

**World  
Trademark  
Review**

# **Trademark Litigation 2017**

**A Global Guide**

**Finland**

**Krogerus Attorneys Ltd**

*Tuukka Airaksinen and Sarita Schröder*

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## Authors

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### Legislative framework and causes of action

The main piece of national trademark legislation in Finland is the Trademark Act (7/1964, as amended).

Finland is an EU member state. Therefore, the EU Trademark Regulation (207/2009, as amended by Regulation 2015/2424) is directly applicable. In addition, Finland has implemented the relevant EU directives, in particular the 2008 EU Trademark Directive (2008/95/EC).

In August 2016, a working group was appointed to draft a proposal for a new Trademark Act. The new act is intended to implement the 2015 EU Trademark Directive (2015/2436) and the Singapore Treaty.

Under the applicable legislation, a trademark owner may take legal action against:

- the use of an identical mark in relation to identical goods or services;
- the use of an identical or similar mark in relation to identical or similar goods or services, where there exists a likelihood of confusion; and
- the use of an identical or similar mark,

regardless of the similarity of the goods or services, where the earlier mark has a reputation in the relevant territory (ie, Finland or the European Union), and where use of the latter mark without due cause creates an association with the earlier mark and takes unfair advantage of, or is detrimental to, its distinctive character or repute.

In Finland, it is possible to acquire trademark rights through both registration and use. Proprietors of unregistered marks have the same causes of action available to them as proprietors of registered marks.

### Alternative dispute resolution

Although trademark disputes are frequently settled out of court, official forms of alternative dispute resolution are relatively rarely utilised. Rather, the parties generally negotiate a settlement between themselves.

By law, in matters amenable to settlement (eg, trademark infringement matters), the courts must endeavour to persuade the parties to settle. In practice, however, this provision

is of limited importance, as the courts cannot order or otherwise compel the parties to partake in mediation or other forms of alternative dispute resolution.

The general legislation on court mediation is also applicable to trademark disputes. Court mediation is facilitated by a judge who is appointed as the mediator and who, through negotiations with both parties, supports them in their efforts to reach a settlement agreement. In practice, however, court mediation is rarely – if ever – used as a means for the resolution of trademark disputes. It is considered better suited to family law matters and other smaller civil disputes.

The Finnish Patent and Registration Office, which acts as the national trademark authority, does not offer mediation services.

There is nothing in Finnish law to prevent arbitration of trademark disputes. However, it is somewhat unclear how broad an arbitral tribunal's competence would be, particularly regarding possible counterclaims challenging the validity of a trademark. There is no indication that the Finnish Patent and Registration Office would consider an arbitral award declaring a trademark invalid as in any way binding on itself. However, it is possible that an arbitral tribunal could decide on the validity of a trademark with *inter partes* effect.

### Litigation venue and formats

Since September 1 2013 the Market Court has had exclusive jurisdiction in all civil matters in the field of trademark law and other areas of IP law. The Market Court is also the EU trademark court in Finland. In addition, it hears appeals against decisions of the Finnish Patent and Registration Office in registration and opposition proceedings.

The Market Court is a specialised court with a number of judges focused on trademark and other IP matters. Trademark disputes are generally tried before a panel of three judges. There is no possibility for a jury trial in Finland. However, the panel of judges may be supplemented by one or two expert members if the nature of the matter warrants it. These part-time expert members typically have their primary career in academia or business.

Proceedings before the Market Court comprise three main stages: written preparation,

preparatory hearing and main hearing.

The written preparation stage usually includes at least the plaintiff's filing of an application for a summons, as well as the defendant's filing of a response thereto. In addition, the Market Court may ask the parties to submit one or more written statements concerning an issue or issues pertinent to the matter. However, in order to ensure the expedience of the proceedings, the Market Court uses this possibility sparingly. It will nevertheless usually allow at least one round of written statements at the parties' initiative.

Once the Market Court has received all of the necessary written briefs, it invites the parties to a preparatory hearing presided over by one of the three members of the panel of judges. The purpose of this hearing is to ensure that the main hearing can be carried out without interruption.

In particular, the following should be determined at the latest during the preparatory hearing:

- the parties' claims and the grounds on which they are based;
- the issues on which the parties disagree;
- the evidence which the parties intend to present and what each piece of evidence is intended to prove; and
- the witnesses and experts whom the parties intend to hear and on what each witness or expert is intended to testify.

A preparatory hearing is, strictly speaking, not mandatory. However, it is exceptional for the Market Court not to hold such a hearing.

In fact, especially in more complex cases, the Market Court may even organise an unofficial meeting with the parties before the official preparatory hearing. The purpose of such a meeting is to bring the parties together and give them a chance to discuss the details of the case, as well as the overall plan for how the proceedings will be conducted (eg, timing and deadlines, possible need to submit further written statements).

Before closing the preparation stage of the proceedings, the Market Court prepares a written summary of the matter if this is deemed beneficial. Both parties are given the



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opportunity to comment on the summary.

Typically, the Market Court requests that the parties give their comments regarding the summary either in writing before the preparatory hearing or orally during it.

The close of the preparation stage of the proceedings, which typically coincides with the close of the preparatory hearing, serves as the cut-off point for submitting new evidence and appointing new witnesses and experts. After this, new evidence or new witnesses and experts will be deemed as inadmissible (also on appeal), unless it is established as probable that the party could not have submitted the evidence or appointed the witness or expert earlier, or that the party had due cause not to do so.

During the main hearing, the parties have the opportunity to:

- give their opening statements;
- present their evidence;
- comment on the opposing party's evidence;
- hear their witnesses and experts;
- cross-examine the opposing party's witnesses and experts; and
- give their closing statements.

Experts appointed by the Market Court may also be heard, although this is uncommon. Depending on the case, the main hearing may be conducted in a single session or spread out over a number of sessions.

The Market Court normally gives its ruling within about one month of conclusion of the main hearing. On average, trademark dispute proceedings before the Market Court take approximately 11 months from start to finish.

### Damages and remedies

Three main types of remedy are available in trademark infringement cases:

- injunctions – including preliminary and interim injunctions;
- payment of reasonable remuneration for use of the trademark; and
- compensation for damages.

Pursuant to the Finnish Trademark Act, if a party infringes another party's trademark rights, it may be prohibited by court order from continuing or repeating the infringement.

The Code of Judicial Procedure (4/1734, as amended) also provides for the possibility of a preliminary injunction being issued for the duration of the main proceedings or until some other relevant point in time. Moreover, an *ex parte* interim injunction may be issued if the purpose of the precautionary measure would be compromised by allowing the opposing party the opportunity to be heard.

Precautionary measures can be sought at any stage of the proceedings – although they are typically sought prior to or simultaneously with the initiation of the main proceedings.

In practice, the threshold for granting precautionary measures in trademark or other IP infringement proceedings has been extremely high. This is because the Supreme Court has established that when granting a precautionary measure would enable the applicant to enjoy in full during the main proceedings the right that it ultimately seeks to have enforced, it is not sufficient for that party to show that its claim is not clearly

unfounded (as it normally would be). Instead, that party must show that it is more likely than not to hold the right which it claims to have.

This practice pre-dates the enactment of the EU Enforcement Directive (2004/48/EC), but may arguably be contrary to the directive. However, so far the Market Court has – at least in most cases – adhered to it. Only very recently have there been a few instances in which the Market Court appears to have been somewhat more liberal in granting precautionary measures.

Pursuant to the Finnish Trademark Act, a party that wilfully or negligently infringes another party's trademark rights is obliged to pay the aggrieved party reasonable remuneration for use of the trademark, as well as full compensation for damages incurred as a result of the infringement. If the infringing party's negligence has been slight, the court may adjust the amount of damages to be compensated. Alternatively, if the infringing party has not acted negligently at all, the court may order only the payment of reasonable remuneration for use of the trademark.

The calculation of the reasonable remuneration to be paid is usually based on the typical licence fee that would have been payable if use of trademark had been authorised.

In addition to the above-mentioned remedies, the losing party can be (and generally is) ordered to compensate all reasonable legal costs incurred by the winning party as a result of necessary actions taken in relation to the proceedings.

### Evidencing the case

In civil matters, each party must prove those facts and circumstances on which it bases its case. In order to do so, the parties are free to submit any evidence that they wish, as well as comment on any evidence submitted to the court. However, the court may reject evidence that is, among other things, irrelevant or otherwise unnecessary.

Surveys are generally admissible as evidence and the courts typically take them into account in their assessment, provided that the surveys have been conducted impartially and credibly. Surveys should aim

to prove facts and leading questions should not be asked. Questions such as, "With which company (if any) do you associate this mark?" would be considered acceptable; whereas questions such as, "Do you consider mark A to be confusingly similar to mark B?" would not.

Surveys with approximately 1,000 respondents are usually considered as sufficiently comprehensive in cases involving goods or services aimed at the general public. In cases involving goods or services with a more specialised target audience, the acceptable number of respondents may be substantially lower.

There is no process of discovery in Finland. However, at either party's request, the court may order a specific document (whether in printed or electronic form) or object to be brought before the court if the document or object could have evidentiary value in the matter. The party that requests such an order must be able to specify what document or object the order should cover. Such an order can be directed at the opposing party or at a third party that is in possession of the document or object in question.

In addition to witnesses, the parties or the court may appoint experts to testify on empirical rules requiring specialist knowledge, as well as on the application of such rules to the circumstances of the case. These experts must be known to be honest and competent in their field. They must also be impartial. The general rule is that experts give their testimony in writing. However, experts may also be heard in person at the main hearing if the court deems it necessary or if a party requests it and hearing the expert in person would not be apparently meaningless.

The court must thoroughly and objectively consider the probative value of the evidence submitted and of the other facts and circumstances raised during the proceedings. Based on this, the court must determine what has and what has not been proven.

### Available defences

In addition to the argument that the parties' trademarks or goods or services are not similar to such a degree that infringement has taken



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Sarita Schröder specialises in intellectual property, marketing and consumer law, as well as dispute resolution. She also has in-depth knowledge of competition law, as well as significant experience in negotiating and drafting various types of commercial contract. Ms Schröder frequently represents clients in proceedings before courts and supervisory bodies, such as the Finnish Competition and Consumer Authority. In addition to a master of laws degree from the University of Helsinki, she holds a master of science degree in economics and business administration from the Hanken School of Economics in Helsinki. She has previously worked as an in-house legal counsel for a major Finnish telecommunications company.

place, a number of different defences are available. In particular, the defendant may:

- argue that instead of using the plaintiff's trademark, it has merely used its own name or address or a descriptive indication in accordance with honest practices;
- argue that it has used the plaintiff's trademark in accordance with honest practices to indicate the intended purpose of its goods or services (eg, accessories or spare parts);
- argue that the plaintiff has, as a

consequence of acquiescence, lost its right to prohibit use of the later mark; or

- file a counterclaim for revocation of the plaintiff's trademark.

These defences are, for the most part, based on the mandatory provisions of the 2008 Trademark Directive. However, the 2008 Trademark Directive left member states a certain degree of discretion to determine, among other things, the possible grounds for revocation of a trademark.



## So far, the Supreme Court has granted leave to appeal in only one trademark case decided by the Market Court since that court was given exclusive jurisdiction in such matters as of September 1 2013

In Finland, counterclaims for revocation may be based on a wide variety of grounds including non-distinctiveness, non-use, conflicts with earlier registered or unregistered trademarks or other rights (eg, trade names) and bad faith. As a general rule, the Market Court will hear a counterclaim for revocation together with the infringement claim. However, if there are special reasons for doing so, the Market Court may suspend the infringement proceedings until a final ruling has been given in the revocation proceedings.

### Appeals process

The Market Court's rulings can be appealed to the Supreme Court, subject to leave to appeal being granted by the Supreme Court. The petition for leave to appeal, as well as the appeal, must be lodged within 60 days of the Market Court giving its ruling.

Leave to appeal may be granted on three alternative grounds:

- It is important with regard to the application of the law in other similar cases or with regard to the uniformity of case law to bring the matter before the Supreme Court;
- There is a particular reason for it due to a procedural or other error that has been made and that is grounds for the reversal or annulment of the ruling; or
- There is some other weighty reason to grant leave to appeal.

The first reason applies in about 85% of all cases (ie, not just trademark cases) in which leave to appeal is granted.

Petitions for leave to appeal are usually

decided within three to six months. Less than 10% of all petitions are granted. Leave to appeal may also be granted only partially, with regard to a certain part of or issue within the contested ruling.

So far, the Supreme Court has granted leave to appeal in only one trademark case decided by the Market Court since that court was given exclusive jurisdiction in such matters as of September 1 2013.

The Supreme Court has jurisdiction to assess both questions of law and questions of fact. However, it tends to focus on the former.

Proceedings before the Supreme Court are typically conducted in writing. If necessary, though, the Supreme Court may organise an oral hearing where the parties, witnesses or experts can be heard and other oral information can be received.

The Supreme Court's rulings cannot be appealed. It typically takes in excess of 18 months for the Supreme Court to render its final ruling. **WTR**

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