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TITLE

**WHAT ARE THE GAPS AND ISSUES IN THE ARMENIAN TRADEMARK
LEGISLATION?**

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INTRODUCTION

BACKGROUND OF THE PROBLEM

In Armenia, trademark laws and regulations as we know them today were first regulated more than 20 years ago in The Civil Code of Armenia. Hence, the trademark regulations are somewhat new in Armenian law. There are not many judicial cases or Court of Cassation decisions concerning trademarks. However, the complete and thorough regulation of intellectual property rights and particularly trademark rights are crucial for our business environment. Intellectual property rights are so important that there is an Article addressing the subject in the Constitution of the Republic of Armenia. According to Clause 7 of Article 60 of the Constitution¹, “*intellectual property shall be protected by law*”. Moreover, Armenia is a party to numerous international treaties concerning trademark rights, such as Paris Convention for the Protection of Industrial Property (1883), Madrid Agreement Concerning the International Registration of Marks of 1891 as well as the Protocol Relating to the Madrid Agreement (1989), Nice Agreement (1957) and TRIPS Agreement (1995). By becoming a party to those international treaties, Armenia is committed to certain responsibilities referring to the trademark rights. Besides that, trademark rights in Armenia are regulated by the Civil Code of the RA (hereafter Civil Code of Armenia), by the Law on Trademarks of the Republic of Armenia (hereafter Trademarks Law of Armenia) and by other laws and regulations. Following the adoption of the Civil Code and the Law on Trademarks, several amendments have been enacted in those statutes. However, there are certain omissions and ambiguities in the Armenian legislation. It is essential, that such ambiguities and omissions are clarified.

¹ Constitution of the Republic of Armenia (amended in 2015), cl. 60

STATEMENT OF PROBLEM

WHAT ARE THE GAPS AND ISSUES IN THE ARMENIAN TRADEMARK LEGISLATION?

- 1. Can a physical person not involved in trade or services business sectors register a trademark?**
- 2. Is the list of items being registered as a trademark exhaustive? If no, can a scent (aroma, odor) be considered as a trademark?**
- 3. Can a descriptive mark in certain circumstances be registered as a trademark?**
- 4. Should the famous (well-known) trademark be registered to be protected?**

METHODOLOGY

The method of research in this paper will be by making comparative legal analysis between the legislation of other countries and Armenian legislation relating to the trademark regulations.

JUSTIFICATION/SIGNIFICANCE OF THE PROBLEM

Especially nowadays, the Armenian Government tries to involve and persuade foreign investors to establish and start big business projects in Armenia. Of course, these kinds of investments are carried by respectable and high profile business organizations and companies. Those kinds of companies also would like to operate in a safe legal and business environment and would like their trademark rights to be fully protected in Armenia. This is why we should try to make our trademark laws correspond to the current requirements of the business.

As can be seen from the above-mentioned questions, I would suggest examining several problems. In the following points, I will try to present the main directions that I will focus in this paper.

1) According to Clause 1 of Article 1171 of the Civil Code of Armenia, “*trademark and service mark (hereinafter referred to as “the trademark”) shall be deemed to be the sign used to distinguish the goods and/or services of any person from the goods and/or services of another person.*”² According to Article 1478 of the Civil Code of Russia,³ “*the owner of the exclusive right to a trademark may be a legal entity or an individual entrepreneur.*” According to the Lanham Act (the Trademark Act) of the United States:

*“(a) Application for use of trademark, (1) the owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director...”*⁴

As can be seen from the above-mentioned regulations, Russian law allows only legal entities and individual entrepreneurs to apply for trademark registration. In the USA, there is no indication of whether a person who applies for registration is a sole proprietor or not. However, the application for a trademark can be submitted by a user of a trademark that is used in commerce. It means that the user is either a legal entity or a sole proprietor. In Armenia, it is vaguely stipulated that a “person” can apply for registration of a trademark. Thus, presumably, it can be inferred that even a physical person not involved in any business activity may also register a trademark. This approach is ambiguous. How can a physical person apply for trademark registration for certain goods or certain services, when he or she is not using them in commerce? It is useless to have a trademark and not use it in trade, as trademarks gain their values only when they are used in commerce and by that they indicate the uniqueness and the quality of certain goods and services.

2) Some authors (such as V. A. Dmitriyev) claim that there is no single exhaustive list of trademarks.⁵ As any mark, that is distinct from other trademarks can be considered as a trademark. Thus, the list provided in the Armenian legislation is not complete either. Thus, for example, a distinct scent or a unique shade of color can be considered as trademarks.

² Civil Code of the RA, clause 1 of Article 1171

³ <http://stgkrf.ru/1478>

⁴ 15 U.S.C. §1051 (l) (a) (1) (Supp. In 2016), <https://www.bitlaw.com/source/15usc/1051.html>

⁵ <http://lawbook.online/hozyaystvennoe-pravo-rossii-kniga/paragraf-pravo-tovarnyy-znak-znak-14466.html>

3) Like in Armenian legislation, in US legislation, descriptive trademarks cannot be registered. As concluded by the US Court in *Park'N Fly. v. Dollar Park & Fly Inc*, a descriptive term is ineligible for trademark protection unless it acquires secondary meaning.⁶ In *Coca-Cola Co. v. Seven-Up Co*, it is stipulated that secondary meaning is acquired rather than inherent and is developed in the marketplace through use that makes the mark distinctive of the owner's goods or services.⁷ Under the Lanham Act, it is not a requirement that a mark should be distinctive as well as descriptive. The only requirement is that a mark is primarily distinctive rather than primarily descriptive.⁸ As we can observe trademark owners have a better opportunity to register their trademark in the US because after the passage of some time and use of the mark during that time a descriptive trademark can gain secondary meaning and give distinctiveness to the products or services, for which it is used.

4) According to Clause 2 and 3 of Article 29 of the Trademarks Law of Armenia, “*a trademark may be recognized as a famous (well-known) trademark in the Republic of Armenia and receive legal protection irrespective of being registered. The trademark is recognized as a famous (well-known) in the Republic of Armenia by the Board of Appeal.*” As it could be implied from the regulation mentioned above, famous trademarks do not need registration however they should be recognized as being such by the Board of Appeal⁹. Consequently, it means that famous trademarks do not get protection by default. This kind of approach can lead to a situation where major investor companies with well-known brands may encounter issues in Armenia. Something similar happened to the world-famous ‘Dole’ company which was not able to use its trademark because someone else had already registered the ‘Dole’ trademark in Armenia.¹⁰ Therefore, it will be useful to examine the approach of other countries regarding this situation.

Those were the main problems concerning the trademark laws that I would like to cover in my Master Paper. The examination of the Problems outlined above will help to amend our legislation and make it more flexible for future trademark registrations.

⁶ *Park'N Fly. V. Dollar Park & Fly Inc*, 469 U.S. 189 (1985).

⁷ *Coca-Cola Co. v. Seven-Up Co*, 497 F.2d 1351 (C.C.P.A. 1974).

⁸ Arthur R. Miller, Michael H. Davis, *Intellectual Property: Patents, Trademark and Copyright in a Nutshell* § 12.4 p 166 (2nd ed. 1990)

⁹ Board of Appeal – a council established within the Intellectual Property Agency of the RA, which has jurisdiction over disputes related to the legal protection of trademarks.

¹⁰ ԵԿԴ/2221/02/10 («Դոուլ Ֆոլդ Քամփլընի ինք. Ընկերություն» ընդդեմ «Պաստիչերիա Քեյք ՍՊԸ»)

CHAPTER 1

Can a physical person not involved in trade or services business sectors register a trademark?

A certain mark becomes a trademark when it is registered according to the applicable law. The protection of the trademark rights is applicable [in Armenia] only for the goods and services for which the trademark has been registered.¹¹

According to Clause 1 of Article 1171 of the Civil Code of Armenia, “[*the trademark*] shall be deemed to be the sign used to distinguish the goods and/or services of any person from the goods and/or services of another person.”¹² As it can be seen from the above mentioned, Armenian legislation stipulates that any person regardless of the fact whether they are engaged in business activities or not may register a trademark. However, this cannot be considered a proper rule, because people use trademarks for the distinction of their goods and services in business. Thus, if a natural person is not a sole proprietor (individual entrepreneur) then why does he or she even want to register any trademark that will not be used for business? This can lead to abuses by non-businessmen, who, for example, can register trademarks and do not use it for a business purpose thus preventing another person properly engaged in business from adopting a similar trademark. Sure, one may say that if the natural person registers a trademark and does not use it afterwards (for example eventually he/she drops the plans of establishing a business) other proprietors and companies may file a claim of non-use after five years. However, this general approach will cost time and money to other business parties for gaining rights to a trademark which is not used by natural persons who do not even have their business enterprise. This kind of regulation slows down the business process in Armenia.

A review of the legislation of other countries reveals that there are better regulations in different developed countries with advanced business environments that have different and more rational regulations.

¹¹ Բարսեղյան Տ. Կ., Հովհաննիսյան Ա.Ա., Մտավոր սեփականության իրավունք. ուսումնական ձեռնարկ, էջ 271 (2012), (Barseghyan T. K., Hovhannisyan A. A., Intellectual Property Law: page (hereafter p) 271 (2012)

¹²

According to Article 1478 of the Civil Code of Russia, *“the owner of the exclusive right to a trademark may be a legal entity or an individual entrepreneur.”*¹³ The aforementioned article refers to two groups of persons who may be the owners of the exclusive right to a trademark. They are legal entities and individual entrepreneurs [sole proprietors]. A person who does not have the status of an individual entrepreneur for whom the only mean of “individual identification” is his civil name cannot have a right to a trademark (Article 19 of the Civil Code of the Russian Federation). In the event of termination of the entrepreneurial activity of an individual entrepreneur, the exclusive right to a trademark terminates (Article 1514 of Subparagraph 4 of Paragraph 1 of the Civil Code of Russia).¹⁴

The Moscow Arbitration Court delivered a court decision concerning the same issue. In that case, according to the decision of the Chamber for Patent Disputes, the registration of a trademark was invalidated by an objection filed by the person concerned. The decision of the Chamber is due to the fact that on the date of registration of the trademark (November 28, 2003), the applicant - individual H., was not an individual entrepreneur registered in an established manner and, therefore, could not be the owner of the exclusive right to the trademark. Disagreeing with the decision of the Chamber, H. appealed to the Moscow Arbitration Court. The Court of the First Instance found that he was registered on 08/04/1997 based on an application and certificate of state registration of an entrepreneur dated 07/14/1997 N 000. Based on an application, on 24.06.2002 he was deregistered as individual entrepreneur. In the case at issue, the latter certificate was not submitted by the entrepreneur. The new registration of the entrepreneur was carried out on April 16, 2004, in accordance with the Federal Law "On State Registration of Legal Entities and Individual Entrepreneurs" based on the documents submitted by him. The court of first instance concluded that on the day of registration of the trademark - November 28, 2003, he did not carry out an entrepreneurial activity, since he was not registered as an entrepreneur from June 25, 2002, to April 16, 2004. Thus, at the time of applying for registration of a trademark, the applicant had the status of an entrepreneur, however, at the time of issuing a certificate for a trademark, this status was lost. In such circumstances, the Moscow Arbitration Court confirmed the decision of the Chamber of Patent Disputes, which had held that the trademark registration to be invalid, as justified and lawful. The Courts of Appeal and

¹³ <http://stgkrf.ru/1478>

¹⁴ <http://gkodeksrf.ru/ch-4/rzd-7/gl-76/prg-2/podprg-1/st-1478-gk-rf>

Cassation decisions upheld the decision of the court.¹⁵ Thus, Russian law and legal practice provide that only legal entities and sole proprietors may seek trademark registration.

In the United States, the Lanham Act (*Pub.L. 79–489, 60 Stat. 427, enacted on July 5, 1946, codified at 15 U.S.C. § 1051 et seq. (15 U.S.C. ch. 22)*) is the primary federal trademark statute of law in the United States. According to the Lanham Act:

*“(a) Application for use of trademark, (1) The owner of a trademark used in commerce may request registration of its trademark on the principal register hereby established by paying the prescribed fee and filing in the Patent and Trademark Office an application and a verified statement, in such form as may be prescribed by the Director, and such number of specimens or facsimiles of the mark as used as may be required by the Director.”*¹⁶ Thus, the application can be based on either actual use or intent to use. As it can be seen, there is no indication here whether a person who applies for registration is a legal entity or a sole proprietor. However, the application for the trademark registration mainly can be submitted by a user of a trademark that is used in commerce. It means that the user could be either a legal entity or a sole proprietor.

US legislation requires “commercial use”. Yet, not all legal entities are engaged in commerce. There might be problems with non-commercial organizations such as charitable organizations, NGOs, foundations. It will not be fair to deprive non-commercial organizations of using marks which may help to distinguish their organizations. As, in Armenia, non-commercial organizations may be engaged in commercial activities for their charter purposes. Therefore, it will be more logical to give them the right to use registered trademarks, in comparison to natural persons who may register it and not use it for years, because non-commercial organizations may engage in commercial activities and use marks to distinguish their products and services.

According to Article 3 of DIRECTIVE (EU) 2015/2436 “*to approximate the laws of the Member States relating to trademarks; a trademark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colors, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of; a) distinguishing the goods or services of one undertaking from those of other undertakings; and (b) being represented on the register in a manner which enables the competent authorities and the public to determine*

¹⁵ <http://gkodeksrf.ru/ch-4/rzd-7/gl-76/prg-2/podprg-1/st-1478-gk-rf>

¹⁶ 15 U.S.C. §1051 (l) (a) (1) (Supp. In 2016), <https://www.bitlaw.com/source/15usc/1051.html>

*the clear and precise subject matter of the protection afforded to its proprietor.*¹⁷ Again here it is mentioned that protection is given to the proprietor.

According to Point a) of Part 1 of Article of (1) of the UK Trademarks Act; *“trademark” means any sign which is capable- (a) of being represented in the register in a manner which enables the registrar and other competent authorities and the public to determine the clear and precise subject matter of the protection afforded to the proprietor and (b) of distinguishing goods or services of one undertaking from those of other undertakings.*¹⁸ Again it can be seen that the protection of the trademarks is attributed to the proprietor; i.e. a person, whether natural or legal, that is engaged in business.

According to the German legislation, there are prerequisites for the protection of trademarks by means of registration. According to Section 7 (Proprietorship) Chapter 2 of the Act on the Protection of Trademarks and other Signs (Trademark Act), *“proprietors of trademarks that have been filed or registered may be the following: natural persons, legal persons (legal entities), or partnerships in so far as they are equipped with the capacity to acquire rights and enter into liabilities.”*¹⁹ As it can be seen, the Trademark Act requires all of the persons mentioned above to be proprietors. Of course, it is correct to do so for natural persons, however, it is debatable to put that requirement for legal entities. This issue has been discussed above when dealing with US legislation and I concluded that this approach may cause inconveniences with Non-commercial organizations. Nonetheless, it is remarkable that Germany brings even stricter prerequisites for registering trademarks.

The same regulation is present in neighboring Georgia, concerning the legal status of the applicant who wants to register a trademark According to Article 1102 of Section Two of the Civil Code of Georgia, *“[the] exclusive rights in a trademark shall be protected according to the*

¹⁷DIRECTIVE (EU) 2015/2436, Article 3,
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32015L2436>

¹⁸ The UK Trademarks Act, Point a) of Part 1 of Article of (1),
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742949/Trade-Mark-Act-1994.pdf

¹⁹ The Act on the Protection of Trademarks and other Signs (Trademark Act), Section 7,
http://www.gesetze-im-internet.de/englisch_markeng/

relevant law, by registering the trademark. The right to obtain a trademark certificate shall belong to the entrepreneur.”²⁰

According to the first part of Section 4 of the Norwegian Trademark Act, *“a trademark right has the effect that no one, without the consent of the proprietor of the trademark right, may use in an industrial or commercial undertaking.”²¹* According to Article 10 of the Swedish Trademarks Act, *“exclusive rights in a trade symbol pursuant to Articles 6–8 imply that unless having the proprietor’s consent no one but the proprietor is entitled to use in the course of trade a symbol which is 1. Identical with the trade symbol, for identical goods or services, 2. identical with or similar to the trade symbol, for identical or similar goods or services, if there exists a likelihood of confusion, including the likelihood of association between the user of the symbol and the proprietor of the trade symbol, or 3. identical with or similar to a trade symbol which in this country is known by a significant part of the relevant public, if the use concerns goods or services and takes unfair advantage of or without due cause is detrimental to the distinctive character or the repute of the trade symbol.”²²* It can, therefore, be concluded that, in the Scandinavian countries of Norway and Sweden protection of trademarks are given to the business (proprietors).

As it can be seen from the above-mentioned regulations under the laws of the countries discussed above, only legal entities (in some countries engaged in commercial activities and in some others not only them but also NGOs) and sole proprietors (individual entrepreneurs) are able to apply for trademark registration. In the USA, there is no specific reference whether a person who applies for registration is a sole proprietor or not. However, the application for a trademark can be submitted by a user of a trademark that is used in commerce. It means that the user is either a legal entity or a sole proprietor. In many other European countries including our neighbor Georgia only proprietors may register trademarks. In Armenia, it is vaguely stipulated that a “person” can apply for registration of a trademark. As it can be seen, this approach is ambiguous and needs to be changed.

²⁰ The Civil Code of Georgia, Section Two, Article 1102, <https://matsne.gov.ge/ru/document/download/31702/75/en/pdf>

²¹ The Norwegian Trademark Act, Section 4, Part 1, <https://www.patentstyret.no/en/norwegian-trademarks-act>

²² The Swedish Trademarks Act Article 10, <https://wipolex.wipo.int/en/text/290530>

CHAPTER 2

Is the list of items being registered as a trademark exhaustive? If no, can a scent (aroma, odor) be considered as a trademark?

Pursuant to Article 8 of the Trademarks Law of Armenia, *“a trademark shall be granted legal protection: based on state registration thereof as prescribed by law.”* According to the Law on Trademarks of the Republic of Armenia, a mark can be registered as a trademark *“if it can be graphically depicted, in particular; 1) words, word combinations, names or slogans, 2) letters or numbers, 3) pictures, images (depictions), logos, 4) 3D images, in particular the presence of the product or its packaging, 5) holograms, colors, combinations or configurations of colors, 6) sounds, 7) any combination of the marks listed in the points 1-6 of this Clause.”*

As it can be seen from the above, the list of registrable marks as a trademark is stipulated by the law. However, is it exhaustive? It is a widely shared opinion that lawmakers shall try to oversee any situation and regulate it by regulatory. To find out what kind of regulations we are missing in the Armenian legislation we should examine the regulations of other countries.

Article 1482 of the Civil Code of the Russian Federation, stipulates that *“1) lexical, visual, 3D and other designations and the combination thereof can be registered as trademarks, 2) trademark may be registered in any color or color combination.”* One Russian author (V. A. Dmitriyev et al) (publication-Legal Individualization Means of Legal Entities and their Commercial Activity, Yekaterinburg, 2003)) points out that the list stipulated by the legislative body cannot be considered exhaustive. Therefore, he, as an example, suggests adding individual scents and sounds to the list stipulated by the Russian legislation (the sound signals, which author proposes to include in the Russian Law has already been included in Armenian legislation). From the facts described above, it seems that Russian law has more gaps than the Armenian law, concerning the list of registrable trademarks. Also, the same Russian authors find that gaps should be filled by widening the list of objects that can be registered as trademarks.²³

In the US over the past few years, there has been a growing trend of companies seeking federal trademark registration of unique scents that aim to embody and reinforce their branding. This includes Verizon, who successfully trademarked a “flowery musk” scent for use in their

²³ <https://lawbook.online/hozyaystvennoe-pravo-rossii-kniga/paragraf-pravo-tovarniy-znak-znak-14466.html>

retail stores.²⁴ Another example is; Hasbro, Inc. registered trademark for the scent of its iconic Play-Doh.²⁵ “Play-Doh” demonstrates again that it is generally possible in the US to protect a scent as a trademark. But this requires that individuals or companies prove that consumers associate a scent with a particular product or thing.²⁶ According to the Lanham Act (Trademark Act of USA); no trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature. The examination of the regulation in the United States shows that anything that makes goods of proprietors to be distinguishable can be registered as a trademark. Of course, adopting this kind of regulation would require preparing fertile soil for the specialized bodies of registrations and courts to decide what can be registered as a trademark and what cannot.

Below, I will present and discuss an interesting US court case concerning the registration of scents (odor).

Applicant Celia Clarke has a company called OSEWEZ, The Applicant has appealed from the rejection of the Trademark Examining Attorney to register applicant's claimed mark for "sewing thread and embroidery yarn." The Applicant has described that “*her mark is a high impact, fresh, floral fragrance reminiscent of Plumeria blossoms.*” The Examining Attorney²⁷ has rejected registration because the mark claimed by the Applicant mark does not function as a trademark as it does not identify or distinguish applicant's goods from those of others. In support of the Applicant’s attempt to register this fragrance mark, counsel for applicant submitted a declaration that [supposedly] no other company has ever presented any scented embroidery yarn or thread; besides that the Applicant has placed advertisements emphasizing the fact that her company is the source of sweet-scented embroidery products, known in the trade as Russian embroidery or punch embroidery; and that owing to the success of her products, Applicant is now a major source of yarn and thread and supplies dealers and distributors throughout the United States. The Applicant also states that her company has received many favorable and positive reactions to her unique product and that, to the best of her knowledge, customers, dealers, and distributors throughout the embroidery field identify applicant as the source of

²⁴ <https://www.orldaw.com/intellectual-property/2018/04/13/yes-can-trademark-smells-not-easy/>

²⁵ <https://www.thecandlelab.com/blogs/news/can-a-scent-be-trademarked>

²⁶ <https://legal-patent.com/trademark-law/scent-trademark-us-and-eu/>

²⁷ **Examining attorney** is a U.S. Patent and Trademark Office's (USPTO) employee who **examines** an application for registration of a federally registered trademark.

scented embroidery yarn and thread. The Applicant pointed out that, “*people distinguish these floral scents from one another, just as they can distinguish the color pink from other warm colors such as red, orange, and yellow.*”²⁸

The court, eventually, held that the applicant has proved that its scented fragrance does function as a trademark for the Applicant’s thread and embroidery yarn. The court found that “*there is no reason why a fragrance is not capable of serving as a trademark to identify and distinguish a certain type of product.*” It was clear that the Applicant was the only person who has promoted yarns and threads with a fragrance. Thus, the fragrance is not an inherent attribute or natural characteristic of the applicant's goods but is rather a feature supplied by the applicant. Moreover, the Applicant had highlighted that characteristic of her goods in advertising, promoting the scented feature of her goods. The Applicant had demonstrated that customers, dealers and distributors of her scented yarns and threads recognize the Applicant as the source of these goods. The court, did not believe that the failure of the applicant to indicate in her promotional materials the specific scent or fragrance of her yarn (admittedly difficult to describe except in the manner that the applicant has done so) is significant. In her advertisements and at craft fairs, the Applicant had promoted her products as having a scented nature.” The court believed that the Applicant has proved a prima facie case of the distinctiveness of her fragrance mark.²⁹

In comparison, in *In re Star Pharmaceuticals, Inc.*, 225 USPQ 209 (TTAB 1985), the applicant failed to prove that the features (colors) pursued to be registered had been promoted as a source indicator.³⁰

According to the Article 3 of the DIRECTIVE (EU) 2015/2436, “*to approximate the laws of the Member States relating to Trademarks; A Trademark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colors, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of; a) distinguishing the goods or services of one undertaking from those of other undertakings; and*

²⁸ David Lange, Gary Myers, Mary LaFrance, *Intellectual Property: Cases and Materials*, pages (hereafter ps) 130-132 (2nd ed. 2003)

²⁹ *In Re Clarke v. US Patent and Trademark Office, Trademark Tial and Appeal Board*, 17 U.S.P.Q.2d 1238

³⁰ *In Re Clarke v. US Patent and Trademark Office, Trademark Tial and Appeal Board*, 17 U.S.P.Q.2d 1238.

(b) being represented on the register in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.”

Unfortunately, the European regulations seem to remain silent concerning olfactory trademarks. Nevertheless, the above discussed cases present valuable suggestions considering the new legal environment proposed by Directive 2015/2436. Some notable European cases are presented in the following part.

“Vennootschap Onder Firma Senta Aromatic Marketing” successfully registered a scent trademark for tennis balls that smelled of “fresh-cut grass,” due to the decision stated by OHIM³¹ Second Board of Appeal. In this case, the Board noted not only that the written description gave a clear and unambiguous idea of what the mark represents when used in connection with tennis balls, but also stated that the description complies with the graphical representation requirements. Considering the above cases, the graphic representation requirement played an essential role in the judgments. Therefore, the jurisprudence is expected to change due to the new and looser representability concept. Step by step, scent trademarks have higher chances of transitioning from non-conventional trademarks to a more conventional trademark status.”³²

The elimination of the graphic representability requirement by the Directive 2015/2436 is a significant step toward the development of IP rights according to the challenges and necessities of the existing business environment. It will become easier to register sounds, fragrances and signs in motion. Though legally possible, this will be a considerable challenge for the scientists who would develop new representation technologies..... The speed of implementation of this type of technology will set the pace for the registration process and publication of scent trademark applications. A scent trademark will then become similar to a word or logo trademark. The new concept will also pose a challenge for the National Trademark Offices (applying the new representation concept in practice) and for the European Court of Justice (interpreting the European regulations). Regarding European trademark applications, the new representation concept is already applicable, being stated for the first time by the EU Regulation 2015/2424

³¹ Office for Harmonization in the Internal Market of the EU IPO

³²

<https://blog.dennemeyer.com/the-scent-of-a-trademark-removal-of-graphic-representability-requirement-for-trade-marks>

(which entered into force on October 1, 2017) and being maintained by the current act – EU Regulation 2017/1001. Pursuant to national applications, this legal modification can be regarded important because it is an innovation for all the EU member states as all the national trademark laws enacted before Directive 2015/2436 required a sign to be represented graphically.³³

According to Clause (1) of Article of (1) of the UK Trademarks Act “*“trademark” means any sign which is capable- (a) of being represented in the register in a manner which enables the registrar and other competent authorities and the public to determine the clear and precise subject matter of the protection afforded to the proprietor and (b) of distinguishing goods or services of one undertaking from those of other undertakings. A trademark may, in particular, consist of words (including personal names), designs, letters, numerals, colors, sounds or the shape of goods or their packaging.*”

The UK has two registered smell trademarks, both successfully applied for in 1994: “a floral fragrance/scent reminiscent of roses as applied to tires”³⁴ and dart feathers that smell like bitter beer.³⁵

According to Clause 1 of Article 1 of the Swiss Federal Act on the Protection of Trademarks and Indications of Source; “*a trademark is a sign capable of distinguishing the goods or services of one undertaking from those of other undertakings.*”³⁶ Swiss law emphasizes that the sign should be distinctive. Therefore if the distinctive criteria are met the scent may also become a trademark.

According to the Trademarks Act 1995 (Australia) Part 3 (17), “*a trademark is a sign used or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person. According to Part 2, (6) (Interpretations) of the same Act sign includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand,*

³³

<https://blog.dennemeyer.com/the-scent-of-a-trademark-removal-of-graphic-representability-requirement-for-trade-marks>

³⁴ (Reg. No. 2001416),<https://www.inta.org/INTABulletin/Pages/TheStatusofScentsasTrademarksAnInternationalPerspective.aspx>

³⁵ <https://trademarks.ipo.gov.uk/ipo-tmcase/page/Results/1/UK00002000234?legacySearch=False>

³⁶ The Swiss Federal Act on the Protection of Trademarks and Indications of Source, Article 1, Clause 1, <https://www.admin.ch/opc/en/classified-compilation/19920213/index.html>

heading, label, ticket, aspect of packaging, shape, colour, sound or scent.”³⁷ As it can be seen from the rule written above, Australian legislation stipulates that scent is also considered a sign.

Consequently, it can be inferred from the written above that many states allow the registration of scents, or very liberally provide that if the marks have enough distinctiveness and if the scent is not the attribute of the product then it can be registered as a trademark.

In conclusion, it means that proprietors in those countries have more rights concerning trademark registrations than in Armenia. Armenia needs to amend the situation and to meet the needs of 21st-century-businessmen. Considering scents as trademark will have positive impacts on Armenia’s business environment attractiveness and innovativeness.

³⁷ The Trademarks Act 1995 (Australia), Part 3 (17), <https://www.legislation.gov.au/Details/C2019C00085>

CHAPTER 3

Can a descriptive mark in certain circumstances be registered as a trademark?

Clause 1 of Article 13 of the Trademarks Law of Armenia, provides that, “*exclusive rights of the owner do not apply to the elements of trademark that cannot be registered as a separate trademark, particularly on descriptive elements, providing fair use of those, in a way that does not infringe the exclusive right of the owner and third persons*”. Undoubtedly, there is no disagreement that in most cases descriptive marks cannot be registered as trademarks, because they are describing the features of the product or the service and if there is a registration of such mark usage of the descriptive word will deprive other businessmen to use that descriptive word for the description of their product. This kind of prohibition is common in many countries of the world. However, there are certain regulations that are handling the issue in a much more flexible way for both the owner of the trademark and third persons.

In the United States, there are several relevant judicial cases concerning descriptive trademarks, that I will discuss below. Marks are considered inherently distinctive when a trademark is directly capable of identifying a unique product source. Furthermore, for the analytical completeness, they are subdivided into arbitrary, fanciful and suggestive marks. Other trademarks that are supposed to be not inherently distinctive-the Lanham Act requires secondary meaning which is a evidence of an additional element to protect trademark rights. The most relevant type of word or symbol requiring evidence of secondary meaning is the descriptive trademark. A descriptive mark is defined as “[a] word, picture, or other symbols that directly describes something about the goods or services in connection with which it is used as a mark.” Examples include; “*Tender Vittels*” for cat food, “*Arthricare*” for arthritis treatment, and “*Investacorp*” for financial services.³⁸

In addition to descriptive marks, some other classes of marks require secondary meaning to gain legal protection. Examples include geographic marks such as “Nantucket” soft drinks, or personal name marks, such as “O’Malley’s beer”. Secondary meaning is present when buyers associate a product with a single source. Thus when consumers identify the Tender Vittles brand of cat food-when they assume so labeled can to be of that brand-that descriptive term is functioning as a trademark. Thus, “Tender Vittels” preserves its primary meaning as a product

³⁸ Mark A. Lemley, Peter S. Menell, Robert P. Merges, Intellectual Property in the New Technological Age: 2003 Case and Statutory Supplement p 546 (2003)

descriptor. However, evidence that it has developed a secondary meaning as source identifier promotes it to trademark status. It is essential to know the nature of the secondary meaning. It does not mean that buyers must know the character of the source, only that the product or service originates from a single source. Thus, the phrase “single source” can be understood to mean “single though anonymous source”. *A.J. Canfield Co. v. Honickman*, 808 F.2d 291 (3d Cir. 1986). The next case is an example of the application of these and related concepts.³⁹

Lanham Act § 2(e)(1), 15 U.S.C. § 1052(e)(1) provides that descriptive terms usually are not protectable as trademarks. However, they can become protectable marks by gaining secondary meaning in the minds of the consuming public. For example "Alo" with reference to products containing gel of the aloe vera plant, in *Aloe Creme Laboratories, Inc. v. Milsan, Inc.*,⁴⁰ , and "Vision Center" in reference to a business offering optical goods and services, in *Vision Center v. Opticks*⁴¹. In *Vision Center*, the court found that “*the distinction has important practical consequences, however; while a descriptive term may be elevated to trademark status with proof of secondary meaning, a generic term may never achieve trademark protection*”. On the other hand, a *suggestive* term suggests, rather than defines, certain specific feature of the goods or services to which it applies and requires the consumer “*to exercise the imagination in order to draw a conclusion as to the nature of the goods and services.*” *Soweco v. Shell Oil Co.*⁴². A suggestive mark is protected without the necessity for proof of secondary meaning.”⁴³

Generally, descriptive terms are not protectable as trademarks unless they gain secondary meaning in the minds of the consuming public. Thus, for example, in the company-Zatarain’s case, to be discussed below, Zatarain was required to prove that its mark "Fish-Fri" has acquired a secondary meaning and by that seek trademark protection. The burden of proof falls with the party seeking to gain legal protection for the mark — the plaintiff in an infringement suit.⁴⁴

³⁹ Mark A. Lemley, Peter S. Menell, Robert P. Merges, *Intellectual Property in the New Technological Age: 2003* p 547 Case and Statutory Supplement (2003)

⁴⁰ *Aloe Creme Laboratories, Inc. v. Milsan, Inc.*, 423 F.2d 845 (5th Cir. 1970)

⁴¹ *Vision Center v. Opticks*, 596 F.2d at 117 (5th Cir. 1979)

⁴² *Soweco v. Shell Oil Co.*, 617 F.2d at 1184 (5th Cir. 1980);

⁴³ *Zatarain’s Inc. v. Oak Grove Smokehouse, Inc.*, 698 F.2d 786 (5th Cir. 1983)

⁴⁴ *Vision Centerv. Opticks*, 596 F.2d at 118

In evaluating a claim of secondary meaning, the major inquest is the consumer's attitude toward the mark. The mark must signify to the consumer "*a single thing coming from a single source*".⁴⁵ Factors such as quantity and way of advertising, the volume of sales, and length and method of use may serve as circumstantial signs relevant to the issue of secondary meaning.⁴⁶ While none of these factors alone will demonstrate secondary meaning, in combination they may establish the essential connection in the minds of consumers between a product and its source. It must be remembered, however, that "*the question is not the extent of the promotional efforts, but their effectiveness in altering the meaning of [the term] to the consuming public.*"⁴⁷

In Zatarain's case, Zatarain's since 1950 have uninterruptedly used the term "Fish-Fri" to identify the specific batter mix. This company spent over \$400,000 for advertising from 1976 to 1981. Zatarain's promoted its name and its product to the consumer. Sales of boxes of "Fish-Fri" increased from 37,265 cases in 1969 to 59,439 cases in 1979., Zatarain's sold a total of 916,385 cases of "Fish-Fri from 1964 to 1979. Thus the district court considered all of the mentioned above circumstantial evidence to weigh heavily in Zatarain's favor of gaining secondary meaning. In addition to these crucial facts, Zatarain's presented two surveys conducted by its expert witness. In the first survey, telephone interviewers questioned 100 women in the New Orleans area who fry fish or other seafood three or more times per month. Of the women surveyed, 23 percent specified *Zatarain's* "Fish-Fri" as a product they "would buy at the grocery to use as a coating" or a "product on the market that is especially made for frying fish. The court found that the survey evidence is the most direct and convincing way of establishing secondary meaning.⁴⁸ The district court believed that the survey evidence produced by Zatarain's, when combined with the decisive evidence of advertising and usage, tilted the scales in favor of a finding of secondary meaning. The court held "*Were we considering the question of secondary meaning de novo, we might reach a different conclusion than did the district court, for the issue is close. Mindful, however, that there is evidence in the record to support the finding below, we cannot say that the district court's conclusion was clearly erroneous. Accordingly, the finding of*

⁴⁵ *Coca-Cola Co. v. Koke Co.*, 254 U.S. 143, 146, 41 S.Ct. 113, 114, 65 L.Ed. 189 (1920);

⁴⁶ See, e.g., *Vision Center*, 596 F.2d at 119; *Union Carbide Corp.*, 531 F.2d at 380; *Aloe Creme Laboratories*, 423 F.2d at 849-50

⁴⁷ *Aloe Creme Laboratories*, 423 F.2d at 850.

⁴⁸ *Vision Center v. Opticks*, 596 F.2d at 119; *Aloe Creme Laboratories*, 423 F.2d at 849; 1 J. McCarthy, *supra*, § 15.12(D).

secondary meaning in the New Orleans area for Zatarain's descriptive term "Fish-Fri" must be affirmed."⁴⁹

In the second case, the defendants state that the plaintiff cannot establish a protectable interest in the mark supposedly infringed because the term "Investacorp" falls into the descriptive category of terms with respect to legally protectable interests. This requires the plaintiff to establish a secondary meaning to the term to establish a protectable interest. Plaintiff argues that "Investacorp" is not a descriptive term but an arbitrary or, at least, a suggestive term for which no showing of secondary meaning is necessary. -- *Investacorp, Inc. v. Arabian Investment Banking Corp.*, 722 F. Supp. 719, 722 (S.D. Fla. 1989). The evidence here falls short of demonstrating that the primary significance of the name "Investacorp" in the minds of consumers of financial products and services is not the product, broker-dealer services, but the producer of the product, Investacorp, Inc. See *Security Centers*, 750 F.2d at 1301 (evidence of the sums spent in advertising, of plaintiff's use of the mark for two years before defendant set up shop, and of defendant's alleged imitation or appropriation of the mark insufficient to establish secondary meaning in the absence of a consumer survey). See also *Vision Center*, 596 F.2d at 119 (testimony of seven customers that "Vision Center" meant the plaintiff's business to them, testimony that plaintiff had occasionally received mail addressed to other establishments that had "vision" in their name, evidence that a customer of one of defendant's stores in another city believed the plaintiff and defendant were associated, and recognition of plaintiff's long use of the term insufficient to establish secondary meaning without any consumer survey). Thus as the plaintiff in the Investicorp case failed to encounter its substantial evidentiary burden concerning the secondary meaning, the Court denied plaintiff's motion for partial summary judgment and granted defendants' motion for summary judgment -- *Investacorp, Inc. v. Arabian Investment Banking Corp.*, 722 F.Supp. 719, 725 (S.D. Fla. 1989)⁵⁰

In Miglin case, where the most significant aspect to be considered was the length of Miglin's use of the mark, the court found that- "[a]lthough the court can foresee extraordinary circumstances under which a mark could obtain secondary meaning within a short period, nothing of that scale is evident in that case. ... Miglin failed to establish a genuine issue of

⁴⁹ Zatarain's Inc. v. Oak Grove Smokehouse, Inc., 698 F.2d 786 (5th Cir. 1983)

⁵⁰ *Investacorp, Inc. v. Arabian Investment Banking Corp.*, 722 F. Supp. 719, 725 (S.D. Fla. 1989), <https://www.ravellaw.com/opinions/25b81251489ede1f5af462006fbedbf9>

material fact as to whether its “Pheromone” mark has attained secondary meaning.”⁵¹ Thus, as it can be seen from the above-mentioned cases, in the United States in certain cases descriptive trademarks when achieving secondary meaning can be registered as such.

In Germany, there is another approach to the issue. Pursuant to Section 23 of the German Trademark Law, “*a proprietor of a trademark or of a commercial designation shall not be entitled to prohibit a third party in trade 1. To use the third party’s name or address, 2. To use a sign identical to the trademark or commercial designation or a similar sign as an indication of characteristics or properties of goods or services, in particular their nature, quality, intended purpose, value, geographical origin or time of production or of rendering, or 3. To use the trademark or the commercial designation as an indication of the intended purpose of a good, in particular as an accessory or spare part, or of a service in so far as the use is necessary therefore if use does not contravene accepted principles of morality.*” It means that a person can use descriptive trademarks but cannot restrict third persons’ use of the descriptive element of trademark. In US owner of the descriptive trademark which has achieved secondary meaning cannot restrict the fair use of restrictive trademark, however, he can restrict the unfair use.

Therefore, it would be much more beneficial and just attitude of Armenian legislative and judicial authorities towards the trademark owners, to expand coverage or list of the items which can be registered. As it can be seen especially from the US practice certain descriptive marks can achieve secondary meaning and by that indicate certain goods or services of the trademark owner. Thus, if such change in Armenian legislation is made, the owners of a descriptive trademark may seek protection in Armenia for the marks which have gained secondary meaning because it should become distinctive for the consumers as they would associate that trademark with certain trade company or service provider. Aspects such as quantity and way of advertising, the volume of sales, and length and method of use and the effectiveness of them may serve as circumstantial signs relevant to the issue of secondary meaning. Of course, as a result, the owners of certain descriptive trademarks may not be able to restrict the fair use of the descriptive mark used by other business entities. Thus by adopting this kind of approach towards trademark registration, Armenia may demonstrate itself as more flexible towards business entities’ trademarks.

⁵¹ Marilyn Miglin Model Makeup, Inc. v. Jovan, Inc., 224 U.S.P.Q 178 (Nort, Dist. Cou. Of Illi. 1984)

CHAPTER 4

Should the famous (well-known) trademark be registered in order to be protected?

Article 2 of the Trademarks Law of Armenia, defines: Famous trademark as – “*a trademark which has been widely recognized amongst society in the territory of the Republic of Armenia for the goods and / or services to which the trademark has been applied, as of the date of its application for recognition or earlier.*” According to Clause 2 and 3 of Article 29 of the same law, “*a trademark may be recognized as a famous (well-known) trademark in the Republic of Armenia and receive legal protection irrespective of being registered. The trademark is recognized as famous (well-known) in the Republic of Armenia by the Board of Appeal.*” As it could be implied from the regulation mentioned above, famous trademarks do not need registration however they should be recognized as being such by the Board of Appeal. Hence, it means that famous trademarks do not get protection by default. This kind of situation can lead to a situation where major investor companies with well-known brands may encounter issues in Armenia. Something similar happened to the world-famous ‘Dole’ company which was not able to use its trademark because someone else had already registered the ‘Dole’ trademark in Armenia.⁵² Therefore, it will be useful to examine the approach of other countries regarding this situation.

Armenia is also a party to the Paris Convention according to which “*The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of the Convention and used for identical or similar goods.....2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested. (3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.*”

⁵² ԵԿԴ/2221/02/10 («Դոուլ Ֆոլդ Քամպիլնի ինք. Ընկերություն» ընդդեմ «Պաստիչերիա Քեյք ՍՊԸ»)

§ 43 (15 U.S.C. § 1125) of the Lanham Act of the United States stipulates that “1) the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner's mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury. 2) “A mark is famous if it is widely recognized by the general consuming public as a designation of source of the goods or services of the mark's owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following: (i) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties. (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark. (iii) The extent of actual recognition of the mark... (1), ‘dilution by blurring’ is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following: (i) the degree of similarity between the mark or trade name and the famous mark. (ii) The degree of inherent or acquired distinctiveness of the famous mark. (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark. (iv) The degree of recognition of the famous mark. (v) Whether the user of the mark or trade name intended to create an association with the famous mark. (vi) Any actual association between the mark or trade name and the famous mark... --The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection: (A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with-- (i) advertising or promotion that permits consumers to compare goods or services; or (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner. (B) All forms of news reporting and news commentary. (C) Any noncommercial use of a mark.”

Accordingly, in the US, a famous mark does not need registration. The court is the body which considers on a case by case basis what can be classified as famous trademark using the qualifications mentioned in the law.

Section 10 of the German Trademark Act, provides that *“trademark shall be excluded from registration if it is identical with or similar to a trademark with older seniority that is well known in Germany within the meaning of Article 6bis of the Paris Convention and if the further prerequisites of section 9 (1) no. 1, 2 or 3 are met.”* There is a similar regulation in the UK- according to Clause 2 of Article 56 of UK Trademark Act- *“the proprietor of a trademark which is entitled to protection under the Paris Convention or the WTO agreement as a well-known trademark is entitled to restrain by injunction the use in the United Kingdom of a trademark which, or the essential part of which, is identical or similar to his mark, in relation to identical or similar goods or services, where the use is likely to cause confusion.”*

Well-known trademarks in Georgia are protected without registration, in accordance with Article 6bis of the Paris Convention. A trademark is recognized as well-known by the Chamber of Appeals of the “Sakpatenti” or by a court within the scope of its authority, upon the request of persons concerned.⁵³ In comparison with Armenia, the courts also may determine whether the trademark is well-known or not.

According to Section 3 of the Norwegian Trademark Act, *“a trademark right is acquired without registration when the trademark is established by use. A trademark is considered to be established by use when and for as long as it is well known in the circle of trade in Norway for the relevant goods and services as someone’s sign. If such use is established only in part of Norway, the exclusive right has effect only in this territory.”*

Clause 4 of Article 120 of the Australian Trademark Act stipulates, that *“in deciding, for the purposes of paragraph (3) (a), whether a trademark is well known in Australia, one must take account of the extent to which the trademark is known within the relevant sector of the public, whether as a result of the promotion of the trademark or for any other reason.”*

Therefore, to avoid the situation where the major investor companies may face a situation where another company or a natural person in Armenia has already registered the trademark of a

⁵³ Clause 4 Of Article 3, Law Of Georgia On Trademarks

foreign famous company, it will be better to amend the law in a way that in certain concrete cases the courts alongside with the Board of Appeals, establish and recognize whether or not a trademark can be classified as well-known.

Conclusion

1. According to the laws of the countries discussed above, mainly legal entities (in some countries engaged in commercial activities in some countries not only them but also NGOs) and sole proprietors (individual entrepreneurs) are able to seek for trademark registration. Many European countries, such as Germany, UK, Sweden, Norway, Russia also neighboring Georgia stipulate in their legislations that only proprietors may register trademarks. In the USA, there is no specific reference whether a person who applies for registration is a sole proprietor or not. However, the application for a trademark can be submitted mainly by a user of a trademark that is used in commerce. Still, not all legal entities are engaged in commerce. It will not be fair to deprive non-commercial organizations of using marks which may help to distinguish their organizations. Also in Armenia, non-commercial organizations may be engaged in commercial relations for their charter purpose, therefore it will be more logical to give them the right to use registered trademarks, in comparison to natural persons who may register it and not use it for years.

In Armenia, it is unclearly stipulated that a “person” can apply for registration of a trademark. This is a vague approach. This can lead to exploitations by non-businessmen, who can register trademarks and do not use it for a business purpose thus preventing another person engaged in business from adopting a similar trademark. Indeed, if the natural person registers a trademark and does not use it afterwards (for example eventually he/she drops the plans of establishing a business) other proprietors and companies may file a claim of non-use after the non-use of the trademark for five years. Yet, this ordinary approach will cost time and money to other business entities for seeking rights to a trademark-which is not used by natural persons who do not even have their business enterprise. This kind of regulation slows down the business process in Armenia. However, non-commercial organizations may engage in commercial activities and use marks to distinguish their products and services. That is why I suggest to let all legal entities regardless of whether they are engaged in commercial activity or not to have the

right to register trademarks. Therefore I suggest to amend Clause 1 of Article 1171 of the Civil Code of Armenia, in the following way:

“The trademark and service mark (hereafter trademark) shall be deemed to be the sign used to distinguish the goods and/or services of **legal entities and/or sole proprietors** from the goods and/or services of other **legal entities and/or sole proprietors.**”

2. Some states, such as Australia, allow the registration of scents, other states such as US, UK, and several other European countries via court decisions very liberally provide that if the scent has enough distinctiveness and that the scent is not the attribute of the product, it can be registered as a trademark. Thus the Western countries have already considered scents as trademarks or are in the way of considering them as such. Consequently, it means that the proprietors and future investors in those countries have more privileges regarding trademark registrations than in Armenia. Armenia tries to position itself as a modern, open and advanced country with the smart, high-tech economy. It means that Armenia should, with the help of new technologies and the practice of other countries, regard scents as Trademark. Thus, giving business entities wider rights concerning trademark registration. To change the situation, I suggest to amend Article 8 of the Trademarks Law of Armenia, to read-

“Trademark shall be granted legal protection: based on state registration thereof as prescribed by law. According to the Law on Trademarks of the Republic of Armenia, a mark can be registered as a trademark if it can be graphically depicted, in particular; 1) words, word combinations, names or slogans, 2) letters or numbers, 3) pictures, images (depictions), logos, 4) 3D images, in particular the presence of the product or its packaging, 5) holograms, colors, combinations or configurations of colors, 6) sounds, 7) **scents**, 8) any combination of the marks listed in the points 1-6 of this Clause.”

Intellectual Property Agency of Armenia can ask for the registration of scents, the chemical formula of the scent and the sample of the scent.

3. In the US, certain descriptive marks can achieve secondary meaning and designate certain goods or services of the trademark owner. To become distinctive, consumers should associate a descriptive trademark with certain trade companies or service providers. Aspects such

as quantity and way of advertising, the volume of sales, and length and method of use and the effectiveness of them may serve as circumstantial signs relevant to the issue of secondary meaning. Certainly, the owners of a certain descriptive trademark will not be able to restrict the fair use of the descriptive mark used by other business entities. By adopting this kind of approach towards trademark registration, Armenia may demonstrate itself as more flexible towards business entities. Thus, I would suggest amending Clause 1 of Article 13 of the Trademarks Law of Armenia,-

“Exclusive rights of the owner do not apply to the elements of a trademark that cannot be registered as a separate trademark, **1) particularly on descriptive elements, providing fair use of those, in a way that does not infringe the rights of the exclusive right owner and third persons, 2) the exclusive rights of the owner apply to the descriptive trademarks if it gains secondary meaning, the exclusive right owner of the distinctive trademark cannot restrict the fair use of the descriptive trademark.**”

In addition to that I suggest to amend and add a description of the secondary meaning in the Article 2 of the Trademarks Law of Armenia, to read as follows

“Secondary meaning- descriptive trademark gains secondary meaning by achieving distinctiveness, when the consumers establish a clear link between the product and/or services of the owner. Factors such as quantity and way of advertising, the volume of sales, length and method of use and the effectiveness of them concerning the descriptive trademark use may also be taken into account when deciding whether the descriptive trademark has gained secondary meaning.”

4. In Armenia, as it could be implied from the legislation, famous trademarks do not need registration however they should be recognized as being such by the Board of Appeal of the Intellectual Property Agency of Armenia. Hence, it means that famous trademarks do not get protection by default. This kind of circumstances can lead to a situation where prestigious investor companies with well-known brands may face issues in Armenia. Something comparable happened to world-renowned ‘Dole’ Company which was not able to use its trademark because someone else had already registered the trademark ‘Dole’ in Armenia.

In, the USA, Australia, and other European countries not only the specific agencies recognize the famous trademarks as such but also the courts. This kind of approach is much more flexible as courts in each case will decide whether a Trademark is famous or not and make the Agency cancel the registration of the bad faith user of the well-known trademark. Therefore I suggest to amend Clause 2 and 3 of Article 29 of the Armenian Trademark Law to provide that,-

“A trademark may be recognized as famous (well-known) trademark in the Republic of Armenia and receive legal protection irrespective of being registered. The trademark is recognized as famous (well-known) in the Republic of Armenia by the Board of Appeal, **or by a court within its jurisdiction, upon the request of interested party.**”

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