

Prof. Dinwoodie Kicks-off the 2014-2015 IP Osgoode Speaks Series With a Thought-provoking Talk on the Territoriality of Trademarks

October 1, 2014 by [Jaimie Franks](#)

On Thursday September 18th, IP Osgoode presented the first talk of its *IP Osgoode Speaks Series* for the 2014-2015 academic year. Visiting from the University of Oxford, Professor Graeme B. Dinwoodie challenged a room full of eager listeners with his lecture entitled “Territoriality of Trade Marks in a Post-National Era.” For two hours Professor Dinwoodie captivated the room with his thoughts and expertise, igniting a lively question and answer period near the end of the event. As this *IPilogue* editor’s first time attending and writing on an IP Osgoode guest speaker event, it proved to be both a thought provoking and stimulating experience.

After Professor David Vaver’s light hearted introduction of Professor Dinwoodie’s long list of accomplishments and status as a “force of intellectual property internationally”, Professor Dinwoodie began his talk. He opened his lecture by indicating that his talk was part of a working project on examining the dynamics of IP law in America, and comparing whether the same dynamics existed in European IP law. Professor Dinwoodie proposed that a cardinal principle of IP law is that it is territorial, and it has always been that way even within the international systems since the late 19th century. However, global trade and social changes along with the creation of the online marketplace have called into question the practical relevance of this territoriality principle. There is a growing gap between the global reach of trade and the local nature of IP law, and what should be of interest to us is how we respond to this gap between the social reality and the legal principle of territoriality.

Professor Dinwoodie then put forth the question of whether we should reconfigure the legal principle of territoriality to comport with today’s commercial reality. He noted one approach worth paying attention to: the Community Trade Mark (“CTM”) created by the European Union (“EU”) about twenty years ago. The CTM allows European producers to try and adapt their trademark rights from a national basis to a regional basis, and has been mimicked, whether adopted or considered, around the world – for example, among the Russian commonwealth of independent states, by groupings of African countries – both French-speaking and English-speaking countries, a trans-Tasman mark for Australia and New Zealand, and a group of Portuguese speaking countries considering a ‘Lusófona’ mark. Professor Dinwoodie then said that this evolution in the approach to trademarks suggests that trademarks could be understood to have a connection to culture and language, and not necessarily solely territory as traditionally accepted by IP law. The room then pondered whether cross-country trademarks like the CTM would work here in North America – perhaps something like a “NAFTA” mark?

We were then presented with the three different dimensions to territoriality that would inform the rest of Professor Dinwoodie’s talk. Professor Dinwoodie suggested that territoriality could be understood as: (i) territorial laws (the applicable legal norms), (ii) territorial rights (the acquisition of trademarks and the scope of those rights), and (iii) territorial actions (such as issues regarding jurisdiction and relief). Consequently, Professor Dinwoodie noted that these three different aspects of territoriality each create unique problems for trademark law, with each requiring unique solutions.

To illustrate this argument Professor Dinwoodie began in the realm of American IP law, using cases like *United Drug Co. v Rectanus*, *Dawn Donut Co. v Hart’s Food Stores Inc.* and *Grupo Gigante v Dallo* to demonstrate how the US has created two different conceptions of territoriality with respect to trademarks. Professor Dinwoodie suggested that there is both a political purpose (deriving from registration systems

stemming from the territorial character of political institutions) and an intrinsic purpose (the defining of trademark rights by referencing the geographic reach of a mark's goodwill) of American trademark law.

From there Professor Dinwoodie took us to Europe where we discussed the directive to harmonize legal norms and regulate through unitary rights as attempted by European trademark law. We explored in further detail the nature of the CTM and the importance of distinctiveness in trademark protection. I thought it was very interesting how in Europe a mark must be distinctive on all relevant grounds, in that a similar mark cannot exist anywhere else in Europe. This means that an application for an English mark could be defeated by the existence of a similar mark in Greece. Furthermore, marks in Europe cannot be descriptive – a secondary meaning must be shown in every country where there is a distinctiveness problem. In other words, if there is a problem with a mark in any part of the EU the applicant must be able to resolve the problem in each country where the issue lies (see *Ford Motor Co. v OHIM*). Therefore, although the EU has tried with the CTM to create one trademark region, in reality the needs and challenges of twenty-eight separate territories must be satisfied in order for a trademark application to be successful. Trademark law in the EU is therefore not a total picture, but rather a puzzle – and if one piece is missing the image remains incomplete.

Professor Dinwoodie continued his talk with further discussions of the unitary character of the CTM in Europe, from dilution protection based upon reputation (as applied in *Pago Int'l v Tirolmilch*), to genuine use (see *Leno Merken B. v Hagelkruis Beheer BV*). We then came to the issue of the scope of injunctive relief in regards to a CTM violation. As Professor Dinwoodie explained, if an infringement of a CTM is found an injunction for the infringing act is supposed to be put in place for the whole of the EU. However using French, English, and Dutch cases to demonstrate the different approaches to granting relief I found myself agreeing with Professor Dinwoodie's proposition that the unitary market is a legal fiction in the EU that does not exist in fact. Professor Dinwoodie's analysis demonstrated that the intrinsic territorial nature of a trademark's reputation tends to restrict the political grant of EU-wide relief that is meant to occur.

Two main lessons were given to the room to think about in the final moments of the talk. Firstly, Professor Dinwoodie suggested that the value of remedial flexibility in preserving local markets might grow as political units enlarge. Secondly, he said that the dangers of a gap between the market and trademark law lie in reform that both forces change too quickly and reform that fails to keep up with changes in the market. As such, other approaches to territoriality and trademarks that are connected to the intrinsic territoriality of marks might closer align with our social and commercial reality. Professor Dinwoodie proposed that the EU should consider American systems such as remedial flexibility and the use of disclaimers to avoid the issue of multiple trademark conflicts across the EU's large regional area. Professor Dinwoodie then wrapped up his remarks by saying that while countries consider whether they should mimic the CTM in their own regions they must think about whether territoriality is best configured by a top-down political approach or if there are forces tied to the actual scope of goodwill that allows for a definition of territoriality that is not too far from the reality of the markets.

The lecture finished off with questions from the room – from Professor Vaver's questioning of Professor Dinwoodie's seemingly "cut and dry" comparison between intrinsic territoriality and political territoriality, to a question about the major problems countries may face setting up a model similar to the CTM. The entire experience was both engaging and informative as someone who is not familiar with the international conversations regarding trademark law. Admittedly, I had never considered trademark issues outside the borders of one country but Professor Dinwoodie brought to light many of the issues a global marketplace has created for IP law. As our world continues to expand and connect it is true that the law cannot remain confined within the boundaries of territorial lines – these lines have become more fluid and the law must flow as well.

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