaltin, community trademarks could be more efficient, given that:

- CMT registration offers the advantage of uniform protection in all member states on the bases of a single registration procedure. In consequence, the procedure for registration is simple, efficient and cost-effective. In effect, according to the aforementioned scholars, only 18% of applications involve the filing of an opposition. This means that 82% of all
CTM applications are registered without the need to conduct an opposition procedure, indicating that the CTM is an effective tool. 99

- Also of importance is the fact that the regulations governing CTMs are uniform across all EU member states and do not require implementation by each member state. Under this unitary principle, the CTM offers trademark owners or new applicants predictable procedures and decisions.

- In the case of eventual opposition against a CTM, the applicant may withdraw the CTM application and revert to one or more national trademark applications. This is useful to applicants because it offers the opportunity to continue with or withdraw registration, saving both time and money.

- It is particularly useful for franchisors or traders who do not operate throughout the EU but plan to expand their business, given that the use of a trademark in one member state is sufficient to ensure the validity of the CMT throughout the entire European Union.

- CTM registration renders national or international registration even more effective. For example, national trademark offices will automatically include prior CTM applications and registrations as a basis for refusing applications on the basis of earlier trademark rights. Furthermore, prior CTM registrations may be used as a basis for filing oppositions, cancellations or infringement proceedings against national trademarks or CTMs with a later filing date.100

- In the event that EUIPO refuses to register, revoke or annul a CTM, applications for national trademarks may be made in all countries of the EU in which there are no such grounds for refusal, revocation, or annulment. The advantage of such a procedure is that priority (filing date of a CTM) is preserved.

To summarize, as a mechanism CTM simplifies the acquisition of trademark protection, enhancing both protection and enforcement, and enabling actions designed to discourage counterfeiting and other trademark violations.

100 Ibid, 19.
4.2. **The ACN and the protection of trademarks in the region**

The aim of the formation of the Andean Community of Nations was to promote economic growth (through the creation of a customs union and common market), regulate foreign investment and harmonize national laws.\(^{101}\) Because the protection of intellectual property is an important tool in the promotion of economic growth, one of the first steps taken was regulation in the field of intellectual property.

Thus, Andean legislators established common legislation in the area of intellectual property. In the specific case of trademarks, this action was defined by Decision 486, which is applicable in all four Andean member countries.

Initially, this legislation worked for these small economies; however, with the intensification of trade and industrial activities around the world, and subsequent trademark violations, it became necessary to reformulate trademark legislation for the Andean region.

Indeed, as we have already indicated, the trademarks system in the Andean region contains a number of deficiencies which the adoption of certain principles or procedures of the European Community Trademark system could address.

While the Andean Community does not have a single market like the European Union, as mentioned in the first paragraph, the aim of Andean integration is to promote economic growth through the creation of a customs union and common market. To this end, a necessary measure is the creation of an “Andean Community Trademark”.

4.3. **Differences between the Andean Community of Nations and the European Union in the field of trademarks**

The purpose of this thesis is to analyze the possibility of making use of European Union experience in order to develop and implement a Community Trademark system within the Andean Community of Nations. To this end, we must first be clear concerning the differences between the respective approaches to trademarks within these systems, in order to enable an analysis of the possibility of applying the EU experience to the ACN:

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While the unification of countries represented by the EU and ACN share similar purposes - the protection of marks throughout all the member states - the ACN has not yet developed a community mark system. In the ACN each member country possesses a single mark system, applicable within individual member countries, while the EU possesses a community mark system with the same (or similar) effects in every member country.

The best example of this is the approach to opposition within the ACN and the EU. In Andean countries, we have the system of Andean Opposition, which enables the holders of marks or previous applicants to file opposition in another member country of the ACN, while the opponent must demonstrate a legitimate interest in the country in which the opposition is filed. This means that the opponent must have a registered trademark or must file a trademark application in the country where the opponent considers that their previous trademark rights are being infringed. By contrast, in the EU a trademark holder can file an opposition in any member country and without the requirement of legitimate interest in the country where the mark is alleged to have been infringed.

Another important difference is the extension of the rights granted by a mark. Under the unitary principle, a mark in the EU offers the same protection throughout all the member states of the EU. By contrast, in the ACN the rights granted to a mark are limited to the country where it was registered.

An example of this is the invalidation of trademark on grounds of bad faith. In the EU, the invalidation of a mark is applicable to all European Community countries, while in the ACN, such invalidation is only applicable to the country where the invalidation was filed.

The registration of a community mark in the EU is handled by a single office, known as EUIPO. In the ACN, the registration of a mark must be made through the trademark

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102 See numeral 1.1.5.1.
103 See numeral 3.2.1.
office\textsuperscript{105} of each individual member country. While EUIPO functions as an autonomous office in charge of the registration of marks within the EU, in the case of the ACN, the four offices of member countries retain their autonomy.

The autonomy of Andean offices gives rise to certain problems related to registration, given that each office, despite being governed by a single community provision, applies their own particular analysis to the registration of a mark. Thus, for example, it is possible for the same mark to be rejected in Peru, because the Peruvian office considers that the mark is descriptive, while it may be approved by the Colombian office, because in Colombia the mark is considered “evocative”\textsuperscript{106}.

- In the EU, community mark prosecutions are heard by the European Community Trademark Courts, designated by member states in their territories. These Courts have exclusive jurisdiction over all infringement actions and counterclaims for revocation or for the declaration of invalidity of a community trademark.\textsuperscript{107} In the ACN, the prosecution of infringement actions and counterclaims is heard by the individual offices of each Andean member country. Only in the case of prejudicial interpretation concerning community provisions can member states request guidance from The Court of Justice of the Andean Community\textsuperscript{108}.

- In the European Union, a single application form is all that is required for mark registration, while in the Andean Community each office issues its own application form.

- Actions for invalidation of a trademark on grounds of bad faith in the ACN are limited by time. This means that an invalidation action may be submitted up to five years following the grant date of the contested registration. In contrast, in the EU the community trademark system does not impose any time limits for requesting invalidation of CTM on grounds of bad faith.\textsuperscript{109}

\textsuperscript{105} See numeral 1.1.2.
\textsuperscript{106} Camacho, Ricardo. The Andean common mark: Javeriana Journal, Universitas No 108 (2004): 556
\textsuperscript{107} Article 95.1 and 96 of Regulation (EC) No. 207/2009
\textsuperscript{108} See numeral 1.1.2.
\textsuperscript{109} Alexander Tsoutsanis, Trade mark registrations in bad faith, 117.
Article 112.1 of the Regulations allows applicants in the European Union to convert an application for a community trademark into a national trademark application. In the Andean Community, this option is not available, because applications must be submitted to each office, in the absence of a community trademark within the ACN.

In the field of trademarks, the ACN applies international exhaustion, unlike the EU. As mentioned, in the EU a system of community exhaustion or community-wide exhaustion is employed.

The application of international exhaustion means that intellectual property rights are exhausted once the product has been sold by the intellectual property owner or with their consent in any part of the world. This is convenient in terms of trade, because it facilitates the free circulation of goods and promotes competition. However, for developing countries, such as the Andean members, the application of community-wide exhaustion would be more appropriate, meaning that the exhaustion of rights would apply if the initial sale of goods occurs in a territory of the region. This would facilitate protection of the rights of the trademark owner and could help to enforce border measures. Also, according to the CJEU, community exhaustion does not affect the free circulation of goods.

It should be mentioned that, unlike the CJEU, the Andean Court has not interpreted the meaning and scope of the application of international exhaustion in Andean countries. Currently, the Andean Court uses cases resolved by the European Court as a means of interpreting international exhaustion.

The fees for registration of a mark are the same throughout the EU. In the ACN, in a context of multiple offices, fees vary in each Andean country.

However, the major difference between the ACN and EU is the nonexistence of Andean trademark in the ACN. That said, it would be possible to adopt the European experience in the

110 Tobias Cohen et al., European Trademark Law: Community trademark law and harmonized national trademark, 496
111 Judgment of the Court of June 15 1976. - EMI Records Limited v CBS United Kingdom Limited. - Reference for a preliminary ruling: High Court of Justice, Chancery Division
field of trademarks in Andean countries, since Decision 486 contains certain provisions which indicate that Andean legislators had in mind the creation of Andean Trademark.

In fact, while in the ACN the registration of mark is strictly national, holders are permitted to demonstrate real use (in the case of cancellation actions) and the reputation of their marks in the Andean country where they obtained their trademark or in another member country, making it possible to infer that there exists a kind of pseudo Andean trademark.

4.4. Treatment of trademarks in the European Union and the Andean Community of Nations

Intellectual property plays an important role in business and commercial transactions throughout the world. A robust intellectual property legal regime is necessary in order to attract investment and technology exchange. In this context, all nations are adopting robust legislation in the field of intellectual property, in light of the need for international cooperation in order to protect intellectual property rights. To this end, many countries have entered into bilateral, community or regional treaties.

The main purpose of both the Andean Community of Nations and the European Community is the elimination of trade barriers and the facilitating of the free circulation of goods among their member countries. To this end, one of the legal aspects focused upon by both communities is the regulation of intellectual property: however, the approach to regulation of intellectual property of these two communities differs markedly.

In the specific case of trademarks, while both systems focus upon the protection of trademarks, the actual handling of trademarks differs in each community, as a result of political, geographic, economic and even social factors.

4.5. Proposals for the establishment of Andean Trademark in the ACN

As we have already seen, currently the ACN does not operate an Andean trademark system. In the field of intellectual property Andean countries are governed by Decision 486 and its internal legislation, meaning that a mark registered in one Andean country does not have the same characteristics as a mark registered within the European Union.
In order to establish an Andean Trademark, homogeneous legislation and shared criteria would have to be agreed upon by member countries, and in the Andean region such consensus would face enormous challenges.

4.5.1. Principles and conditions required for implementation of an Andean trademark regime

According the scholar Ricardo Camacho in order to achieve an Andean Trademark regime, it would be necessary to address the following:

- Every Andean country exercises different and independent authority over the registration of marks. The registration, cancellation or invalidation of a mark within the ACN only gives the right of exclusive use in a given territory; namely, where the mark was issued. Thus, for example, a mark which was cancelled in Colombia may still exist in Peru or in another Andean country. This is one of the first issues which Andean countries would need to address: The autonomy of the Andean trademark system.

- In order to ensure the autonomy of the Andean trademark system, an independent budget will be required, derived mainly from taxes levied on users of the system.

- Also, in order to apply uniformly an Andean trademark system, a single administrative organization would be required, charged with application of the provisions within the ACN. This would involve granting to this single organization all the faculties required to ensure its decisions would be mandatory for all member countries of the ACN.

- An annual meeting would need to be scheduled for all intellectual property national offices, in order to establish shared criteria for the competent authorities concerning validity of mark conditions and the protection of trademark. It should be noted that this does not mean the autonomy of the Andean Trademark system would be affected, but rather that the result of trademark procedures would be more predictable. Predictable results are good for applicants, generating greater trust in a common system.

- The aim must be to create legal conditions which enable companies and individuals to adapt from the outset their activities for the manufacturing and distribution of goods or

113 This would require the amendment of Decision 486
services within the community. To this end, simplified registration procedures will be required.

- A common trademark system needs enforcement measures at the borders of the member countries. As explained above, nowadays the counterfeiting is increasing, especially in developing countries like the Andean countries. Thus, an adequate legislation what enforces the border measures is an aim in the formation of a community trademark system.

- Individuals must act in accordance with the standards set by the states and the supranational autonomous entity to be established. All parties (institutions and individuals) must work together in a coordinated manner; states will be required to produce adequate standards that enable users to be properly informed, in order to ensure respect for established norms and the intellectual property rights of third parties.

4.5.2. Advantages of establishing an Andean Trademark system

The mark plays an important informative role in the market, indicating the origin and quality of the goods or services offered within the market. Thus, a mark serves a twin function within the market: as an intangible company asset; and as a guide to consumer behavior.

And therein lies the importance of establishing an Andean trademark system: such a system brings with it several advantages for all market actors.

According to Gregorio Escalera Izquierdo 115, companies can expect the following advantages:

- Single protection across the ACN would allow small companies to expand their market share. Since procedures and conditions would be uniform (and in some ways less complex) across all ACN member countries, this would have the effect of encouraging domestic companies to expand their market share into other markets within the Andean region, thereby increasing competitiveness.

- Under a system of shared or similar provisions, companies would feel more secure, because they would be working within a familiar jurisdictional environment.

- Companies would be obliged to readjust their mark’s strategies.

And for consumers:

- The new system would constitute a guarantee in the relationship between consumers and goods and services, given that marks can represent a guarantee of quality.

4.5.3. Preparatory works for the introduction of an Andean Trademark in the ACN

We have already established the importance for Andean Countries of an effective regional Andean Trademark system. To achieve this goal, the ACN would need to implement certain measures in order to smooth the way towards an Andean Trademark system similar to that employed by the EU.

As occurred with European integration, Andean integration would need to focus on harmonizing economic policies, in order to create a common market. The creation of an Andean common market ought to be a priority for the ACN in the coming years. In order to achieve a balanced common market, economic disparity between member states should not be excessive. In the case of Andean member countries, according to the chart below, showing the projection for economic growth up to 2021, disparity will be reduced year-on-year:

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Source: FocusEconomics’ LatinFocus Consensus Forecast, accessed January 5, 2018
https://www.focus-economics.com

Also, in preparation for the establishment of a common market, the Andean bloc will need to fix its economic models. Inevitably, problems arise when a common market counts among its membership both Marxist and classical liberal systems. In such a scenario, states would attempt to remain true to their chosen models, formulating trade policies and internal

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economic policies so contradictory as to thwart the aim of integration. In this region, there exists a degree of consensus between some Andean members, such as Ecuador, Peru and Colombia. These states are seeking a balance between traditional free market economics and technocratic interventionism. In the case of Bolivia, while its current economic model is socialist by nature, according to the Bolivian Ministry of the Economy and Finance, this new socialist model constitutes a transition towards a capitalist system incorporating the conditions inherent in a socialist society.

On the path to the construction of a common market, it will be necessary to enforce an Andean law incorporating other legal areas. Intellectual property law cannot be applied in a manner insulated from other areas of the law, particularly customs law and competition law. The ACN employs Decisions which regulate some aspects of competition law or customs law; however, global economic liberalization and globalization processes have brought with them an increase in international trade in goods and services, generating the need to reform those legal and institutional bases that regulate commercial transactions at both domestic and international levels. A common regulatory and legal framework will therefore be required which will ensure that the benefits obtained from the integration process are not impaired by restrictive practices that stifle free competition.

Finally, as mentioned in paragraph 1.1.1, it should be remembered that the Court of Justice of the Andean Community was directly modeled on the ECJ; however it is much less active than the European Court. Indeed, in the field of intellectual property, the CJAC merely interprets Andean intellectual property rules, stopping short of resolving intellectual property disputes. It will therefore be necessary for the CJAC to strengthen the Andean Court, giving it the authority to resolve cases in the final instance in order to generate uniform Andean intellectual property law and criteria among the four member countries.

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117 Scott, op. cit., p. 42
119 Ortiz, Graciela, “The community normative in the field of free competition in the Andean Community”, Themis, No 42 (2001):158
The Andean Community has the potential to consolidate itself as a bloc just as active and far less complex than the European Union. In fact, the ACN possesses certain advantages over the EU, given that it is composed of only four countries who share a similar history and culture, as well as similar economic and political models, and where all the members share the same language (Spanish), which is also spoken in neighboring countries beyond the Andean bloc. While the path to consolidation of a solid regional bloc will be a difficult one, it is far from impossible.

CHAPTER 5: CONCLUSION

The integration of countries with similar aims (in specific areas) can bring both advantages and disadvantages for member states. It should be remembered that the success of integration depends mainly upon individual domestic political and legal issues and the economic capacity of each member country.

Through the creation of the Andean Community of Nations, Andean countries took a big step in the area of intellectual property; however, this integration process has not produced the desired effects. Some scholars, including Carolina Blanco\textsuperscript{120}, believe that the issues hindering the ACN are legal and political, and that the crises experienced by this international organization have been due to a lack of legal capacity and political will on the part of member countries to adapt to the rigors of an integration process.

In the specific field of trademarks within the ACN, problems persist which impede the establishment of a uniform mark protection system in all Andean member countries. Indeed, since there is no Andean Trademark, the protection of a mark remains limited and this creates problems for mark holders, such as the duplicity of marks, an increase in the registration of marks in bad faith (for example the case of Lotte Co., Ltd. v. Song Kim, Chong Cha, in the Peruvian office), the growth of trademark counterfeiting, leading to disincentives to competitiveness and a brake on intraregional trade, as well as foreign investment.

Nevertheless, it would be possible to adapt the European experience in the field of trademarks to Andean countries, because through Decision 486 Andean legislators have already implemented certain provisions which permit the creation of an Andean Trademark system.\textsuperscript{121}

Many scholars see the implementation of an Andean Trademark as possible, viewing it as the missing piece in what would be a coherent trademark system, capable of promoting economic growth within the ACN.\textsuperscript{122}

In conclusion, the problem of mark protection within the ACN could be solved through the adoption of the European Union community trademark model, with the process of registration and protection of one mark for all Andean country members being based upon principles already applied within the EU; namely, the principles of autonomy and unity. Such a goal would call for the harmonization of legislation and the implementation of a single community-wide office. In short, there are many reasons to believe that implementation of an Andean Trademark system across Andean member states is an essential component in the establishment of uniform protection.

\textsuperscript{121} For example, in the event of cancellation actions or the invocation of reputation of marks in one Andean country, holders may use documents which accredit the use or reputation of a mark from any member country of the ACN.

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International Trademark Association (INTA) https://www.inta.org/Pages/Home.aspx

The Organization for Economic Co-operation and Development (OECD) http://www.oecd.org

The World Trademark Review http://www.worldtrademarkreview.com/Magazine


국문 초록

안데스 공동체 국가들의 공동체 상표권
(페루의 예)

샬라 맬리나 쿠에야 테요

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서울대학교 대학원
이 논문의 목적은 안데스 국가내의 상표보호구역에 적절한 시스템을 구축하기 위한 것으로, 특히 안데스 상표의 형성에 있어서 유럽에서의 경험의 장점을 이용한 개선방안을 논독하는 것이다. 다시 말해서, 유럽연합 유럽지역상표제도의 장점을 최대한 활용함으로서, 안데스 국가연합 및 ACN 내의 상표권 보호의 주요 문제의 분석연구와 ACN 내의 상표권 보호를 강화하는데 있어 실현가능한 개선방안을 모색하고 제언하는 것을 목적으로 한다.

안데스 국가연합은 라틴아메리카 내에 존재하며, 이 연합은 지식재산권 내에서 유럽연합과 같은 목표를 추구하고 있다. 그러나 정치적, 경제적 그리고 사회적 배경 때문에 안데스 국가연합은 유럽연합과 같은 상표권 내 일반적인 규율을 제정하지 못하고 있다. 그러므로 안데스 시스템은 현재로서는 유럽연합의 유럽지역상표와는 전혀 다르며 상표권 보호에 있어 많은 제약과 결함을 가지고 있다.

이러한 현안들에 대한 실현 가능한 해결책으로는 CAN 내 상표권 분야에서 지식재산권 회원국 성문법의 조화, CAN 내 일반적인 등록 시스템을 규정하는 단일 상표권제도, 그리고 가장 중요한 공동상표의 설립이다. 이러한 개선을 통해서 희망했던 경제적 성장, 국제무역의 증가와 높은 수준의 CAN 내 상표권 권리의 보호를 이끌어 낼 수 있을 것이다. 그러므로, 본 논문에서 제기하고자 하는 근본적인 질문은 공동상표시스템(유럽모델)의 채택이 안데스 지역내 상표권 보호에 있어서 가능하고 순조롭게 채택가능한 것인지 아닌지에 대한 것이다.

주요어: 지적재산권, 공동상표의, 유럽연합과안데스, 안데스 국가연합은, 페루의

학생 번호: 2015-22160
A Community Trademark for the Andean Community of Nations

-an example in Peru-

안데스 공동체 국가들의 공동체 상표권

(페루의 예)

February 2018

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Abstract

A Community Trademark for the Andean Community of Nations
an example in Peru

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Seoul National University

The purpose of this thesis is to analyze the possibility to make use of the advantages of European experience in order to constitute an appropriate system in the arena of the protection of trademarks in the Andean countries, especially in the formation of Andean trademark.

The currently thesis seeks to provide the advantages to adapt community trademark system of the European Union in the Andean Community of Nations, analysis of the main problems of the protection of trademarks in the ACN, and possible solutions to strengthening the protection of trademarks in the ACN.

In Latin America exists the Andean Community of Nations, and this community sought the same goals of the European Union in the arena of Intellectual Property. However, because of political, economic and social circumstances, the Andean Community could not establish a common regulation in trademark like the European Union. Hence, the Andean system is diametrically different from the community trademark of the European Union and has deficiencies which limited the protection of the trademark.

The possible solutions of these issues are the harmonization of the intellectual property legislation in the field of trademarks within the CAN, establishment of single entity which regulates the common registration system within the CAN, and the most important, the establishment of community trademark. These steps will lead to the desired economic growth,
increase of international trade and a high-level protection of the rights granted for trademarks within the ACN.

Thus, the research question is whether the adoption of community trademark system (European model) is favourable for protection of trademarks in the Andean region.

Keywords: Intellectual Property, Community Trademark, European Union, Andean Community, Peru.
Student ID.: 2015-22160
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Acronyms and abbreviations

ACN Andean Community of Nations

CTM Community Trademark

CTMR Community Trademark Regulation

CJEU Court of Justice of the European Union

EU European Union

EUIPO European Union Intellectual Property Office

EUTM European Union trademark

IP Intellectual Property

IPRs Intellectual Property Rights

INDECOPI The National Institute for the Defense of Free Competition and the Protection of Intellectual Property

OHIM Office for Harmonization in the Internal Market

OECD Organization for Economic Co-operation and Development

TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights

TPA Trade Promotion Agreement with The United States of America
<table>
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<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>TLT</td>
<td>Trademark Law Treatment</td>
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<td>WIPO</td>
<td>World Intellectual Property Office</td>
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<td>CJAC</td>
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INTRODUCTION

Nowadays, the actual economy tendency is an aperture to the market and free circulation of goods in order to develop the economy and society in every country. Thus, governments are making strategic alliances in order to achieve the integration of state policies through international treaties.

In the seeking of new strategic alliances, markets and opening them, the intellectual property appears as an important and valuable tool for the growing of economy of countries. For that reason, nowadays international cross-border legal issues in the field of intellectual property can be handled through regional agreements, harmonized law, conventions and uniform law.

As mentioned above, the European Union, since the early 1957 approximately, has taken steps in order to harmonize and create unitary rights for the protection of intellectual property in Europe. Indeed, the creation of common market in the European Union, made necessary the creation of new common institutions for the protection of intellectual property. Thus, one of the important steps for strengthening intellectual property, it was the creation of Community Trademark system, which has between its main goals, the easy and free circulation of goods and services and plays an important role in the fight against intellectual property counterfeiting.

Similar situation is happening in Latin America with the regional integration of Andean countries. The creation of the Andean Community of Nations (ACN), as is better known, sought the same goals of the European Union. Thus, through this regional cooperation, the ACN established the common industrial property law. However, because of political, economic and social circumstances, the Andean Community could not establish a common regulation in trademark like the European Union. Hence, the Andean system is diametrically different from the community trademark of the European Union and has deficiencies which limited the protection of the trademark.
In the international arena for trademark protection, appears the Madrid System\(^1\), which has 98 members and is governed by two legal instruments known as the Madrid Agreement and the Madrid Protocol. Through this system it is possible to protect a trademark in a large number of countries by unique international registration which will have effect in each contracting country.

Thus, these legal instruments of protection marks under common, regional or international system, appears like a useful tool for all the agents in the market, namely, consumers, companies and for authorities in charge of the protection of trademarks.

Thereby, this thesis analyzes the possibility to make use of the advantages of European experience in order to constitute an appropriate system in the arena of the protection of trademarks in the Andean countries, specifically in the formation of Andean trademark.

This thesis seeks to provide the advantages of adopting a community trademark system in the Andean Community of Nations, analysis of the main problems of the protection of trademarks in the ACN, and possible solutions to strengthening the protection of trademarks in the ACN.

Thus, the research question is whether the adoption of community trademark system (European model) is would be favourable for the protection of trademarks in the Andean region.

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\(^1\) It is necessary to mention, that between the members of Madrid Union, it is Colombia, the unique Andean country who is part of this union since August 2012. Unlike of Colombia, in the specific case of Peru, after the entrance of the Trade Promotion Agreement with The United States in 2009, Peru made the promise to adhere the Madrid Union, however until now, Peru has not adhered to this international system. This is because, according some studies, Peru has social, political and economic reasons for not be part of this union.
1.1. The Andean Community: Peru, Colombia, Ecuador and Bolivia

The interest of developed and developing countries for accessing to new markets, brought the internationalization of legislation in order to manage investments and technology transfer.

The leading actors in the internationalization of legislation were developed countries; subsequently, developing countries also followed the internationalization route, adapting the foreign legislation model to their own reality.

In Latin America, in May 1959 five South American countries (Bolivia, Colombia, Chile, Ecuador and Peru) signed the Cartagena Agreement to form the Andean Group. Subsequently, Venezuela added its name to the aforementioned agreement.

In 1996, the Andean Community was created through an amendment to the protocol of the Cartagena Agreement. This Community is an internationally recognized organization and its goal is to promote the development of member countries under equitable conditions, through integration and economic and social cooperation.

Today, the Andean Community of Nations (ACN) is composed of Bolivia, Colombia, Ecuador and Peru. This bloc has three main characteristics: the existence of an Andean legal order; the supranational principle; and the creation of a community of independent and autonomous bodies. It should be noted that as part of the supranational principle common norms are binding, directly applicable to the national legislation of individual Andean countries.

This supranational principle was introduced through the Treaty Creating the Court of Justice of the Cartagena Agreement, which in its article 3 says:

“Article 3.- The Commission’s Decisions shall apply directly in Member Countries from the date they are published in the Official Gazette of the Cartagena Agreement, unless a later date is mentioned therein. (...)”

2 Initially, the integration of Andean countries received the name Andean Group. Following the 1997 reform of the Cartagena Agreement, the Andean Pact became known as the Andean Community of Nations. In addition, the Andean Integration System (AIS) was created as a space for bringing together the various institutions, governmental agencies and community bodies in order to improve Andean integration. Finally, it should be noted that today the ACN is composed of just Bolivia, Colombia, Ecuador and Peru.


4 Ibid., p. 40
Andean integration has developed broadly shared rules across a number of activities and fields, such as agriculture, intellectual property, investment, competition and trade defense instruments, as well as creating optimum conditions for economic growth and integration in Andean countries.\textsuperscript{5}

\textbf{“Article 3: The Commission’s decisions shall apply directly to Member Countries from the date they are published in the Official Gazette of the Cartagena Agreement, unless a later date is mentioned therein. (...)”}

\textbf{1.1.1. The Andean System of Integration (AS)}

The purpose of the Andean System of Integration is to allow an effective coordination among all the institutions to deepen Andean integration, promotes its external projection and strengthen actions related to the process. The most important institutes of AS are:

\begin{itemize}
  \item The Court of Justice of the Andean Community (CATJ) is an AS institution charged with interpreting and applying community law under the principle of the supremacy of Andean Community Law. It has territorial jurisdiction in the four member countries over the following disputes: nullity action, non-compliance action, preliminary ruling, remedy for omission or inactivity.

  In addition, it should be mentioned that the CATJ is modeled upon the European Court of Justice. Indeed, the CATJ replicates the ECJ’s key design features, including a preliminary ruling mechanism, non-compliance procedure, and the foundational doctrines of supremacy and direct effect of Community rules over conflicting national laws. However, unlike the ECJ, the CATJ only interprets Andean IP rules, rather than resolving IP disputes.\textsuperscript{6} Also, it should be noted that only the judicial authorities of Andean members can request pre-judicial interpretation of community norms.
  \item The Andean Parliament is the community body of citizen representation and political control of the Andean Integration System, and it has international legal status.
\end{itemize}

\textsuperscript{5} Baldo Kresalja, \textit{The Industrial Property. Evolution and treatment in the Andean Region and Peru. 1\textsuperscript{st} Edition} (Peru: Palestra, 2004)
- The Andean Council of Foreign Ministers is the legislative body responsible for formulating and executing the foreign policy of the member countries in matter of sub-regional interest.

- The Andean Community Commission is the body responsible for formulating, implementing and evaluating Andean sub-regional integration policy in the fields of policy, trade and investment.

1.1.2. Andean Legal Order: Decisions

Articles 1 to 4 of the Treaty Creating the Court of Justice of the Cartagena Agreement establish the rules of which the Andean Community legal system is comprised, as well as its nature and scope, hierarchy and pre-eminence, and the powers of the bodies responsible for its oversight and enforcement.7

Thus, according to the article 1 of the aforementioned treaty8, the legal system of the Cartagena Agreement comprises:

a) The Cartagena Agreement, its Protocols and additional instruments;

b) The Treaty set forth herein

c) Decision of the Andean Council of Foreign Ministers and the Andean Community Commission; and

d) The Board’s Resolutions.

Intellectual property rights in the ACN are regulated by the Decisions. Essentially, Decisions are functional legal norms, which are binding for all Andean countries.

Decisions are drafted and approved by the Andean Council of Foreign Ministers or the Andean Community Commission9, composed of intergovernmental Andean System of Integration organizations10. The former is a legislative organization charged with formulating and implementing the foreign policy of the member countries and it is overseen by the Minister

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8 Treaty Creating the Court of Justice of the Cartagena Agreement, article 1
9 Treaty Creating the Court of Justice of the Cartagena Agreement, article 2
10 The purpose of the Andean System of Integration (AS) is to enable an effective coordination among all the institutions, deepen Andean integration, promote external projection and strengthen actions related to the process. At: Andean Community, http://www.comunidadandina.org/Index.aspx (accessed January 05, 2018).
of Foreign Affairs of the country which holds the Presidency of the Andean Presidential Council.

The latter is an organization with legislative power, expressed in the adoption of Decisions related to commerce and investment. It is composed of a plenipotentiary representative from each member country.

1.1.3. ACN Decision Process

The evolution of legislation in the ACN consists of three stages. The first of these is formed by Decisions 24 and 85; the second stage by Decision 344; and the third stage, Decision 486.

a) Stage one: Decisions 24 and 85

On December 31st 1970, Decision 24 entered into force, establishing a common regime for dealing with foreign capital, trademarks, patents, licenses and royalties. This Decision was Andean, although part of its regulations mentioned the regulating of certain intellectual property rights; however, basically this Decision established the requirements for foreign investment.11

Following Decision 24, on June 5th 1979 Decision 85 was approved. In contrast to the previous Decision, Decision 85 incorporated all forms of intellectual property rights. In the specific case of marks, the most significant aspects were the requirement for use of mark in order to renew a mark, and the establishment of a 5-year term of protection. In addition, it incorporated the right of priority for the registering of marks among the Andean countries.

b) Stage two: Decision 344

Decision 344 entered into force in January 1994. With this Decision, the ACN addressed the compatibility of Andean legislation with the international legislation of developed countries. Among the most significant aspects of this Decision in the field of marks was the elimination of use requirement in order to renew a trademark. However, it incorporated the cancellation of a mark which has fallen into disuse. Also, this Decision extended the trademark protection term from 5 years to 10 years. In addition, the Decision established criteria for recognition of a well-

known mark. And finally, this Decision included for the first time the protection of industrial secrets and appellations of origin.\textsuperscript{12}

It should be noted that all the changes mentioned were taken from TRIPs, the multilateral agreement setting out minimum levels of protection in the field of intellectual property for World Trade Organization (WTO) member countries.\textsuperscript{13}

1.1.4. Uniform legislation for Andean countries: The actual Decision 486

The ACN has developed common rules across a number of activities and fields in order to create optimum conditions for integrated economic growth. One of the most important common rules adopted by the Andean countries was Decision 486, regulating intellectual property.

While Andean countries began to address the issue of intellectual property in 1970, the first norm adopted was Decision 24, establishing a common regime for the treatment of foreign capital, trademarks, patents, licenses and royalties. Decision 85 followed, providing regulations for the application of intellectual property rules and initiating the process which led to Decision 344, the Common Intellectual Property Regime.

This legal framework, together with the Paris Convention, Cartagena Agreement and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), enabled the creation of Decision 486, which entered into force in December 2000, regulating intellectual property rights (IPR) in the four member countries.

Decision 486 harmonized the intellectual property rights of the four member countries, taking into consideration WTO agreements related to intellectual property rights, TRIPs and the Convention on Biological Diversity (CBD).

This Decision is autonomous and independent and its rules are mandatory and immediately enforceable\textsuperscript{14} by the competent national authorities of each member country and also enforceable by the competent authorities of the ACN.

It should be noted that Decision 486 is based upon the following principles:

\textsuperscript{12} Baldo Kresalja, \textit{Andean Community Law} (Lima: Pucp, 2003)
\textsuperscript{14} See reference 9
National treatment: In Article 1 of Decision 486, we find this principle, through which Andean countries are obliged to treat all other member country nationals as they would treat their own.

Most favored National Treatment: Contained in Article 2 Decision 486, the idea underpinning this principle is that any advantage, favor, privilege or immunity granted by a member to the nationals of any country of the ACN shall be extended to nationals of any member of the WTO or Paris Convention for the protection of intellectual property.

These principles are found in the TRIPs and another two WTO agreements. Andean countries added these principles in order to avoid obstacles to world trade, as well as to achieve equal treatment for nationals and to ensure that any advantage or privilege granted to other nationals of another state are immediately, with the exception of TRIPs, extended to other countries. The intention of the Andean members was to adapt international regulation concerning intellectual property into the Andean communitarian norm.

Decision 486 contains 16 titles and final, supplementary and transitional provisions which regulate: patents, utility models, integrated circuit diagrams, industrial designs, business slogans, signs, geographic indications, trademarks and unfair competition related to intellectual property.

In the specific case of marks, the most important provisions are found in Title VI, which establishes as a requirement of registration the distinctiveness of a sign, meaning that if a sign does possess a distinctive quality it cannot access registration. Also, Articles 135 and 136 establish (absolute and relative) impediments to mark registration, which it will detail below.

1.1.5. The procedures for registration of a trademark in the Andean Community:

Coexistence of competent offices

15 Ibid.
16 Maria del Carmen, Arana, “Legal framework of Industrial Property in Peru” in Andean Yearbook of Intellectual Rights, Year 1 No 1, ed. Baldo Kresalja (Lima: Legal Deposit of the National Library of Peru, 2005), 55.
The registration of trademarks in the Andean community differs from the community trademark registration in the European Union (EU). The registration of trademark in the ACN is made through the offices of each Andean country member. These offices are responsible for receiving trademark applications, the assessment of those applications, and the identification of any impediments to registration.

The competent offices in the ACN are as follows:

- The National Intellectual Property Service (SENAPI), Bolivia.
- The Superintendence of Industry and Commerce (SIC), Colombia
- The Ecuadorian Institute of Intellectual Property (IEPI), Ecuador
- The National Institute for the Defense of Free Competition and the Protection of Intellectual Property (INDECOPI), Peru.

And the competent court for the settlement of disputes within the ACN is:

- The Court of Justice of the Andean Community (CJAC)

This Court is seated in Quito, Ecuador and serves the Community’s four member states: Bolivia, Colombia, Ecuador and Peru. In the area of intellectual property, the main function of the CJAC is to interpret and apply community law, through interpretation of the community’s provisions. Such interpretations may stem from compulsory or optional requests made of one of the member states. It should be noted that the CJAC cannot rule on aspects of national legislation.  

1.1.5.1. The filing and assessment of trademark in the ACN

a) Requirements for trademarks registration within the ACN

Title VI of Decision 486, Chapters I and II, lists the requirements for registration of marks which must be followed by every member country.

Articles 134 to 137 of Decision 486 describe the requirements for trademark registration. This part of the Decision states that any sign capable of distinguishing goods or services on the market shall constitute a mark. Signs that are susceptible to graphic representation may be

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registered as a mark. In addition, these provisions indicate when signs cannot be accepted as marks. These provisions include both absolute and relative prohibitions.

The most relevant absolute prohibitions are as follows:\textsuperscript{18}:

- When a sign lacks distinctiveness, that is, when a mark does not serve the function of distinguishing the goods or services with which it is associated from other goods or services.\textsuperscript{19}

- When a sign is descriptive, that is, marks which merely describe the services or goods with which the mark is associated, meaning that the mark does not serve to identify the source of the goods or services.\textsuperscript{20}

- When a sign is generic or technical, that is, a mark which actually name a product and are incapable of functioning as a trademark.

- When a sign is an appellation of origin, that is, a geographical name or a traditional designation used in association with products which have a specific quality or characteristic due essentially to the geographical environment in which they are produced.\textsuperscript{21}

These concepts are not static and their interpretation and analysis has changed in recent times. Thus, there exist cases of marks which achieved registration because they were considered distinctive at the time.

For example, the Peruvian Office reports a case in which a recent applicant, who was the trademark owner of the mark ASSOCIATION OF ANCHOVIES PRODUCERS IN PERU & design, in order to distinguish class 29 anchovies under the International Nice Classification, filed an application to renew the mark. However, in a recent resolution\textsuperscript{22}, the Peruvian Trademark Office determined that the registration could be renewed, but without the phrase ASSOCIATION OF ANCHOVIES PRODUCERS IN PERU, because this phrase indicates to consumers that the product (anchovies) in question is industrialized by a nonprofit organization,

\textsuperscript{18} Decision 486, Title VI, article 135.
\textsuperscript{19} Baldo Kresalja, \textit{The Industrial Property. Evolution and treatment in the Andean Region and Peru. 1st Edition} (Peru: Palestra, 2004), 188
\textsuperscript{20} Ibid, 191
\textsuperscript{21} Ibid, 196
according to Peruvian legislation. This means that the holder cannot oppose any third party which may wish to use the same phrase to identify anchovies of the aforementioned class.

The most relevant relative prohibitions are as follows:

- When marks are identical or similar to a mark previously filed for registration or registered by a third party in respect of the same goods or services, or for goods or services regarding which the use of the mark could cause a risk of confusion or association;
- When marks consist of a sign that affects the identity or prestige of profit-making or non-profit-making legal entities, or natural persons, including especially the forename, surname, signature, title, hypocoristic and pseudonym;
- When marks constitute a reproduction, imitation, translation, transliteration or transcription of all or part of a well-known distinctive sign the owner of which is a third party, regardless of the goods or services to which the sign is applied, where their use would be liable to create a risk of confusion or association with that third party or with his goods or services, constitute misappropriation of the prestige of the sign or dilution of its distinctive power or commercial or advertising value.

b) Complementary rules

These rules are complemented by the domestic law of each member country; each country has its own procedure regulated by its own national competent office. Thus, for example, the form of payment for trademark applications, and application fees, may vary according to the country where the application was filed.

Trademark registration in the ACN is made through an application which has to be filed at the national office of the member country where the person, natural or legal, wishes to register the mark in question. It should be noted that currently application may comprise multiclass trademark application, meaning that it is possible to register under a single application the same trademark across different classes of the International Nice Classification.

23 Decision 486, Title VI, article 136.
Also, the application must fulfill the provisions of Articles 134 to 139 of Decision 486, relating to requirements and procedures for trademark registration, including requirements such as the identification of the applicant, payment, express indication of the mark and related goods and services.

According to Article 144 of the Decision, once the application has been filed, the competent national office must assess whether or not the application meets the requirements specified in the Decision. That assessment must be completed within 15 days following the filing date of the application. If the assessment concludes that the application does not meet those requirements, the competent office shall inform the applicant, so that, within a period of 60 days, they may endeavor to meet the conditions specified in the aforementioned Articles. 24

In the event that the applicant, upon completion of the aforementioned period, fails to meet the stated requirements, the application shall be considered abandoned.

1.1.5.2. Andean Opposition

Among the rights conferred by Decision 486, there is Andean opposition, which is defined in Article 147 of the Decision. This is a legal mechanism allowing trademark holders with a registered trademark in any country of the ACN or who have filed a trademark application in any member country, to file opposition against trademark applications that were submitted in any member of the ACN and which infringe upon the previously established rights of the holder or previous applicants. In other words, Andean opposition enables holders of a trademark or previous applicants to file opposition in another member country of the ACN, against other identical or similar marks, or marks associated with the same or similar goods or services, the trademark application of which may mislead the public.

In order to file Andean opposition, the opponent must demonstrate that they have a legitimate interest in the country in question. Hence, in order to demonstrate legitimate interest, the opponent must be the holder of a registered trademark or must file a trademark application in the country where they consider that their previous trademark rights are being infringed. It

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should be noted that, in this latter case, where the opponent is obliged to file a new application, this new application must refer to the same trademark and cover the same goods or services, in order to demonstrate their legitimate interest.

In addition, where Andean opposition is based upon a new application in order to demonstrate legitimate interest in the country where the opponent raised their objection, this does not mean that the competent office will automatically grant rights to the new application. Any new application must follow the same procedure as all other trademark applications. Thus, in the event of a legitimate interest application being denied, this does not necessarily mean that the Andean opposition is invalidated.

1.1.5.3. Some problems with Andean opposition

As mentioned, through Andean opposition a trademark owner or previous applicant for trademark in any Andean member country is entitled to file opposition based on that trademark against a third party’s application to register an identical or similar mark filed in another Andean country. Thus, Andean opposition is a useful procedure for the protection of a mark within the Andean community, however, in practice Andean opposition may lead to the following problems:

- **Analysis of the description in the competent office:** As mentioned, any application filed as legitimate interest must contain the same goods and services and must refer to the same trademark that is the basis of Andean opposition. Hence, the scope of the description will depend upon the description which appears in the certificate of the trademark registration or the previous trademark application filed in a member country. However, the scope of the description will vary, because analysis on the part of the competent office will be different in each country. The competent offices of member countries do not apply the same criteria when analyzing the scope of the description. Thus, some offices may give opponents a broad scope, while other offices will offer a narrower scope. This situation arises from the fact that there is no common criterion for the evaluation of trademark registration. As mentioned, despite the existence of
common rules contained in Decision 486, the Decision is complemented by the domestic laws of each member country. Consequently, this situation generates different evaluation criteria among member country offices.

- **Strict application**: Andean opposition only applies for the protection of trademarks. Thus, this legal tool leaves other types of signs, such as collective marks, trade names, and others, without protection within the Andean community.

- **Limited protection of Andean opposition**: The aim of Andean opposition is to defend the trademark rights within Andean countries. Thus, Andean opposition is an exception to the territoriality principle, since the prerogative to file opposition is not limited to the territory in which the trademark is registered or has been applied for, but rather extends to the territories of the other member countries. However, this prerogative to prevent the registration of third parties’ marks in other Andean Community countries may only be employed to file opposition against mark applications, but not to file nullity or invalidation claims against a registered trademark. This will can be observed in greater detail at such cases in paragraph 2.2.3. Thus, there exists a kind of contradiction in Decision 486 when it comes to rulings in defense of trademarks.

### 1.2. Rights conferred by the trademark and limitations in Andean Countries

The protection of trademarks in the Andean countries, as in other civil laws countries, is achieved through the registration of the mark at the trademark office in any country of the ACN. The duration of such registration is ten years, calculated from the date of its acceptance, and it may be renewed successively for further periods of ten years.

The trademark rights acquired by registration confer upon the holder the exclusive right of use of the sign and to take action against any third parties who make unauthorized use of their trademarks in association with the same or similar goods or services. In principle, the protection of trademarks in each Andean country is territorial and does not extend to other countries, however, Decision 486 provides some scope and limitation to trademark rights.
1.2.1. The extension and the limitation of rights through the principle of territoriality

Under the principle of territoriality, the protection and effects of industrial property rights are limited to the territory of the state in which such rights are recognized. In other words, protection granted by the state cannot be extended beyond its borders. However, exceptions to this principle are derived from international conventions. Thus, in the case of trademark regulation within the ACN, Decision 486 provides for the following exceptions to the aforementioned principle:

- Cancellation: According to article 165 of the Decision “the competent national office shall cancel the registration of a mark at the request of any interested party when, without justification, the mark has not be used in at least one of the member countries, by the owner or his licensee or any other person authorized for the purpose during the three consecutive years preceding the date on which the cancellation action was initiated. (...)”.

In addition, the article 167, states that “the burden of proof of use of the mark shall be on the owner of the registration. Use of the mark may be proved with business invoices, accounting documents or audit certificates that show the regularity and scale of marketing of the merchandise identified by the mark, among other things.”

These articles make it clear that Decision 486 confers upon the owner the right to defend a trademark against a non-use cancellation action in one member country by proving that the trademark has been used in another member country. Thus, this rule constitutes an extension of the principle of territoriality, because a trademark owner can prove the use of their mark, with documents issued in any ACN member country.

Well-known trademark: As in Community Trademarks Regulation 207/2009, in Article 224 Decision 486 recognizes well-known trademarks and defines these marks as being familiar to the pertinent target sector of the public for the goods or services covered.26

25 Decision 486
26 Miguel Baz et al., The protection of well-known and famous trademarks in Spanish law. (Madrid: Constitucion y Leyes, 2004)
Decision 486 confers the right to claim the notoriety of a mark in any Andean Country, even is possible claim the notoriety of mark not registered. An example of this, in the Resolution No 1347-2014/TPI-INDECOPI, the Peruvian Trademark Office recognized the mark DAKAR & design as well-known mark, in the class 25 of the International Nice Classification, while opposite party did not hold a registered mark in Peru or in any other Andean country.\textsuperscript{27}

It should also be mentioned that an advantage of recognition in the Andean community is that a mark which is well known in one member country will merit special protection not only in the country where it is well-known, but also in other Andean Community countries. An example of this, contained in Resolution Number 184-2011/TPI-INDECOPI, the Peruvian Trademark Office recognized the mark CLUB COLOMBIA as a well-known mark, in class 32 of the International Nice Classification, because it was recognized as a well-known mark by the Colombian Trademark Office through Resolution Number 45633-2010.\textsuperscript{28}

Both European and Andean legislation recognize “well-known” in the same terms, with the single difference between them perhaps being that in Regulation 207/2009, “well-known” is replaced by the term “\textit{reputed}”.\textsuperscript{29}

Nullity action: The second paragraph of the article 172 of the Decision states:

\begin{quote}
\textit{The competent national authority may, either ex officio or at the request of any party, declare the relative invalidity of the registration of a mark where it has been granted in breach of the provisions of Article 136, or where it has been obtained in bad faith. Such action shall be barred after five years following the date of grant of the disputed registration.}
\end{quote}

This rule is strictly applied. In effect, unlike Andean opposition, a holder who has trademarks rights in any Andean member country cannot request relative nullity or invalidation under the terms of Article 136 a)\textsuperscript{30} of a registered trademark in another

\textsuperscript{29}Article 8. 2 of the Regulation 207/2009.
\textsuperscript{30}Ibid. \textit{Article 136}: Those signs may not be registered as marks whose use in trade would unduly harm a third-party right, especially where: (a) they are identical or similar to a mark previously filed for
Andean country, while basing their action upon a trademark registered previously in another Andean country.

Coexistence of trademarks: The first paragraph of the article 159\textsuperscript{31} of the Decision states:

“Where registrations of an identical or similar mark exist in the Subregion, in the name of different owners, for the identification of the same goods or services, the marketing of the merchandise or services identified by the mark on the territory of the member country concerned shall be prohibited except where the owners of the said mark enter into agreements that permit such marketing.\textsuperscript{(...)}

\textsuperscript{(...)}In any event the import of a product or service to which the situation described in the first paragraph of this Article applies shall not be prohibited when the mark is not being used on the territory of the importing country, as provided in the first paragraph of Article 166, except where the owner of the said mark proves to the competent national office that the non-use of the mark is attributable to legitimate factors.”

Thus, even though Decision 486 gives owners of registered marks the right to bring an infringement action against third parties which use in a confusing manner similar marks in the same country, the coexistence of identical or similar marks in the sub-region constitutes a limitation of that right, because the second paragraph requires use of the trademark so that the trademark holder can defend their mark.

1.2.2. The limitation of rights by the principle of exhaustion

- The principle of exhaustion

Exclusive intellectual property rights have two dimensions: Positive and negative. In the positive dimension, or \textit{ius utendi}, IPR confers upon the proprietor the right to exclusive use. In the negative dimension, or \textit{ius prohibendi}, IPR confers upon the proprietor the right to prohibit third party use.\textsuperscript{32}

However, IPR is not unlimited, it is limited by the exhaustion of rights of intellectual property. The exhaustion of rights refers to the instance in which the proprietor of an intellectual property right places products subject to such a right in distribution channels. The effect of this registration or registered by a third party in respect of the same goods or services, or for goods or services regarding which the use of the mark could cause a risk of confusion or association;\textsuperscript{(...)}

\textsuperscript{32} David Gomez. \textit{The infringement of the community trademark} (Madrid: Marcial Pons, 2011)
is that the IPR relating to that product is thereby exhausted, and the act of purchasing, using, repairing or selling the product cannot be deemed an infringement of the right.\textsuperscript{33}

There are two types of exhaustion: National and international exhaustion. Under national exhaustion certain rights are extinguished after a domestic sale of a product covered by IPR. In the other side, under the doctrine of international exhaustion, an authorized sale in a foreign country will extinguish certain of IPR owner’s right.\textsuperscript{34}

- Trademarks exhaustion in the ACN

In the field of trademarks, the principle of exhaustion constitutes a limitation of the exclusive rights conferred upon the holder by a trademark. Through this principle, the trademark holder of a registered mark cannot forbid to third parties the trade ulterior acts of products which have are signed with the mark\textsuperscript{35}.

In the ACN this principle is regulated by Article 158 of Decision 486, which states:

\textit{“Registration of a mark shall not give the right to prevent a third party from engaging in commercial acts in relation to a product protected by the said registration after the product has been brought on to the market in any country by the owner of the registration or by another person with the owner’s consent or economically connected with him, in particular where the goods and the containers or packaging that are in direct contact with them have not been subjected to any modification, or alteration or deterioration (…).”}

This Article makes it clear that Andean countries adopted international trademark exhaustion doctrine because limitation is defined as the first commercialization of goods identified with the mark \textit{in any market}. This confers freedom to sell the goods identified with the mark outside and inside the country where the mark was registered, once the holder has begun to trade in any part of the world.\textsuperscript{36}

In Article 158, Andean legislators also included parallel importation. The Andean Court defines parallel importation as that conducted by an importer who is not a representative or authorized distributor; namely, the legitimate importation of a product, outside the official trade


\textsuperscript{35} Ernesto Aracama, \textit{"The exhaustion of trademarks rights and parallel imports: Topics of Industrial Law and Competition"}, Dialnet, Vol. 3, 2013

\textsuperscript{36} Gustavo Rodriguez, \textit{Trademark infringement in Peru}. (Peru: Editorial ECB, 2010)
channel.\textsuperscript{37} However, parallel importation has a limitation. Andean legislation establishes that the commercialization of goods should not be subject to any modification or alteration or deterioration of the mark which would imply a trademark infringement.

1.3. Infringement action in Andean countries

As the international standard of trademarks protection, the ACN also regulates the infringement of trademark in the following article of Decision 486:

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"Article 238.- The owner of rights protected under this Decision may bring an action before the competent national authority against any person who infringes his rights. He may also proceed against any person who engages in acts that indicate the imminence of an infringement.

Where the domestic legislation of the member country permits, the competent national authority may institute the infringement proceedings provided for in the said legislation ex officio. (…)"
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This article offers to the trademark owner the opportunity to bring an action against any person who infringes their rights, and in addition, dependent upon national legislation, it enables the competent national authority to initiate action.

Thus, through an infringement action, the trademark owner can request via the competent national authority, \textit{inter alia}, the cessation of acts that constitute infringement, compensation for damages, prohibition of import or export of infringing products, the seizure of infringing products, etc.

Commonly, an infringement action is brought before the competent office via the administrative route. Once the administrative route has been exhausted, it is possible to request damage compensation through the civil courts.

Since trademark infringement is considered a criminal offense, it is possible to prosecute such acts under criminal law; however, the criminal channel is complex and long. Most Andean countries have strengthened the administrative route, establishing jurisdiction and procedure for infringement actions, as well as for unfair competition, in cases of infringement of trademarks.

It should be noted that in the case of Peru strengthening the administrative route offers two important advantages. Firstly, there remains the possibility to challenge administrative acts

\textsuperscript{37} Process 37-IP-2015. Court of Justice of the Andean Community.
and resolutions before specialized bodies (within the judicial branch), once the administrative route has been exhausted. And secondly, the administrative route facilitates the *ex officio* action of competent offices.\(^{38}\)

All members of the ACN must meet this minimum standard of trademark protection rights, however, some Andean countries, such as Bolivia, do not regulate the application of this standard\(^{39}\), this results in the absence of operational frameworks for the Andean regime and unequal trademark protection. It should be noted that even though Bolivia does not regulate this minimum, no sanctions have been leveled against this country, because, as already mentioned, each Andean member country may use its domestic law to complement Decision 486.

Finally, the absence of an Andean mark, in keeping with the EU model, casts doubt over certain crucial aspects related to trademark protection in this region. For example, in the case of Peru, infringement actions are increasing, as the following chart shows:

![Infringement Actions Period 2000-2017 INDECOPI Statistics Year](https://www.indecopi.gob.pe/web/biblioteca-virtual/estadisticas-institucionales)

The chart shows that, from 2000 to 2017, infringements actions have increased, indicating that our system needs to be strengthened.

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\(^{38}\) Gustavo León et al., *Trademark Law in the Andean Community. Analysis and Comments* (Lima: Tinco, 2015)

CHAPTER 2: THE TRADEMARK SYSTEM IN PERU

2.1. Legislation of Distinctive Signs

The legal regime of Peru is conforming for the provisions of community legislation of Andean
countries (ACN), the national legislation and international instruments which Peru is part.

2.1.1. Provision of Community legislation

Peru is a member of the Andean Community of Nations. As member of that community, the
protection of IPRs is under the Decision 486 which regulates substantive and procedural aspects
related of the registration and protection of marks (and patents).

The Decision 689 was enacted in August 2008. Through this Decision, Andean member
countries could develop or specify its internal legislation some aspects related to the Decision
486. For example, the Andean countries could establish a multiclass registration of marks,
establish like optional the Registration of License contract in the respective trademark office,
between others.\footnote{Patricia Gamboa et al., \textit{Intellectual Property} (Peru: Legal Deposit of the National Library of Peru,
2013).}

2.1.2. National provisions

In February 1st, 2009, the Legislative Decree No 1075 entered into force in Peru. The Peruvian
Executive Branch enacted this decree, which is complementary to the Decision 486, basically
procedure aspects\footnote{Maria del Carmen Arana, “Implementation process of APCPE in the field of Intellectual Property” in
Yearbook of Intellectual Rights” in Yearbook of Intellectual Rights, Year 5 No 5, ed. Baldo Kresalja
(Lima: Legal Deposit of the National Library of Peru, 2009), 171 and 188.}. The enactment of this Decree had, as its main purpose, the adequacy of
Peruvian legislation into the provisions established by the Trade Promotion Agreement (TPA) with The United States of America.

2.1.3. International provisions

Peru is part of several international legal instruments, as the Paris Convention for the Protection of Intellectual Property Rights for example, which Peru joined in 1995. The most important contribution of this legal instrument is the principle of national treatment and the priority right.

Other important legal provisions which Peru is a part of, is The Agreement on Trade-Related Aspects of Intellectual Property Rights or well known as TRIPs, which establishes minimum standards and basic principles in order to harmonize the intellectual property system in the world.

Also, Peru is a part of the Trademark Law Treaty (TLT). The aim of this treaty is to standardize and streamline national and regional trademark registration procedures. Peru joined the TLT in November 6, 2009, which brought many changes.

The most important changes were the introduction of the registration multiclass system of marks and the elimination of some formalities in the case of disposal or assignment of industrial property rights. Indeed, in these cases, and except where greater formality is required by Law, it shall suffice for this act to be mentioned in a private deed and for the signatures to be

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42 According Paris Convention, national treatment means that, as regards the protection of industrial property, each country party to the Paris Convention must grant the same protection to nationals of the other member countries as it grants to its own nationals. The relevant provisions are contained in articles 2 and 3 of the Convention.

43 This provision is contained in article 4 of the Paris Convention. Thus, the right of priority means that, on the basis of a regular application for an industrial property right filed by a given applicant in one of the member countries, the same applicant (or its or his successor in title) may, within a specified period of time (six or twelve months), apply for protection in all the other member countries. These later applications will then be regarded as if they had been filed on the same day as the earliest application. Hence, these later applications enjoy a priority status with respect to all applications relating to the same industrial property right filed after the date of the first application.

certified by a notary. If the document is drawn up abroad, it shall be authenticated by a Peruvian consular official.

In the area of appellation of origin, it is necessary to mention that Peru is a member of the Lisbon Agreement. The objective of this agreement facilitates the registration and protection of appellation of origin in countries other the country of origin, by a registration at WIPO.

2.1.3.1. Peru and the promise to join the Madrid Protocol

The Madrid System for the International Registration of Marks is governed by the Madrid Agreement and the Protocol relating to that Agreement, both are managed by WIPO. The system makes it possible to protect a mark in a large number of countries by obtaining an international registration that has effect in each of the designated Contracting Parties. The following chart, shows in brief how the process works:


In the case of Peru, after the entered force of Trade Promotion Agreement with The United States of America in 2009, Peru made the promise to adhere the Madrid Union, however until now, Peru has not adhered to this international system. The main reason why Peru does not want to adhere is the impact on its domestic economy.

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The adhesion to Madrid System could affect the Peruvian economy, because its domestic economy is small. Even though the Madrid System seems like an international system which could increase the importation trade flows, nevertheless, this flow would affect the exportation trade of Peruvian goods. Indeed, foreign companies could register more brand easily, instead of Peruvian companies.46

This reasoning is confirmed because Peruvian companies do not tend to register marks in foreign markets frequently. In 2005, the number of Peruvian marks registered in the United States was 261, 12 in Spain, 3 in Japan and 2 in the United Kingdom. Nevertheless, in 2004, the number of the North American marks that were registered in Peru were 1,344, those from Spanish, Japanese, and English companies were 104, 100 and 38, respectively.47

The mentioned previously is confirmed in the following charts which demonstrate how some developed economies (like China, Republic of Korea, the United States, among others) are registering more marks abroad than developing countries (like Peru, Romania, among others):

![Graph showing trademark application activity by origin](http://www.wipo.int/edocs/pubdocs/en/wipo_pub_941_2015.pdf)

Note: Trademark application activity by origin includes resident Applications and applications led abroad. 

47 Ibid.
As it should be noted, in the case of Peru, unlike other economies, there is a tendency to register marks in their own market than foreigner market. For that reason, for some scholars, the accession of Peru to the Madrid System could adversely affect our economy instead of improving it.

2.2. The need to strengthen the protection of trademark in Peru

2.2.1. Trademark counterfeiting

Intellectual property rights are important for the economy of every country, because protection of them encourages private investment in research and develops other inventive or creative activities. However, the IPRs are being threatened by the counterfeiting of goods. The counterfeiting is a worldwide problem posing a threat to our society, in that they hamper investment in research, development and creativity, in addition to endangering public health and safety.

In the case of public health and safety, the counterfeiting could bring serious implications, because counterfeiters have limited interest in ensuring the quality, safety or performance of their products. This increases the potential of negative effects on consumers. Concerns about this issue, appear frequently in the responses to the OECD surveys. The industries where health and safety effects tend to occur include: automotive, electrical components, food and drink, chemicals, toiletry and household products, pharmaceuticals and tobacco products.48

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Among the different types of IPRs, trademarks play a key role for customers and businesses, consequently, in the economy of countries. This important economic role of trademarks has been reflected in available statistics. For example, in the United States, trademarks intensive industries accounted for 24.7% of total employment in 2010. A similar study for the European Union highlighted that IP industries accounted for almost 26% of all jobs in EU during the period 2008-2010, with almost 21% in trademark intensive industries. In the case of Peru, trademarks intensive industry represents the 8% in 2010. Having this in mind, it is possible to observe that the counterfeiting of goods has more incidence in trademarks, like the following figure shows, where trademarks occupy the big seizure among the other forms of IPRs:

![Seizures by IP infringing category](image)

In the specific case of Peru, the percentage of trademark counterfeiting is almost the same of copyrights counterfeiting, as the following chart of 2016 shows:

![Shares of seizures by IP infringing category](image)

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49 This means active industries in protecting trademarks.
51 International Trademark Association (INTA). The trademarks in Latin America. Economic Impact study in five countries: Chile, Colombia, Mexico, Panama and Peru. [https://www.inta.org/Communications/Documents/Latin_America_Impact_Study_ES_121216.pdf](https://www.inta.org/Communications/Documents/Latin_America_Impact_Study_ES_121216.pdf) (accessed October 10, 2017)
It should be noted that in Peru, the seizure of products which infringe intellectual property rights represent approximately a cost of loss of $6,374,952 American dollars every year.52

Since counterfeiting is a longstanding problem which is growing in magnitude and have negative impact in innovation, in sales and licensing, brand value and company reputation, in December 2015, the European Parliament approved a reform package consisting of an amended European Union Trademark regulation and included the regulation of counterfeit goods in transit.

The new provisions extend the rights of the proprietor of a European Union trademark registered at Union level or of a national trademark registered at Member State level to prevent third parties from bringing, in the course of trade, into the Union without being released for free circulation, goods coming from third countries and bearing without authorization a trademark which is identical with the trademark registered with respect to such goods or which cannot be distinguished in its essential aspects from that trademark, even if the goods are not intended to be placed on the market of the Union.53

In the Andean Community, chapter III of the Decision 486 (from article 250 to 256) establish the border measures regulation, however does not expressly establish about counterfeit goods in transit. Nevertheless, this legal gap is overcome with the article 276 of the same Decision, which states that some intellectual property issues not regulated by the Decision 486, could be regulated by intern norms of the member countries. Hence, some member countries as Peru54 and Colombia55, when establish the border measures in its intern legislation, included the counterfeit goods in transit, but not Ecuador and Bolivia56.

54 In Peru, the border measures are regulated by the Legislative Decree No. 1092, Border Measures for the Protection of Copyrights or Related Rights and Trademarks, article 3, which says: This regulation is applicable to goods referred in the Law that have been destined to importation regimes for consumption,
It should be noted, although those changes in the control of counterfeit goods in transit is recently in the EU, however those changes will be applied to all the European member countries, according the principle of unitary trademark, which prescribes that the EUTM has uniform protection and uniform legal effect over the entire territory\(^{57}\). In contrast, as it was aforementioned, in the Andean community, only Peru and Colombia applies control rules of counterfeit goods in transit. Hence, a community trademark -regulated under the principle of unitary- for the ACN could have a positive effect and reduce the counterfeiting in this region.

2.2.2. Trademark registration in bad faith

Since trademark is a valuable tool today, the interest of get trademark rights is increasing, however, also increase the possibility of trademark grabbing, enabling third parties to register marks which are being used or registered in other countries, and even, in the same country.

Nowadays, trademark laws of countries are trying to curb trademark abuse by enacting specific protective provisions or making easier the registration of mark. Indeed, in order to reduce the procedures of trademark registration, many countries entered into bilateral treaties, making integration of trademark procedures (like community trademark in EU) or making international cooperation (like Madrid System).\(^{58}\)

In Peru, through the Decision 486, in case of registration of trademark in bad faith, third party may challenge it through the invalidity of registration. However, this action is not working well, because has some limitations. Indeed, the article 172 of the aforementioned Decision refers that the competent national authority may, either ex officio or for request of any party, declare the invalidity of the registration of a mark if it has been obtained in bad faith. Such action must be submitted within the 5 years following the date of grant of the disputed registration.

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\(^{55}\) In Colombia, the border measures are regulated by the Decree No. 4540, Adopting Customs Controls to Protect Intellectual Property, article 2, which says: *For the purposes of this Decree, the customs authority will intervene in respect of allegedly pirated or counterfeit trademark goods linked to an import, export or transit operation.*


\(^{57}\) See numeral 3.2.1

\(^{58}\) Alexander Tsoutsanis, *Trade mark registrations in bad faith* (USA: Oxford University Press, 2010)
The Andean provisions presume the good faith as general principle which should govern the actuation of trademarks applicants. Thus, a plaintiff who file nullity action, must the burden of proof. However, in practice, is difficult to prove the bad faith before the Trademark Office.

In the ACN, the invalidation action cannot have as base of the action a trademark registered in other Andean country. Example of this, it will be explained in the following lines. In addition, it should be noted, that Andean provisions do not establish bad faith conducts. In consequence, is difficult for trademark officers to determinate the invalidity of trademark under bad faith.

2.2.3. Cases in the Peruvian trademark office

The following cases have been resolved in the Trademark Office of INDECOPI in Peru. These cases show how the Peruvian office resolved invalidity actions of marks in bad faith.

After the lecture of these cases, is possible to conclude that the registration of mark in one country member of ACN does not give security to the real holder to protect their mark against third parties who pretend the registration in bad faith of the same or similar mark.

2.2.3.1. Lotte Co., Ltd. v. Song Kim, Chong Cha

On November 3rd, 2014, LOTTE CO., LTD., from Japan, filed an invalidation action of trademark in bad faith against SONG KIM, CHONG CHA, from Republic of Korea, since he got the registration of the following mark LOTTE & design (Title No 215204) in the class 30 of the International Nice Classification in Peru:

![LOTTE](image)

The Japanese company claimed that the mark LOTTE is property of LOTTE CO., LTD., they have the mark registered in many countries, is well-known mark in Asia and in the Andean

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Community. In addition, indicated that SONG KIM, CHONG CHA even knowing that the mark LOTTE is well-known, he registered the aforementioned mark in Peru. In order to prove the bad faith registration of the mark LOTTE by the defendant, the Japanese company attached to the case several documents, within them the mark titles obtained in Ecuador and Bolivia. About these trademark titles the Peruvian Intellectual Property Office of INDECOPI states:

“Even though is possible to observe the mark LOTTE is registered a worldwide level, this is not relevant, thus those documents do not prove that the aforementioned mark is well-known, and as consequence, do not prove the alleged bad faith”\(^\text{61}\)

Thus, for the Peruvian Intellectual Property Office, LOTTE CO., LTD., did not prove that the registration of the mark LOTTE & design was in bad faith. In consequence, rejected the action filed by LOTTE CO., LTD.

It should be noted that even though LOTTE CO., LTD., as company as trademark, is not well-known in South America, however is currently the owner of the brand LOTTE & design in two Andean member countries (Ecuador and Bolivia). Hence, this trademark ownership should serve as protection against bad faith registration within the four Andean member countries.

It should be noted once again, the importance to strengthen community trademark in the Andean region, because that common system offers uniform protection, which implies that if a community trademark right is surrendered, transferred, revoked or invalidated is for the entire territory of the EU.

2.2.3.2. Nike Inc. v. Veliz Ticse, Ruben\(^\text{62}\)

On January 29th, 2014, NIKE, INC, from The United States, filed an invalidation action of trademark in bad faith against VELIZ TICSE, RUBEN, from Peru, since he got the registration of the mark LUNARLON FITSOLE (Title No 194994) in the class 25 of the International Nice Classification in Peru.

The North American company claimed that the mark LUNARLON FITSOLE is property of NIKE, INC., that they have the mark registered in many countries, the aforementioned mark is well-known mark, the company is selling sneaker with the mark

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LUNARLON in Peru and the denomination FITSOLE is a cushioning system for sneakers invented by NIKE, INC. In addition, indicated that VELIZ TICSE, RUBEN even knowing that the mark LUNARLON is well-known, however, he registered the mentioned mark in Peru. In order to prove the bad faith registration of the mark LUNARLON FITSOLE, the North American company attached to the case several documents, within them the mark titles obtained in different countries (within them one title obtained in Bolivia), several documents about the system FITSOLE, and documents of the commercialization of sneakers with the mark LUNARLON in Peru. About these documents the First Instance of the Peruvian Intellectual Property office said:

"Is possible to observe the mark LUNARLON distinguish sneakers, is registered in different countries in favor of the plaintiff, that NIKE, INC. Developed a system denominated FITSOLE and is selling sneakers with the mentioned mark at least in Ecuador (one member of Andean Community). In consequence, from the documents attached to this case, it is possible to infer that VELIZ TICSE, RUBEN, registered the mark LUNARLON in Peru in bad faith. For that reason, it is necessary to order the invalidation of LUNARLON registered under the title No 194994"

It is necessary to mention, that VELIX TICSE, RUBEN appealed the Resolution No 2361-2016/CSD-INDECOPI. In consequence, still pending of pronouncement by the Second Instance of Intellectual Property office of INDECOPI.

### 2.2.3.3. Differences between the mentioned cases

From these cases, it should be observed how INDECOPI resolved similar cases of invalidation of trademark registration in bad faith with different criteria.

In the first case LOTTE CO., LTD. v. Song Kim, Chong Cha, the Peruvian authority resolved against Lotte Co., Ltd., because despite this Japanese company got the registration of the mark LOTTE in some Andean member’s countries (like Ecuador and Bolivia) before Song Kim, Chong Cha, nevertheless did not demonstrate the commercialization of goods with the mark LOTTE in at least one Andean Member country.

In the second case, Nike Inc. v. Veliz Ticse, Ruben, the Peruvian authority resolved the case in favor of Nike Inc, because this North American company got the registration in one

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63 Resolution No 2361-2016/TPI-INDECOPI. P. 15.
Andean member country (Bolivia) and in addition proved the commercialization of sneakers with the mark LUNARLON at least in one Andean member country (Ecuador).

### 2.2.4. Some problems related with the protection of trademarks in Peru

From the explanations of this chapter, it should be noted that Peru, and in consequence the other members of the ACN, are facing the following problems:

- Even though the legal framework for protection of intellectual property in Peru has improved over the past decade, enforcement remains weak. Unfortunately, Peru has remained on USTR's Section 301 "Watch List"\(^64\) since 1992 because of continued high counterfeiting and piracy rates, inadequate enforcement of IP laws, and weak or unenforced penalties for IP violators.\(^65\)

- Within the Andean member countries, same marks which the same distinguish of goods or services, but with different owners can coexistence. Namely, in the ACN exists duplicity of marks, which represents a legal problem when the real owner wants to protect or use the mark in other member country.

- Some actions for prevent the registration of trademarks in bad faith are not working well along the ACN. Certainly, as the mentioned cases, in order to prove the registration of a mark in bad faith is necessary to demonstrate the use, at least in one member country, because the solely registration of a mark does not give a real protection of mark in this region.

- The autonomy of the Trademark offices along the ACN, generates different criteria. These problems, among others, make necessary the implementation of the Andean Community Trademark in this region.

\(^64\) It should be noted that according to the 2011 Special 301 Report, the annual review of the global state of intellectual property rights (IPR) protection and enforcement made by the Office of the United States Trade Representative (USTR), the other Andean member countries remains on the “Watch list”, because the high level of counterfeiting and piracy rates\(^\text{http://www.ipophil.gov.ph/images/IPEnforcement/Special301Review/2011USTRSpecial301Report.pdf}\) (accessed June 30, 2017)

CHAPTER 3: THE COMMUNITY TRADEMARK IN THE EUROPEAN UNION

3.1. Development of European trademark law

The creation of the Community Trademark (CTM) System began in 1957, after six countries[^66] of Europe wanted to create a European Economic Community based on a common market, which rose as the sign of treaties which established the ECC and Atomic Energy[^67].

After the signing of the mentioned treaties, emerged the need, inter alia, to create a European Trademark Law that would allow economic operators to make free trades of goods and services. Thus, in 1959 the work for the creation of a Community Trademark System began, with three milestones: The draft of the Convention of European Trademark Law, The memorandum on the creation of a Community Trademark and the Proposal for a Regulation on the Community Trademark. These previous works led to the promulgation of the Community Trademark Regulation in 1994.[^68]

[^66]: France, Germany, Italy, Netherlands, Belgic and Luxemburg
[^67]: David Gómez, La infracción de la marca comunitaria. (Madrid: Marcial Pons, 2011)
[^68]: Ibid.
3.1.1. The Europeanization of trademark: Uniform protection in all Member States and the harmonization of domestic legislation

The Europeanization of trademark has two grounds: The uniform protection in all member states and the harmonization of the domestic trademark legislation of the member states. This means, uniform rights and unity of law, have the same effect throughout the EU in order to improve the internal single market.\textsuperscript{69} Thus, the European Commission to give life the CMT created the Community Trade mark Regulation, for the unification and the Trade Mark Directive, for the harmonization of the domestic trade mark legislation. Both coexist and complement one another, each in its own way contributing to the Europeanization of trade mark law and the establishment of common internal market.\textsuperscript{70}


The consecration of the system of the CTM was accomplished when the Regulation 40/1994 was ratified by the Council of the European Union (CEU) on 20th December 1993 and came into force on 15th March 1994.

The aforementioned Regulation contains thirteen titles, sub-divided into sections. The titles include general provisions introducing the character of the CTM and OHIM, the application for the CTM, the enforcement of CTM rights where it describes the jurisdiction of judicial authorities and stipulates procedural rules, and where the CTM has effect on the national legal systems of the member states.\textsuperscript{71}

The Regulation 40/1994 has had several reforms, and hence, it was repealed when the Council Regulation 207/2009 was enacted on 26th February 2009 and which entered into force on 13th April 2009. It should be noted, this last Regulation it was amended once again when the

\textsuperscript{69} Tobias Cohen, et al., \textit{European Trademark Law: Community trademark law and harmonized national trademark} (Netherlands: Kluwer Law, 2010)
\textsuperscript{70} Alexander Tsoutsanis, \textit{Trade mark registrations in bad faith} (USA: Oxford University Press, 2010), 109
\textsuperscript{71} Tobias Cohen et al., \textit{European Trademark Law: Community trademark law and harmonized national trademark}.
Regulation 2015/2424 was enacted and published on 24th December 2015 and entered into force on 23 March 2016.

Some of the most important changes of this last regulation of 2015, is the new name of the Office for Harmonization in the Internal Market (OHIM) changed its name to the European Union Intellectual Property Office (EUIPO) and the Community trademark (CTM) change the name to the European Union trademark (EUTM).\(^2\)

Thus, in this work, the study of the European provisions will be having in consideration the last-mentioned Regulation.

### 3.2. Principal aspects related to the community trademark

#### 3.2.1. Principles in the CMT system

- **Principle of unitary trademark**

This principle prescribed in the article 1 (2) of the Regulation\(^3\) means, that the EUTM has uniform protection and uniform legal effect over the entire territory of the EU. Thus, through a single application, an applicant can get a unitary trade mark right which extends to all 27 member states of the EU.\(^4\) In addition, this uniform protection implies that if the EUTM right is surrendered, transferred, revoked or invalidated, it is for the entire territory of the EU. However, this principle has limitations. For example, the registration of a EUTM can be limited for a national previous registration. Indeed, the EUTM exists parallel to the national trademark law of every country. Thus, if there is a previous national trademark registration, an application of community trademark can be refused it as a whole for the entire European Community.


\(^3\) Regulation (EC) No\(^0\) 207/2009, article 1 (2) says: A Community trade mark shall have a unitary character. It shall have equal effect throughout the Community: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Community. This principle shall apply unless otherwise provided in this Regulation.

\(^4\) Alexander Tsoutsanis, *Trade mark registrations in bad faith* (USA: Oxford University Press, 2010)
However, the aforementioned limitation is overcome, because from a national registration followed by a community registration can maintain its effects when seniority of the community trademark is based on this national registration.75

- **Principle of autonomy**

According to this principle, the EUTM is independent, autonomous and supranational legal system, which exist alongside the national trade mark legislation of the member states.76 In other words, the autonomy of the CTM is through the application of the community legislation. Thus, according to this principle, the application of the national legislation is subsidiary. However, according to David Gómez Sánchez in his book “La infracción de la marca comunitaria” (or “infringement of community trademark”)77, the reality about this principle is different. According this author, the application of the national legislation of the members of EU is not only for exceptional and secondary issues, its application it is indispensable for the function of the EUTM system, especially in the cases of mark infringements.

### 3.2.2. The procedures for registration a community trademark

The process of registration of EUTM rights may be a long-winded and difficult process, because it can take many steps and some obstacles can appear during the registration process. In consequence, the entire registration process can take many years.78 In the following lines, it will explain -in brief- some relevant aspects about the registration of EUTM.

**3.2.2.1. Filing and assessment of the application**

Before explaining the filing and assessment of community trademark application, it should be noted that according to the article 5 of the Regulation, any person natural or legal entities, even bodies governed by public law, can be proprietors of Community trademark. In addition,

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75 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 469.
77 David Gómez, *La infracción de la marca comunitaria*, 81.
78 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 474.
nationals of the member states and any country that is party to the Paris Convention and/or the TRIPs Agreement are recognized as proprietors.79

The Section 1 of Title III of the Regulation states the requirements of the community trademark application. Thus, every application must have the information of the applicant, representation of the trademark, description of goods and services (classified in conformance with the Nice Agreement). Also, the application shall be written in one of the official languages80 of the Community, and shall indicate a second language that is one of the five languages of EUIPO. In addition, the application must satisfy the formal requirements like application fee and -if it is the case- plus an additional fee in connection with and application for more than three classes.

With all the aforementioned requirements, the application must be filed at EUIPO or at the Central Industrial property office of a member state or at the Benelux Office for Intellectual Property. In the latter case, the application will have the same effect as if it had been filed on the same date at EUIPO.81

After filing the application with all the mentioned requirements, the EUIPO examines the procedural formality and substantive grounds for refusal. In the first case, the office examines if the application has the requirements in the sense of Articles 2682 and 2783 of the Regulation. In the second case, EUIPO examines if the application of trademark is under the article 784 of the Regulation, absolute grounds of refusal. The grounds contained in the mentioned article, do not exist to protect individual but public interests and must always lead to a refusal. Thus, each ground for refusal must be interpreted in the light of the specific public interest and independently of the other grounds. In consequence, it is sufficient that one of

79 Ibid.
80 According the article 119 of the Regulation, the official languages are: English, French, German, Italian and Spanish.
81 Tobias Cohen, et al., European Trademark Law: Community trademark law and harmonized national trademark, 476
82 The article 26 of the Regulation describes the conditions with which applications must comply as: a) a request for the registration of a Community trade mark; b) information identifying the applicant; c) a list of the goods or services in respect of which the registration is requested; d) a representation of the trade mark.
83 The article 27 of the Regulation indicates that the date of filing of a Community trade mark application shall be the date on which documents containing the information specified in Article 26.
84 This article contains the provisions of absolute grounds for refusal. For example, this article refers that shall not be registered as trademarks those one are not distinctive, generic or descriptive; trademarks which contain or consist of a designation of origin or a geographical indication; among others.
absolute grounds applies to refuse the trademark application. If an absolute ground for refusal is found, the office will refuse the registration, however only after the applicant has been given the opportunity to withdraw the application and make changes in the application.

The examination of trademark application at EUIPO can be complex. Indeed, the process includes an extensive mechanism for search similar marks throughout the European Union, including transmittal of the application to the trademarks offices of all Member States of EU, identified by the applicant, that have expressed willingness to search their own registration records with respect to Community Trade mark applications; the preparation of report for the EUIPO and the notification at the time of publication of proprietors of any community trademark or community trademark applications that have turned up in the EUIPO or national search report as possible opponents of registration. It is necessary to mention, that prior to publication, EUIPO notifies the applicant of the reports and waits at least a month before publishing the mark, so the applicant can decide whether to withdraw its application, amend it, negotiate a coexistence agreement with the owner of prior registration, or wait for possible opposition. However, is should be remarked, there is not any financial incentive to withdraw an application, since the application fee has already been paid when the report is received.

3.2.2.2. Opposition

As every trademark system, the Regulation gives the possibility of bringing opposition against trademark application. After publication of the application in the Official Gazette, any third party may file observations, relating absolute grounds for refusal. For a period of three months after publication, any third party may also enter an opposition to the application on the grounds that the opponent holds earlier rights in the trademark sought to be registered.

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In addition, the possibility of opposition under the Regulation is also facilitated by the Rules regarding the search prescribed in Article 38\textsuperscript{88} numeral 6 of the Regulation. According this article, proprietors of earlier rights found during a search based on the mentioned article, must be informed. This considerably increases the likelihood that opposition will be initiated.\textsuperscript{89}

If the opposition is admissible, the EUIPO will transmit the corresponding opposition to the applicant giving time for reply and, after the reply, the Office will resolve the case. The decisions of the Office are subject to appeal before the Board of Appeals of the EUIPO and the Board's appellate decisions may, in turn, be brought before the Court of Justice of the European Communities for a final decision.

Finally, if a Community Trademark does not receive any opposition or if the opposition has been withdrawn or dismissed, the Trademark is registered.

In the case of refusal, applicants can appeal before the Boards of Appeal of the EUIPO and the decisions of this board can be appeal before the General Court and then, only for questions of law, before the European Court of Justice (ECJ). The following chart shows the registration process before EUIPO (before OHIM):

\footnote{88 The mentioned article 38 relates about the search report about the trademarks already registered or those one that are pending to register.}\footnote{89 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 491.}
3.2.3. The rights conferred by the Community Trademark

The main effect of the CMT is grants uniform protection in all the countries of the EU. For that reason, in brief, it will explain some relevant aspects about the scope of the rights confers for the CTM.

3.2.3.1. The trademark exhaustion of CMT

The CMT, as any IPRs, confers to the owner an exclusive right, which is linked with the identification of the origin of the business. However, as aforementioned before in the chapter I of this work, this right has two dimensions: Positive (*ius utendi*) and negative dimension (*ius prohibendi*). In addition, there is two types of exhaustion National and international exhaustion. However, the EU has been developed the doctrine of Community-wide exhaustion, namely, an exhaustion between national and international exhaustion.

According to the doctrine of Community-wide exhaustion, once a product has been put on the market in a particular Member State, by or with the consent of the legitimate trademark owner, the owner can no longer rely on his national rights to prevent the importation of the product from that State into another Member State.90

As the ACN, the EUIPO has been stipulated in the article 13 of the Regulation the principle of exhaustion. By virtue of article 13 Regulation, the proprietor of a CTM is not entitled to oppose any use of his trademark for goods that have been put on the market in the EU by the proprietor or with his consent. This exhaustion rule does not apply if the trademark proprietor has legitimate reasons to oppose the further marketing of the (marked) goods, especially if the condition of the goods is changed or impaired after they have been put on the market.91

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91 Tobias Cohen et al., *European Trademark Law: Community trademark law and harmonized national trademark*, 505.
Also, from the lecture of the mentioned article and from the jurisprudence of the European Court of Justice (ECJ), unlike the ACN, the trademark exhaustion in the EU is community.  

3.2.3.2. Jurisdiction and rules of Community Trademark Courts

The aim of the CMTR is the defense of CTM, thus, the Regulation establish Community Courts.

The Regulation of Community Trademark applies a “dual system” in order to protect the exclusive right of the proprietor of a CMT. Indeed, first, the competence of national judges (National Courts), and second, the competence of EUIPO (with Boards of Appeal) under the judicial control of the General Court (GC) and the European Union Court of Justice (EUCJ). These Courts have an exclusive jurisdiction for all infringement actions, declaration of non-infringement and for all counterclaims for revocation or for a declaration of invalidity.

In order to establish jurisdiction and procedure in legal action relating to CMT, the numeral 2, article 94 of the CTMR provides the application of some rules of the Union Rules on Jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (before EC No 44/2001). However, the application of this latter regulation is not applicable for specific actions as infringement and invalidity of a Community Trademark (article 96 of the CTMR). According to the author Cohen, Tobias, the main reason why the CTMR limited the application of the Regulation on Jurisdiction and Enforcement, it is because this latter regulation is founded on the principle that jurisdiction is generally based on the defendant's domicile. In consequence, this opens up the possibility positive or negative conflicts of jurisdiction between the Courts of different EU Member States.

Thus, the CTMR determines the Courts have jurisdiction in the follow cases:

1. The courts of the member state in which the defendant is domiciled or
2. The courts of the member state in which the defendant has an establishment or
3. The courts of the member state in which the plaintiff is domiciled or

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92 Rafael Gimeno-Bayon, Trademark's rights (Barcelona, Editorial Bosch, 2013).
93 According the article 95 of the CTMR, each member of EU shall designate one or more national courts and tribunal of first and second instance which shall govern trademark disputes within that territory.
4. where the plaintiff has an establishment or
5. The courts of the member state where the EUIPO has its seat\textsuperscript{96}

At last, the numeral 5, article 97\textsuperscript{97} of the Regulation, applies the national law of one Member State. Indeed, the mentioned article indicates the actions of infringement, may also be brought before the Courts of the Member State in which the infringement has been committed or threatened.

\section*{CHAPTER 4: ADOPTION OF THE EUROPEAN COMMUNITY TRADEMARK MODEL BY THE ANDEAN COMMUNITY OF NATIONS}

\subsection*{4.1. Effectiveness of the European Community Trademark}

The introduction of CTM in Europe opened the door to many traders and companies, giving them the opportunity to offer goods or services in transnational markets under the same mark.

Before the introduction of EC Regulation Number 40/94, any person or company who wanted to register a mark had to register it separately in each nation, paying legal, filing, and registration fees in each country where that person or company wished to use their trademark.\textsuperscript{98}

\textsuperscript{97} The mentioned article 97 refers about the international jurisdiction. In that sense, for example, in the cases of infringement or validity of trade mark, those actions shall be brought in the courts of the Member State in which the defendant is domiciled or, if he is not domiciled in any of the Member States.
\textsuperscript{98} Retsky, Maxine Lans, “Who needs the new community trademark?”, Marketing News; Jun 3, 1996; 30, 12
The introduction of this regulation led to the extension of trademark protection beyond national borders (within Europe) and the simplification of the procedures for registering marks within Europe. As a consequence, since the start of the Office's activities in 1996, it has received more than 109,000 applications and has registered more than 103,000 CTMs from throughout world, as the chart below shows:

Note: Applications received 1996-2014
Source: LexDellmeir, accessed Oct. 17, 2017,

According to the scholars Coralie Maitre and Katharina Rechtsanwaltin, community trademarks could be more efficient, given that:

- CMT registration offers the advantage of uniform protection in all member states on the bases of a single registration procedure. In consequence, the procedure for registration is simple, efficient and cost-effective. In effect, according to the aforementioned scholars, only 18% of applications involve the filing of an opposition. This means that 82% of all
CTM applications are registered without the need to conduct an opposition procedure, indicating that the CTM is an effective tool. 99

- Also of importance is the fact that the regulations governing CTMs are uniform across all EU member states and do not require implementation by each member state. Under this unitary principle, the CTM offers trademark owners or new applicants predictable procedures and decisions.

- In the case of eventual opposition against a CTM, the applicant may withdraw the CTM application and revert to one or more national trademark applications. This is useful to applicants because it offers the opportunity to continue with or withdraw registration, saving both time and money.

- It is particularly useful for franchisors or traders who do not operate throughout the EU but plan to expand their business, given that the use of a trademark in one member state is sufficient to ensure the validity of the CTM throughout the entire European Union.

- CTM registration renders national or international registration even more effective. For example, national trademark offices will automatically include prior CTM applications and registrations as a basis for refusing applications on the basis of earlier trademark rights. Furthermore, prior CTM registrations may be used as a basis for filing oppositions, cancellations or infringement proceedings against national trademarks or CTMs with a later filing date. 100

- In the event that EUIPO refuses to register, revoke or annul a CTM, applications for national trademarks may be made in all countries of the EU in which there are no such grounds for refusal, revocation, or annulment. The advantage of such a procedure is that priority (filing date of a CTM) is preserved.

To summarize, as a mechanism CTM simplifies the acquisition of trademark protection, enhancing both protection and enforcement, and enabling actions designed to discourage counterfeiting and other trademark violations.

100 Ibid, 19.
4.2. The ACN and the protection of trademarks in the region

The aim of the formation of the Andean Community of Nations was to promote economic growth (through the creation of a customs union and common market), regulate foreign investment and harmonize national laws.\textsuperscript{101} Because the protection of intellectual property is an important tool in the promotion of economic growth, one of the first steps taken was regulation in the field of intellectual property.

Thus, Andean legislators established common legislation in the area of intellectual property. In the specific case of trademarks, this action was defined by Decision 486, which is applicable in all four Andean member countries.

Initially, this legislation worked for these small economies; however, with the intensification of trade and industrial activities around the world, and subsequent trademark violations, it became necessary to reformulate trademark legislation for the Andean region.

Indeed, as we have already indicated, the trademarks system in the Andean region contains a number of deficiencies which the adoption of certain principles or procedures of the European Community Trademark system could address.

While the Andean Community does not have a single market like the European Union, as mentioned in the first paragraph, the aim of Andean integration is to promote economic growth through the creation of a customs union and common market. To this end, a necessary measure is the creation of an “Andean Community Trademark”.

4.3. Differences between the Andean Community of Nations and the European Union in the field of trademarks

The purpose of this thesis is to analyze the possibility of making use of European Union experience in order to develop and implement a Community Trademark system within the Andean Community of Nations. To this end, we must first be clear concerning the differences between the respective approaches to trademarks within these systems, in order to enable an analysis of the possibility of applying the EU experience to the ACN:

While the unification of countries represented by the EU and ACN share similar purposes - the protection of marks throughout all the member states - the ACN has not yet developed a community mark system. In the ACN each member country possesses a single mark system, applicable within individual member countries, while the EU possesses a community mark system with the same (or similar) effects in every member country.

The best example of this is the approach to opposition within the ACN and the EU. In Andean countries, we have the system of Andean Opposition\textsuperscript{102}, which enables the holders of marks or previous applicants to file opposition in another member country of the ACN, while the opponent must demonstrate a legitimate interest in the country in which the opposition is filed. This means that the opponent must have a registered trademark or must file a trademark application in the country where the opponent considers that their previous trademark rights are being infringed. By contrast, in the EU a trademark holder can file an opposition in any member country and without the requirement of legitimate interest in the country where the mark is alleged to have been infringed.

Another important difference is the extension of the rights granted by a mark. Under the unitary principle\textsuperscript{103}, a mark in the EU offers the same protection throughout all the member states of the EU. By contrast, in the ACN the rights granted to a mark are limited to the country where it was registered.

An example of this is the invalidation of trademark on grounds of bad faith. In the EU, the invalidation of a mark is applicable to all European Community countries\textsuperscript{104}, while in the ACN, such invalidation is only applicable to the country where the invalidation was filed.

The registration of a community mark in the EU is handled by a single office, known as EUIPO. In the ACN, the registration of a mark must be made through the trademark

\textsuperscript{102} See numeral 1.1.5.1.
\textsuperscript{103} See numeral 3.2.1.
\textsuperscript{104} Tsoutsanis, Alexander. *Trade mark registrations in bad faith*,113.
office of each individual member country. While EUIPO functions as an autonomous office in charge of the registration of marks within the EU, in the case of the ACN, the four offices of member countries retain their autonomy.

The autonomy of Andean offices gives rise to certain problems related to registration, given that each office, despite being governed by a single community provision, applies their own particular analysis to the registration of a mark. Thus, for example, it is possible for the same mark to be rejected in Peru, because the Peruvian office considers that the mark is descriptive, while it may be approved by the Colombian office, because in Colombia the mark is considered “evocative”.  

- In the EU, community mark prosecutions are heard by the European Community Trademark Courts, designated by member states in their territories. These Courts have exclusive jurisdiction over all infringement actions and counterclaims for revocation or for the declaration of invalidity of a community trademark. In the ACN, the prosecution of infringement actions and counterclaims is heard by the individual offices of each Andean member country. Only in the case of prejudicial interpretation concerning community provisions can member states request guidance from The Court of Justice of the Andean Community.

- In the European Union, a single application form is all that is required for mark registration, while in the Andean Community each office issues its own application form.

- Actions for invalidation of a trademark on grounds of bad faith in the ACN are limited by time. This means that an invalidation action may be submitted up to five years following the grant date of the contested registration. In contrast, in the EU the community trademark system does not impose any time limits for requesting invalidation of CTM on grounds of bad faith.

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105 See numeral 1.1.2.
107 Article 95.1 and 96 of Regulation (EC) No. 207/2009
108 See numeral 1.1.2.
109 Alexander Tsoutsanis, Trade mark registrations in bad faith, 117.
Article 112.1 of the Regulations allows applicants in the European Union to convert an application for a community trademark into a national trademark application. In the Andean Community, this option is not available, because applications must be submitted to each office, in the absence of a community trademark within the ACN.

In the field of trademarks, the ACN applies international exhaustion, unlike the EU. As mentioned, in the EU a system of community exhaustion or community-wide exhaustion is employed.

The application of international exhaustion means that intellectual property rights are exhausted once the product has been sold by the intellectual property owner or with their consent in any part of the world. This is convenient in terms of trade, because it facilitates the free circulation of goods and promotes competition. However, for developing countries, such as the Andean members, the application of community-wide exhaustion would be more appropriate, meaning that the exhaustion of rights would apply if the initial sale of goods occurs in a territory of the region. This would facilitate protection of the rights of the trademark owner and could help to enforce border measures. Also, according to the CJEU, community exhaustion does not affect the free circulation of goods.

It should be mentioned that, unlike the CJEU, the Andean Court has not interpreted the meaning and scope of the application of international exhaustion in Andean countries. Currently, the Andean Court uses cases resolved by the European Court as a means of interpreting international exhaustion.

The fees for registration of a mark are the same throughout the EU. In the ACN, in a context of multiple offices, fees vary in each Andean country.

However, the major difference between the ACN and EU is the nonexistence of Andean trademark in the ACN. That said, it would be possible to adopt the European experience in the

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10 Tobias Cohen et al., European Trademark Law: Community trademark law and harmonized national trademark, 496
11 Judgment of the Court of June 15 1976. - EMI Records Limited v CBS United Kingdom Limited. - Reference for a preliminary ruling: High Court of Justice, Chancery Division
field of trademarks in Andean countries, since Decision 486 contains certain provisions which indicate that Andean legislators had in mind the creation of Andean Trademark.

In fact, while in the ACN the registration of mark is strictly national, holders are permitted to demonstrate real use (in the case of cancellation actions) and the reputation of their marks in the Andean country where they obtained their trademark or in another member country, making it possible to infer that there exists a kind of pseudo Andean trademark.

4.4. Treatment of trademarks in the European Union and the Andean Community of Nations

Intellectual property plays an important role in business and commercial transactions throughout the world. A robust intellectual property legal regime is necessary in order to attract investment and technology exchange. In this context, all nations are adopting robust legislation in the field of intellectual property, in light of the need for international cooperation in order to protect intellectual property rights. To this end, many countries have entered into bilateral, community or regional treaties.

The main purpose of both the Andean Community of Nations and the European Community is the elimination of trade barriers and the facilitating of the free circulation of goods among their member countries. To this end, one of the legal aspects focused upon by both communities is the regulation of intellectual property: however, the approach to regulation of intellectual property of these two communities differs markedly.

In the specific case of trademarks, while both systems focus upon the protection of trademarks, the actual handling of trademarks differs in each community, as a result of political, geographic, economic and even social factors.

4.5. Proposals for the establishment of Andean Trademark in the ACN

As we have already seen, currently the ACN does not operate an Andean trademark system. In the field of intellectual property Andean countries are governed by Decision 486 and its internal legislation, meaning that a mark registered in one Andean country does not have the same characteristics as a mark registered within the European Union.
In order to establish an Andean Trademark, homogeneous legislation\textsuperscript{113} and shared criteria would have to be agreed upon by member countries, and in the Andean region such consensus would face enormous challenges.

4.5.1. Principles and conditions required for implementation of an Andean trademark regime

According the scholar Ricardo Camacho\textsuperscript{114} in order to achieve an Andean Trademark regime, it would be necessary to address the following:

- Every Andean country exercises different and independent authority over the registration of marks. The registration, cancellation or invalidation of a mark within the ACN only gives the right of exclusive use in a given territory; namely, where the mark was issued. Thus, for example, a mark which was cancelled in Colombia may still exist in Peru or in another Andean country. This is one of the first issues which Andean countries would need to address: The autonomy of the Andean trademark system.

- In order to ensure the autonomy of the Andean trademark system, an independent budget will be required, derived mainly from taxes levied on users of the system.

- Also, in order to apply uniformly an Andean trademark system, a single administrative organization would be required, charged with application of the provisions within the ACN. This would involve granting to this single organization all the faculties required to ensure its decisions would be mandatory for all member countries of the ACN.

- An annual meeting would need to be scheduled for all intellectual property national offices, in order to establish shared criteria for the competent authorities concerning validity of mark conditions and the protection of trademark. It should be noted that this does not mean the autonomy of the Andean Trademark system would be affected, but rather that the result of trademark procedures would be more predictable. Predictable results are good for applicants, generating greater trust in a common system.

- The aim must be to create legal conditions which enable companies and individuals to adapt from the outset their activities for the manufacturing and distribution of goods or

\textsuperscript{113} This would require the amendment of Decision 486
services within the community. To this end, simplified registration procedures will be required.

- A common trademark system needs enforcement measures at the borders of the member countries. As explained above, nowadays the counterfeiting is increasing, especially in developing countries like the Andean countries. Thus, an adequate legislation what enforces the border measures is an aim in the formation of a community trademark system.

- Individuals must act in accordance with the standards set by the states and the supranational autonomous entity to be established. All parties (institutions and individuals) must work together in a coordinated manner; states will be required to produce adequate standards that enable users to be properly informed, in order to ensure respect for established norms and the intellectual property rights of third parties.

4.5.2. Advantages of establishing an Andean Trademark system

The mark plays an important informative role in the market, indicating the origin and quality of the goods or services offered within the market. Thus, a mark serves a twin function within the market: as an intangible company asset; and as a guide to consumer behavior.

And therein lies the importance of establishing an Andean trademark system: such a system brings with it several advantages for all market actors.

According to Gregorio Escalera Izquierdo\textsuperscript{115}, companies can expect the following advantages:

- Single protection across the ACN would allow small companies to expand their market share. Since procedures and conditions would be uniform (and in some ways less complex) across all ACN member countries, this would have the effect of encouraging domestic companies to expand their market share into other markets within the Andean region, thereby increasing competitiveness.

Under a system of shared or similar provisions, companies would feel more secure, because they would be working within a familiar jurisdictional environment.

Companies would be obliged to readjust their mark’s strategies.

And for consumers:

The new system would constitute a guarantee in the relationship between consumers and goods and services, given that marks can represent a guarantee of quality.

4.5.3. Preparatory works for the introduction of an Andean Trademark in the ACN

We have already established the importance for Andean Countries of an effective regional Andean Trademark system. To achieve this goal, the ACN would need to implement certain measures in order to smooth the way towards an Andean Trademark system similar to that employed by the EU.

As occurred with European integration, Andean integration would need to focus on harmonizing economic policies, in order to create a common market. The creation of an Andean common market ought to be a priority for the ACN in the coming years. In order to achieve a balanced common market, economic disparity between member states should not be excessive. In the case of Andean member countries, according to the chart below, showing the projection for economic growth up to 2021, disparity will be reduced year-on-year:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>3.8</td>
<td>3.6</td>
<td>3.6</td>
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<tr>
<td>Colombia</td>
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<td>3.3</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Ecuador</td>
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<td>1.2</td>
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</tr>
<tr>
<td>Peru</td>
<td>3.9</td>
<td>4.1</td>
<td>4.1</td>
<td>4.1</td>
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</tr>
</tbody>
</table>

Source: FocusEconomics’ LatinFocus Consensus Forecast, accessed January 5, 2018
https://www.focus-economics.com

Also, in preparation for the establishment of a common market, the Andean bloc will need to fix its economic models. Inevitably, problems arise when a common market counts among its membership both Marxist and classical liberal systems. In such a scenario, states would attempt to remain true to their chosen models, formulating trade policies and internal

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economic policies so contradictory as to thwart the aim of integration.\textsuperscript{117} In this region, there exists a degree of consensus between some Andean members, such as Ecuador, Peru and Colombia. These states are seeking a balance between traditional free market economics and technocratic interventionism. In the case of Bolivia, while its current economic model is socialist by nature, according to the Bolivian Ministry of the Economy and Finance, this new socialist model constitutes a transition towards a capitalist system incorporating the conditions inherent in a socialist society.\textsuperscript{118}

On the path to the construction of a common market, it will be necessary to enforce an Andean law incorporating other legal areas. Intellectual property law cannot be applied in a manner insulated from other areas of the law, particularly customs law and competition law. The ACN employs Decisions which regulate some aspects of competition law or customs law; however, global economic liberalization and globalization processes have brought with them an increase in international trade in goods and services, generating the need to reform those legal and institutional bases that regulate commercial transactions at both domestic and international levels. A common regulatory and legal framework will therefore be required which will ensure that the benefits obtained from the integration process are not impaired by restrictive practices that stifle free competition.\textsuperscript{119}

Finally, as mentioned in paragraph 1.1.1, it should be remembered that the Court of Justice of the Andean Community was directly modeled on the ECJ; however it is much less active than the European Court. Indeed, in the field of intellectual property, the CJAC merely interprets Andean intellectual property rules, stopping short of resolving intellectual property disputes. It will therefore be necessary for the CJAC to strengthen the Andean Court, giving it the authority to resolve cases in the final instance in order to generate uniform Andean intellectual property law and criteria among the four member countries.

\textsuperscript{117} Scott, \textit{op. cit.}, p. 42

\textsuperscript{118} Plural Economy: At Ministry of Economy and Finance of Bolivia, \url{http://medios.economiafinanzas.gob.bo/MH/documentos/Materiales_UCS/Revistas/Revista_01.pdf} (accessed January 05, 2018)

\textsuperscript{119} Ortiz, Graciela, “The community normative in the field of free competition in the Andean Community”, \textit{Themis}, No 42 (2001):158
The Andean Community has the potential to consolidate itself as a bloc just as active and far less complex than the European Union. In fact, the ACN possesses certain advantages over the EU, given that it is composed of only four countries who share a similar history and culture, as well as similar economic and political models, and where all the members share the same language (Spanish), which is also spoken in neighboring countries beyond the Andean bloc. While the path to consolidation of a solid regional bloc will be a difficult one, it is far from impossible.

CHAPTER 5: CONCLUSION

The integration of countries with similar aims (in specific areas) can bring both advantages and disadvantages for member states. It should be remembered that the success of integration depends mainly upon individual domestic political and legal issues and the economic capacity of each member country.

Through the creation of the Andean Community of Nations, Andean countries took a big step in the area of intellectual property; however, this integration process has not produced the desired effects. Some scholars, including Carolina Blanco\textsuperscript{120}, believe that the issues hindering the ACN are legal and political, and that the crises experienced by this international organization have been due to a lack of legal capacity and political will on the part of member countries to adapt to the rigors of an integration process.

In the specific field of trademarks within the ACN, problems persist which impede the establishment of a uniform mark protection system in all Andean member countries. Indeed, since there is no Andean Trademark, the protection of a mark remains limited and this creates problems for mark holders, such as the duplicity of marks, an increase in the registration of marks in bad faith (for example the case of Lotte Co., Ltd. v. Song Kim, Chong Cha, in the Peruvian office), the growth of trademark counterfeiting, leading to disincentives to competitiveness and a brake on intraregional trade, as well as foreign investment.

Nevertheless, it would be possible to adapt the European experience in the field of trademarks to Andean countries, because through Decision 486 Andean legislators have already implemented certain provisions which permit the creation of an Andean Trademark system.\textsuperscript{121}

Many scholars see the implementation of an Andean Trademark as possible, viewing it as the missing piece in what would be a coherent trademark system, capable of promoting economic growth within the ACN.\textsuperscript{122}

In conclusion, the problem of mark protection within the ACN could be solved through the adoption of the European Union community trademark model, with the process of registration and protection of one mark for all Andean country members being based upon principles already applied within the EU; namely, the principles of autonomy and unity. Such a goal would call for the harmonization of legislation and the implementation of a single community-wide office. In short, there are many reasons to believe that implementation of an Andean Trademark system across Andean member states is an essential component in the establishment of uniform protection.

\textsuperscript{121} For example, in the event of cancellation actions or the invocation of reputation of marks in one Andean country, holders may use documents which accredit the use or reputation of a mark from any member country of the ACN.

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국문 초록

안데스 공동체 국가들의 공동체 상표권
(페루의 예)

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이 논문의 목적은 안데스 국가내의 상표보호구역에 적절한 시스템을 구축하기 위한 것으로, 특히 안데스 상표의 형성에 있어서 유럽에서의 경험의 장점을 이용한 개선방안을 분석하는 것이다. 다시 말해서, 유럽연합 유럽지역상표제도의 장점을 최대한 활용함으로써, 안데스 국가연합 및 ACN 내의 상표권 보호의 주요 문제의 분석연구와 ACN 내의 상표권 보호를 강화하는데 있어 실현가능한 개선방안을 모색하고 제안하는 것을 목적으로 한다.

안데스 국가연합은 라틴아메리카 내에 존재하며, 이 연합은 지식재산권 내에서 유럽연합과 같은 목표를 추구하고 있다. 그러나 정치적, 경제적 그리고 사회적 배경 때문에 안데스 국가연합은 유럽연합과 같은 상표권 내 일반적인 규율을 제정하지 못하고 있다. 그러므로 안데스 시스템은 현재로서는 유럽연합의 유럽지역상표와는 전혀 다르며 상표권 보호에 있어 많은 제약과 결함을 가지고 있다.

이러한 현안들에 대한 실현 가능한 해결책으로는 CAN 내 상표권 분야에서 지식재산권 회원국 성문법의 조화, CAN 내 일반적인 등록 시스템을 규정하는 단일 상표권제도, 그리고 가장 중요한 공동상표의 설립이다. 이러한 개선을 통해서 희망했던 경제적 성장, 국제무역의 증가와 높은 수준의 CAN 내 상표권 권리의 보호를 이끌어 낼 수 있을 것이다. 그러므로, 본 학위논문에서 제기하고자 하는 궁극적인 질문은 공동상표시스템(유럽모델)의 채택이 안데스 지역내 상표권 보호에 있어서 가능하고 순조롭게 채택가능한 것인지 아닌지에 대한 것이다.

주요어: 지적재산권, 공동상표의, 유럽연합과안데스, 안데스 국가연합은, 페루의

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