

- the extent to which use of concurrent evidence is likely to assist in clarifying or understanding expert issues and/or save time and costs at the hearing; and
- whether there is any serious issue as to the credibility or independence of any of the proposed experts.

A non-exhaustive set of factors such as these may provide a useful analytical framework for Canada's Federal Court in cases where the court is contemplating invoking concurrent expert evidence procedures. Adoption or endorsement of these or like factors by the court would help dispel any uncertainties which may remain after *Apotex*. Moreover, adopting a clear framework for analysis would allow both litigants and the court to easily determine at an early stage the likelihood that experts will be called upon by the court to give concurrent expert evidence. Such an approach would have benefits for all interested parties. For litigants, the benefits are obvious—a clear framework would allow them to prepare and structure their cases bearing in mind the likelihood of concurrent expert evidence. For experts, knowing in advance that they will be or are likely to be called upon to “hot tub” will aid in preparation and improve the quality of questions and responses elicited by the panel testimony. Finally, adopting a clear analytical framework would also assist the court. Knowing that hot tubbing is a distinct possibility would allow the court to make suitable trial scheduling arrangements in consultation with the parties to accommodate a hot tubbing session, and would also permit the trial judge to turn his or her mind to substantive and procedural preparations for a hot tubbing session in advance of trial.

Conclusion

It is expected that expert panel testimony will become a more frequent feature of intellectual property litigation in Canada. Until the Federal Court provides definitive guidance on when hot tubbing may be employed, practitioners would be advised select and prepare experts under the assumption that they may be required to testify in a panel or participate in pre-trial expert conferences. More than ever, consideration must be given not only to an expert's qualifications, but also to his or her ability to communicate clearly and effectively in unconventional settings. Ideally, an expert will be prepared to respond firmly to direct questioning from a judge and opposing experts, and also be able to formulate and direct questions to opposing experts as required.

The procedure followed by the Federal Court in *Apotex* was also unusual in one final respect worth noting. The trial in *Apotex* before Justice Hughes was divided into two parts—a first evidentiary phase with argument addressing some of the factual and legal issues in dispute, followed by a second phase limited to argument on certain

challenges to the validity of s.8 of the NOC Regulations. Many of the same validity challenges were also before the Federal Court in separate proceedings involving other parties. On the consent of all parties involved, these issues were argued in common before a panel consisting of both Justice Hughes and Justice Judith Snider, the presiding judge in several of the other proceedings. Like Justice Hughes, Justice Snider also upheld the validity of s.8 in separate reasons.¹⁷

In conclusion, the decision in *Apotex* suggests that Canada's Federal Court is now prepared to use its new rules for expert witnesses. Litigants should also be encouraged by the fact that the court appears willing to craft creative procedural solutions to hear and resolve proceedings expeditiously.

Smiley Faced Down: the Finnish Supreme Administrative Court decides that Emoticon cannot be Trade Marked

Pessi Honkasalo
Krogerus, Helsinki

Sanna Kaistinen
Krogerus, Helsinki

☞ Distinctiveness; Finland; Trade marks

This is a comment on the Finnish Supreme Administrative Court judgment in Viestinnän Keskusliitto ry v Mattila which decided that a trade mark consisting of punctuation marks :) should not be registered because of the absence of distinctive character and the need to preserve the right of competitors to use a descriptive sign.

The Finnish Supreme Administrative Court held on August 13, 2012¹ that a smiley emoticon composed of a colon and a round bracket combined together, :), did not fulfil the criteria for trade mark distinctiveness and could not be registered as a trade mark under s.13 of the Finnish Trade Marks Act (7/1964, as amended). The Court stated that emoticons can be regarded as a form of modern pictography and that they constitute a familiar concept in present-day messaging; however, it ruled that they lack distinctiveness for the purposes of trade mark law. The Court concluded that a smiley is universally and indisputably recognised as a symbol conveying a positive mood, and therefore associating a positive emoticon to any product or service corresponds with a verbal accolade

¹⁷ *Sanofi-Aventis Canada Inc v Teva Canada Ltd* 2012 FC 551.

¹ *Viestinnän Keskusliitto ry v Mattila* KHO 2012:64, Unreported August 13, 2012 KHO (Fin).

of the said commodity. Even though a smiley cannot be translated into an unequivocal verbal or written expression as such, it is comparable to certain descriptive and quality-indicating words that are not eligible for trade mark registration—owing to the general need to keep them equally available to all undertakings. The form of expression together with the typical usage environment of emoticons result in a strong demand to keep smiley symbols freely accessible to all users, particularly when a connection to goods and services relating to electronic communication exists.²

Background

The Finnish National Board of Patents and Registration (NBPR) registered the smiley symbol as a Finnish trade mark under No.236083 in classes 9, 35 and 38 on May 31, 2006, based on an application filed in October 2005. The covered classes include, e.g., advertising and communications. Following the registration, the NBPR received several oppositions insisting on the revocation of the decision. The NBPR rejected the oppositions by stating that a smiley was both distinctive and lacked any express need for keeping it unregistered, i.e. freely available for public use. It further justified the registration by saying that the smiley symbol did not indicate the type, quality, purpose of use or any other feature of the goods and services in question, and that it did not carry a definite message, thus being eligible to be registered as a suggestive trade mark. The registration was next appealed to the NBPR Board of Appeal, which considered the criteria for distinctiveness and the need for free accessibility, but left the original NBPR decision unchanged.³

Two of the complainants decided to lodge a further appeal with the Supreme Administrative Court for the revocation of the lower instance decisions and annulment of the registration of the smiley symbol as a trade mark. The complainants justified their appeal to the Supreme Administrative Court by noting that the NBPR Board of Appeal had, erroneously in their opinion, argued for the registration of the smiley in the same manner that is typical when normal figurative representations are concerned. The Board of Appeal had also stated that a smiley forms indeed a figure that is perceived as a trade mark by consumers when it is used like one. It had further declared that the meaning of the symbol is vague and evocative, and even though the symbol “mainly conveys an image of smile, joy and positivity”,⁴ this leaves the message indefinite and thereby weighs in favour of registrability.

It was acknowledged by the Board of Appeal that smiley emoticons are an organic part of written communication and that they are commonly used in emails and text messages. In this particular instance,

however, the Board claimed that the appealing parties had failed to show that the smiley would be used as a general, descriptive expression in association with the goods and services concerned—and in such a manner that there would be a specific need to keep the mark unregistered. Therefore it concluded that no prerequisites for the annulment of the registration pursuant to s.13 of the Finnish Trade Marks Act were met.

Issue

In accordance with s.13(1) of the Trade Marks Act, a trade mark may not be registered if it does not possess a distinctive quality. A registered mark is to function as a sign distinguishing the goods or services of the proprietor from other suppliers otherwise available on the market. Accordingly, the ability to mark out the specific subject-matter is one of the most essential trade mark elements. A so-called descriptive mark that merely describes the type, quality and quantity, purpose of use, price or manufacture of the goods or services in question is by nature not distinctive, unless it is amended or altered in an individual way. Another relevant perspective in trade mark registration is public interest; some symbols, as well as letters and numbers usually in general, may be protected against registration for the sake of keeping them universally available. It also follows from art.3(1)(c) of the Trade Marks Directive⁵ that certain absolute obstacles for trade mark registration establish a need to keep the sign free that is found indispensable.

The Supreme Administrative Court had, therefore, first to assess the descriptiveness and the challenged distinctiveness of the smiley as a trade mark and, secondly, consider whether the symbol constitutes such common sign that cannot be limited via registration for individual use only.

Held

Following the final appeal by the complainants, the Supreme Administrative Court revoked the earlier NBPR and Board of Appeal decisions and restored the matter to the NBPR for the annulment of the registration. The Court held that a smiley is not a distinctive mark and, in addition, it constitutes a general, positive expression that cannot be registered to an individual proprietor.

The Court began by noting that under s.1(2) of the Trade Marks Act, any mark that can be presented graphically and can function as distinguishing goods issued in commercial activity can be registered as a trade mark; this is the fundamental premise of trade mark law. Pursuant to s.13 of the Act, the mark has to be “capable of distinguishing” its proprietor’s products or services from other similar commodities on the market. Therefore the relevant question was whether a smiley is apt to

² See also the Finnish Supreme Court decision of August 13, 2012, File T 2132 concerning a similar ruling on a smiley emoticon composed of a colon, a hyphen and a round bracket combined together to form a smiley with a “nose” :-).

³ Finnish NBPR Board of Appeal decision of December 4, 2009, Registration No.2007/T/049.

⁴ *Yiestinnan Keskusliitto v Mattila* KHO 2012:64, Supreme Administrative Court decision at p.4.

⁵ Directive 2008/95 to approximate the laws of the Member States relating to trade marks [2008] OJ L299/25 (codified version).

distinguish the relevant goods and services from other supply on the market as required by law. The Court applied s.13 of the Trade Marks Act in accordance with the Trade Marks Directive and case law of the Court of Justice of the European Union (CJEU),⁶ finding that a smiley did not fulfil the criteria for distinctiveness for the following two reasons.

First, unlike the lower instances, the Supreme Administrative Court held that a smiley emoticon does have its own independent, explicit and widely recognised meaning. Even though this meaning cannot be conveyed in an unequivocal verbal or written form, the message of a smiley is uniformly interpreted. Smileys are remarkably widely used and recognised. Thus a smiley is in fact parallel to certain quality-expressing words that cannot be registered as trade marks, since they need to be equally available for use to all undertakings in their commercial activities.

Secondly, owing to its vastly extensive use, the smiley symbol has lost its distinctiveness and become degenerated within the meaning of art.3(1)(d) of the Trade Marks Directive. The Court stated that a considerably lower degree of use has heretofore been found to have diluted a trade mark. Having faced degeneration, a symbol that is commonly in use in communication is not eligible for registration in the first place, and such a mark holds no ability to distinguish products or services in any class. To illustrate this point, the Court compared the smiley to the “at” sign, @, and concluded that the status of the smiley is the very same today.⁷ The Court held it therefore evident that the mark :) is unable to meet the requirements for trade mark registration under both s.13 of the Finnish Trade Marks Act and art.3 of the Trade Marks Directive.

Rationale

A symbol composed of two punctuation marks does, as such, meet the criterion for graphic presentation. However, the Supreme Administrative Court noted that, despite this, there has been a general tendency in both national and CJEU case law to keep punctuation marks, letters and numbers as non-distinguishable, since there is a common need to have them available for use for all. Nevertheless, it is possible that a symbol composed of these elements can gain a distinguished character, and hence be eligible for registration as a trade mark.

In the case of the smiley, the feature making this case different from the general rationale was the fact that the two punctuation marks forming the symbol were not randomly selected, but had an established and widely known independent meaning. Smileys are devices that convey emotions, and no direct counterparts can be found for them in traditional language. The Supreme Administrative Court found the justifications of the NBPR particularly hard to buy because the application for the

registration of the smiley as a trade mark concerned classes involving electronic communication. Considering the extensive usage of emoticons in electronic environments, it does seem curious that even though this wide use was recognised by it, the Board of Appeal did not find the need to keep the smiley in public use. As the Court stated, Finnish writing practices have in many registers adopted this element of textual imagery which is central, perhaps even irreplaceable for the time being, in the new media of communications. Smileys are capable of complementing written messages, and it is of focal public interest to keep them available for everyone to use. In accordance with such public policy, the registration of mark No.236083 was therefore to be annulled pursuant to s.21(1) of the Trade Marks Act.

Pink Lady Publicity Rights Pursued by Supreme Court of Japan

John A. Tessensohn*

☞ Celebrities; Fair dealing; Image rights; Japan

This landmark Supreme Court of Japan decision elaborated on the scope of protection of publicity rights of celebrities in Japan when it dismissed the claim of one of the most famous pop idols in Japan’s pantheon of entertainment culture, Pink Lady, the mid-1970s Japanese pop phenomenon. The Supreme Court rejected the claim of damages and injunction asserted by the plaintiffs against the publishers of a magazine article which used their image without permission when it discussed a weight-loss method using dance routines to the duo’s songs.¹

During the period of 1976–1981, the pop duo Pink Lady, consisting of Mitsuyo Nemoto and Keiko Masuda, enjoyed amazing widespread popularity with their catchy tunes, slinky, beaded, short-skirted dresses and their simple yet mesmerising dance routines. In their first two years of its existence Pink Lady had eight consecutive million-selling hits including the remake of that quintessential 1970s American disco hit “In the Navy” entitled “Pink Typhoon”. The dance moves of the Pink Lady were so widely imitated by devoted droves of Pink Lady fans that it became a social phenomenon of the era.

The offending article containing the unauthorised photographs of the pop duo was entitled “The Pink Lady Diet” that was published in the February 27, 2007 issue of *Josei Jishin*—a Japanese women’s lifestyle magazine.

⁶ See, e.g., *Libertel* (C-104/01) [2003] E.C.R. I-3793; [2005] 2 C.M.L.R. 45 at [60].

⁷ cf. *The Manual concerning Proceedings before the Office for Harmonization in the Internal Market (Trade Marks and Designs), Part B: Examination* (OHIM, 2012), pp.43–45.

* Shusaku Yamamoto, Osaka, Japan.

¹ *A & B v Kobunsha K.K. Heisei 21(ju)* 2056 dated February 12, 2012.