

XXXV Nordic NIR Meeting 2022

Update on developments in
Finland

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WASELIUS & WIST



UPDATE ON DEVELOPMENTS IN FINLAND

Selected court cases

- Main themes
 - Exhaustion of TM rights – legitimate reasons to oppose
 - Genuine use of auxiliary trade name
 - Revocation of IP injunctions - strict liability for damage caused by revoked injunction?
- If time allows
 - Advertisement directed at Finnish consumers; reasonable compensation
 - Protection of well-known trademarks
 - Bad faith filings
- For easy reference
 - IPR case statistics and list of decided and pending matters in the Supreme Court and Supreme Administrative Court 2019-31/7.2022

EXHAUSTION OF RIGHTS – LEGITIMATE REASONS (SodaStream v. Mysoda)



- SodaStream sued MySoda for trademark infringement. MySoda disputed the claims and invoked the exhaustion of rights principle.
- Facts of the case
 - SodaStream is in the business of selling carbonating machines and refillable bottles under the trademarks SODASTREAM and SODA-CLUB
 - All carbonating machines require a refillable carbonating bottle. The bottles are compatible with all carbonating machines
 - Consumers may return used bottles and receive them refilled. Supermarkets accept empty return bottles irrespective of who originally put them on the market and send them for refillment.
 - MySoda distributed since 2016 carbonating bottles separately. Some of the bottles sold by MySoda were originally sold by SodaStream and refilled and relabeled by MySoda so that the original SODASTREAM or SODA-CLUB trademarks inscribed on the aluminum bottle remained visible.

EXHAUSTION OF RIGHTS – LEGITIMATE REASONS (SodaStream v. Mysoda)

White label



Pink label



'This carbonating bottle has been filled by Brand Handlers Helsinki. Brand Handlers Helsinki is not connected to the original marketer of this bottle or its company and trademark visible on this bottle. More information can be found at www.mysoda.fi'.

The logo 'MYSODA' twice in large font, with the text 'carbon dioxide for carbonating machines' in smaller font text: 'This carbonating bottle has been filled by Brand Handlers Helsinki. More information can be found at www.mysoda.fi'.

EXHAUSTION OF RIGHTS – LEGITIMATE REASONS

The Market Court (MAO: 388/19)

- Exclusive right to SodaStream bottles put on the market exhausted
- Did SodaStream have legitimate reasons to oppose the relabelling?
 - *legitimate reasons for the proprietor to oppose further commercialisation of the goods, especially where the condition of the goods is changed or impaired after they have been put on the market.*
- The Market Court did not apply the *Bristol-Myers Squibb (C-427/93 etc.)* criteria (no parallel import), but based its decision on the ECJ judgement in *Viking Gas (C-46/10)*
 - No impair on cylinders/contents or damage to reputation found
 - Decisive whether the refilled bottles were *liable to create a false impression on economic link between SodaStream and MySoda*
 - The Pink label was considered liable to create such false impression and prohibited

EXHAUSTION OF RIGHTS – LEGITIMATE REASONS

The Supreme Court (S2019/620)

- Both parties were granted leave of appeal
 - SodaStream: Removal of the label bearing its trademark as such a legitimate reason to oppose (interferes with trademarks function, not necessary)
 - MySoda: The target group understands that the trademark on the etiquette solely refers to the origin of the carbonite whereas the label on the bottle to the bottle as such
- The Supreme Court referred the case to the CJEU for a preliminary ruling and asks in essence whether:
 - the case to its nature is about repackaging in the jurisprudence of the CJEU.
 - relabelling as such endangers the function of a trademark owner or whether it is decisive that the target group is seen to understand that the etiquette solely refers to the origin of the carbonite although the trademark holder fixed its own etiquette to the bottle.
 - the *Viking Gas* case is applicable since no label was replaced in that case.

EXHAUSTION OF RIGHTS – LEGITIMATE REASONS

Opinion by the advocate general (C-197/21) 12.5.2022

- The criteria of legitimate reasons in *Bristol-Meyers Squibb* may be applied in the case, but same outcome reached by applying the principles in *Viking Gas*
 - First to be identified whether repackaging necessary – “a balance between the interests of the trademark holder and the reseller” (36-37)
 - Is opening, cleaning, control and relabelling necessary for third parties to be able to enter the market of refilled carbonating bottles?
 - If yes, to assess whether the names of the repackager and the name of the manufacturer of the product is presented in a way that a reasonably observant consumer with a normal view can understand.
 - No misunderstanding of an economic link between the reseller of the refilled product and the trademark owner of the bottle should be created. *If it is difficult to conclude the economic origin of the bottle the trademark rights are not exhausted.*

GENUINE USE OF AUXILIARY TRADE NAME

Preliminary ruling by the Supreme Court (HD:2022:41)

- The Market Court annulled the auxiliary trade name “Wikeström & Krogius” due to non-use for 5 years (5/2015-5/2020).
- The Supreme Court considered evidence sufficient and upheld the registration.
 - Same principles of evaluation as for trademarks - *use for the purpose of creating or upholding the market for the goods and services [here the business under the trade name]* - not only to uphold protection
 - Use during a transitional period upon merger in the form “Wikeström & Krogius [is] part of Blue Water Shipping
 - Use on old trucks, on emails and on webpage to a limited extent
 - The form and extent of use customary for the business field and in connection with a transfer of business

IP INJUNCTIONS—STRICT LIABILITY FOR DAMAGE CAUSED BY REVOCED INJUNCTION?

- Background:
 - Gilead was granted an Supplementary Protection Certificate (SPC) for its patent which lapsed in 2017.
 - Mylan was awarded tenders for corresponding product and Giled filed an application for preliminary injunction (PI) based on the SPC.
 - The PI was revoked by the Supreme Court and the SPC declared invalid by the Market Court in 2019 (no leave of appeal granted)
 - Mylan claimed in a lawsuit 2022 damages MEUR 2,3 for damages caused by groundless injunction based on *strict liability* under 7 Chapter 11 § in the Procedural Act
 - According to Gilead strict liability is according to the interpretation by CJEU (C-688/17) of Article 9.7 (appropriate compensation) in the Enforcement Directive not allowed

IP INJUNCTIONS—STRICT LIABILITY FOR DAMAGE CAUSED BY REVOCED INJUNCTION? (MAO:31/2022)

- In July 2022 the Market Court asked for a preliminary by the CJEU
 - 1) Is a tort system based on strict liability in conformity with Article 9.7 in the Enforcement Directive?
 - 2) If the answer to question 1) is negative, what kind of liability is mentioned Article based on?
 - 3) Which factors should be taken into account when assessing liability for damages?
 - 4) Referring to question 3) does the evaluation have to be made solely on the basis of facts known when filing for a precautionary measure or can the court take into account that the IP on which the claimed infringement has been based, has thereafter been declared invalid ab initio, and if so what meaning shall this fact have?

ADVERTISEMENT DIRECTED AT FINNISH CONSUMERS, REASONABLE COMPENSATION (Alko v. Aldar Latvia MAO:88/20)

ALKO Finnish word mark registration number 245540, trademark with reputation, registration number 2015003



Finnish figurative mark registration number 240341

v. Word and logo marks



ADVERTISEMENT DIRECTED AT FINNISH CONSUMERS, REASONABLE COMPENSATION (Alko v. Aldar Latvia MAO:88/20)

- Aldar advertised alcohol products in the Finnish Baltic Guide newsletter available in Finland, on the web page www.superalko.lv. Shops in Latvia .
- Alko applied for an injunction and claimed 10% of the estimated purchase by Finnish consumers as compensation
- The Market Court concluded:
 - Advertisement directed at Finnish consumers
 - Infringement of Alko's well known trademark and secondary mark
 - Reasonable compensation 20% of amount claimed by Alko
 - < Super Alko only used in the name of the shops and in the marketing as name of the shops, not on the products themselves
 - > The reputation of the Alko brand, infringement more than 3 years

PROTECTION OF WELL-KNOWN MARKS (Valio v. Lidl, MAO:H37/2022)

KOSKENLASKIJA Finnish word mark registrations number 224556, 253050 and EUTM 002346674



*Finnish figurative mark
registration number 258425*

*Finnish figurative mark
registration number 257836*



V.

TUKKIJÄTKÄ Finnish word mark registration number 266777



- Valio owns the well-known trademark KOSKENLASKIJA “whitewater rafter”. Lidl filed for registration of the wordmark TUKKIJÄTKÄ (“lumberjack”). The PTO dismissed Valio’s opposition, Valio filed an appeal to the Market Court.

PROTECTION OF WELL-KNOWN MARKS (Valio/Lidl)

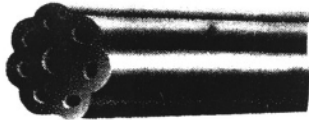
- The Market Court:
 - *A link between the marks* (although phonetically and visually different)
 - Same meaning/synonyms, similarity of goods, strong distinctiveness and reputation of Koskenlaskija marks
 - Evidence (mark surveys) presented
 - *The registration aimed at taking unfair advantage of the reputation of the Koskenlaskija cheese*
 - Actual commercial use of Tukkijätkä - sold in packaging in similar appearance and colouring, "Tukkijärkä cheese has a character like the foaming rapids"
 - The words TUKKIJÄTKÄ and KOSKENLASKIJA and the pictures of Valio's figurative marks, *did not refer to the cheese products* - Lidl's purpose to connect Tukkijätkä cheese to Koskenlaskija cheese

REVOCAION OF TRADEMARK FILED IN BAD FAITH (Halva v. Orkla, MAO:29:2022)

Orkla's earlier registrations



Finnish trademark number 271655



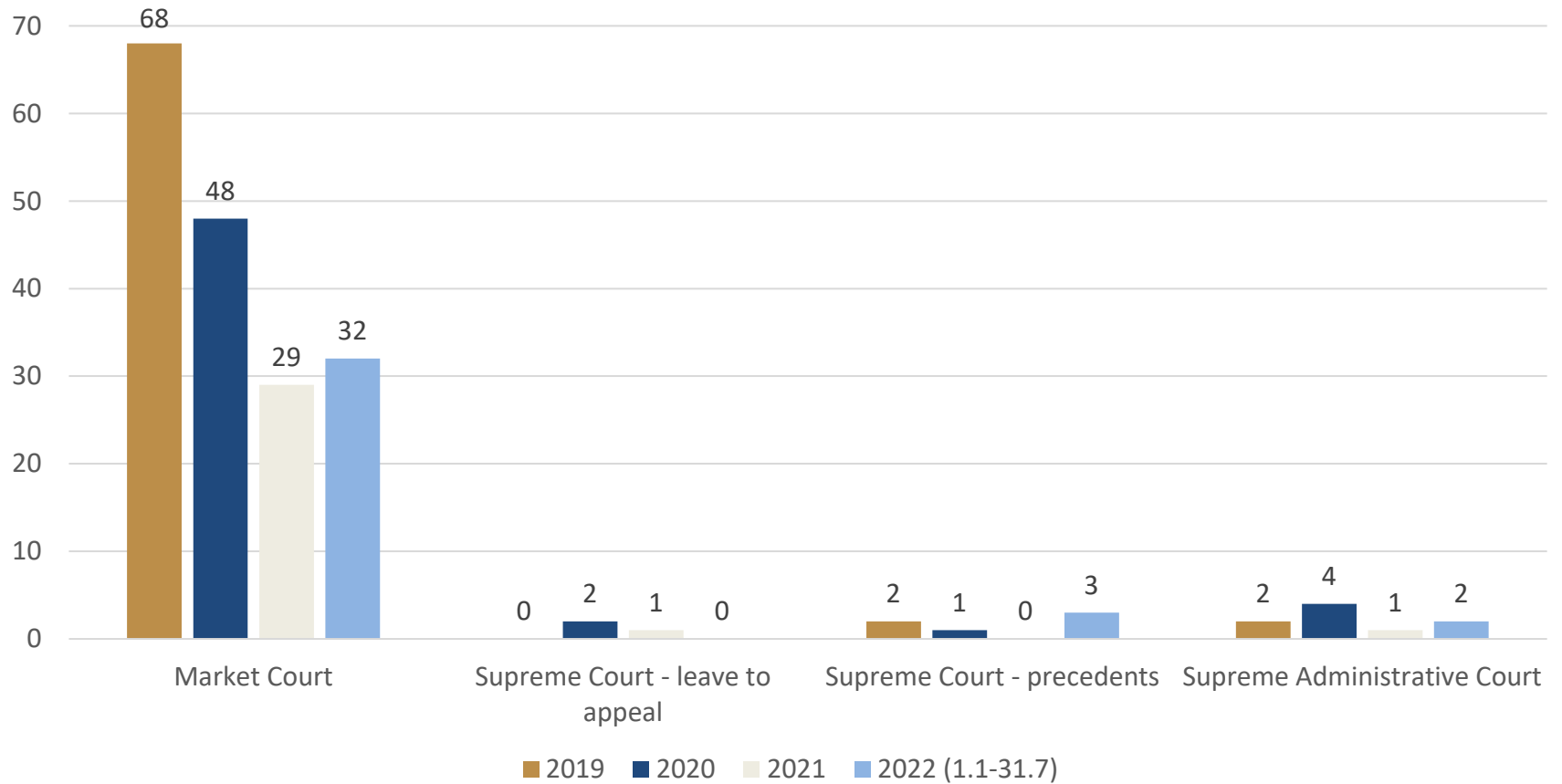
Orkla's later trademark registration number 273677 upon use by Halvar

- Liquorice manufacturer Orkla became aware of the figurative mark shaped as a flower or gingerbread used by Halvar - > filed an application for the contested mark - > four days later sent a warning letter demanding Halvar to stop using such mark

BAD FAITH FILINGS (Halva v. Orkla)

- The PTO dismissed Orkla's application 273677 due to bad faith, Orkla filed an appeal
- The Market Court found that Orkla did not provide a justifiable reason for its trademark application (no use of the mark)
 - Orkla must have known about Halva's use
 - Noted Orkla's earlier mark when assessing subjective intentions.
 - However, simple ornament which also may refer to the shape of the product
 - The use of mentioned earlier registration did not in itself show that Orkla has a better priority but *rather that Orkla in its filing aimed at making the earlier protection stronger*
 - > bad faith filing as this is not the function of a trademark

The amount of IPR court cases decided 2019-2022



Supreme Court preliminary rulings

- [KKO:2022:47](#) (5 July 2022) – Question of whether copyright protected material had been made available for the public
- [KKO:2022:44](#) (27 June 2022) – Repayment by Teosto to telecom company of paid compensation for use exceeding a reasonable level
- [KKO:2022:41](#) (22 June 2022) – Genuine use of auxiliary trade name
- [KKO:2020:72](#) (28 September 2020) – Import of counterfeit bearings to Finland, use of private address, use in commercial activity
- [KKO:2019:34](#) (11 April 2019) – Patent – Revocation of preliminary injunction
- [KKO:2019:10](#) (6 February 2019) Precautionary measure for the safeguarding of evidence

Supreme Court grant of leave of appeal

- [KKO VL:2021-82](#) - Publishing a photograph on Instagram without consent available for the public in an article – within the scope of right of citation or quotation?
- [KKO VL:2020-86](#) – Retransmission of television broadcast, legitimacy of copyright organization to file a claim
- [KKO VL:2020-67](#) – Exhaustion of trademark – legitimate reasons

Supreme Administrative Court rulings

- [KHO:2022:44](#) (7 April 2022) – gaining distinctiveness through use (Kiilto/Kiilto pro)
- [KHO:2022:30](#) (2 March 2022) – uncomplete complaint / right to complement
- [KHO:2021:41](#) (14 April 2021) – risk for confusion (RUMA (eng. Ugly)/PUMA)
- [KHO:2020:115](#) (4 November 2020) – (patent/mismatch between claims and explanations)
- [KHO:2020:89](#) (20 July 2020) (risk for confusions/identical marks remotely similar products and services)
- [KHO:2020:73](#) (15 June 2020) (“Hotelli Malmikartano” misleading for educational services)
- [KHO:2020:18](#) (28 February 2020) (conversion from patent to utility model application / essential features)
- [KHO:2019:138](#) (4 November 2019) (procedural questions)
- [KHO:2019:100](#) (22 August 2019) (trademark application dismissed since not sufficiently clear and precise)

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