

Trademark squatter eliminated by the BBC after attempted exploitation of the TOP GEAR mark

Vladimir Biriulin, Partner, Russian Patent Attorney, Head of Special Projects, of Gorodissky & Partners evaluates the recent case that almost saw the loss of the TOP GEAR mark for the BBC!

The BBC registered TOP GEAR in 2015 under No 538851 with priority of December 10, 2013, in Class 38.

There was also another TOP GEAR trademark (No 339837 in Classes 38, 41, 42.43) registered by a Russian company in December 2007 with priority of October 25, 2005. That company was in the process of liquidation but immediately before that came into effect a Russian entrepreneur, who is notorious for cybersquatting, acquired the trademark in August of 2016. The entrepreneur dealt with immovable property only.

On November 20, 2017, he filed a cancellation action at the Chamber of Patent Disputes (CPP)



Vladimir Biriulin

against the BBC's trademark No 538851 because his trademark pre-dated the BBC's trademark. The BBC argued that the complainant was not an interested person, and his actions should be regarded as unfair competition. The BBC used its trademark extensively while the complainant did not use it at all.

Notwithstanding, the BBC's trademark was canceled on formal grounds (CPP's decision dated March 30, 2018). We do not discuss the reasons behind the registration of the BBC's trademark though an identical trademark No. 339837 had been registered years before.

The BBC filed a cancellation action against trademark No. 339837 because of non-use. The BBC argued that the trademark owner was not an interested person and that the only goal of the trademark owner was to do harm. In the meantime, the disputed trademark was withdrawn by the trademark owner but before that, he had filed and obtained another TOP GEAR registration No. 623091 with priority of April 2016. This registration interfered with the *bona fide* use of the trademark by the BBC. Indeed, the BBC intensively used TOP GEAR in Russia. There was a TV show in Russia and a magazine under the same name.

The BBC applied to the IP court seeking to reverse the decision of the Chamber of Patent Disputes canceling its trademark No. 538851. The IP court explained that the acquisition of a trademark and subsequent revealing of confusingly similar trademarks is a routine and reasonable practice in business activities, and this can be used for the purpose of canceling junior trademarks.

As a result, the decision of the Chamber of Patent Disputes was upheld by the IP court. The BBC appealed the judgment at the Presidium (cassation instance) of the IP court. The basis for

Résumé

Vladimir Biriulin, Partner, Russian Patent Attorney, Head of Special Projects, Gorodissky & Partners

Vladimir graduated from the Moscow State Linguistic University as an interpreter (Spanish, English, and French) and from the Moscow University of Law as a lawyer. He started his legal career in 1973 at a major IP firm and furthered his studies at the Central Institute of Intellectual Property (Moscow). Vladimir joined Gorodissky & Partners in 1998, becoming partner in 2001.

Vladimir has considerable experience in counselling clients on Russian and foreign IP law, international IP treaties, conventions and agreements, technology transfer and licensing, infringement of IP rights, unfair competition, parallel import and copyright. He also advises clients on arbitration proceedings and licensing issues.

He regularly represents clients in technically and legally complex infringement cases before the Russian courts, including the IP Court, covering a wide range of IP subjects.

Vladimir frequently speaks at conferences and seminars, both in Russia and abroad, as well as contributing articles to IP magazines in Russia and abroad.

the appeal was that in the opinion of the BBC, the appeal against the registration of the BBC's trademark had not been filed by an *interested* person as required by Article 1513(2). Besides, the entrepreneur abused his right to initiate the cancellation of the BBC's trademark. The IP court agreed that the 1st instance of the IP court had made premature conclusions regarding the BBC's arguments. The judgment was handed down by the 1st instance court without regard to all circumstances surrounding the case.

The IP court put forward important considerations regarding the similarity of trademarks. The probability of confusion does not depend only on the degree of similarity of the designations in the eyes of the consumer but also on other factors, i.e., whether the trademark is used for specific goods, duration, and the scope of use of the trademark, whether the trademark is recognizable by consumers. If the trademark is not used, the consumers do not have associative links with that trademark or allegiance to its owner, therefore there is no possibility of confusion of the compared trademarks in the eyes of the consumer.

Hence, since the cited trademark is not used, this should be viewed in such a way that there should be no confusion between the disputed and non-used trademark. The IP court did not issue a judgment but sent the case to the 1st instance court for reconsideration by a different panel of judges.

The court of 1st instance recognized that the previous panel of judges had not examined the behavior of the entrepreneur who sought to cancel the BBC's trademark. If one of the parties behaves unfairly, the court may refuse protection of its claims. It was stated that the entrepreneur had registered his trademark No. 623091 for the only purpose of making the use of trademark No. 538851 by the BBC difficult. This was confirmed by the proposal of the entrepreneur to sell his trademark No. 623091 to the BBC.

It was stated during the hearing that the patent office, when it canceled the BBC's trademark, was guided by Part IV of the Civil Code while the evaluation of the behavior of the appellant would go beyond its competence. In its judgment, the court obliged the patent office to reinstate the registration of trademark No. 538851.

One might think that this was the final outcome of the case. Not so. The entrepreneur filed a cassation appeal to the IP court but the appeal was dismissed.

This case was important in that it was included in the Review of Judicial Practice dated November 15, 2023, occasionally issued by the Supreme Court.

It is worth noting that the entrepreneur, whose name is Azamat Ibatullin, is a character well-known to many. He registered 725 trademarks in

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his name. There were 232 court cases initiated by Ibatullin and, in many cases, his behavior was recognized as an abuse of right.

In one of the cases (A40-59474/2020) he sued a company allegedly infringing its rights for a trademark. In doing so he claimed compensation in the amount of 50,000 rubles and paid a court fee in the amount of 2,000 rubles. Later he raised his claim for compensation to 375,000,000 rubles but scrimped on payment of a larger court fee. The court dismissed his claims on the grounds of abuse of right by the plaintiff.

Ibatullin appealed the judgment at the appeal court without success and further at the IP court in its capacity as cassation instance. The IP court found some flaw in the previous judgment and sent the case to the 1st instance commercial court without obliging the court to issue a specific judgment. During the hearing, Ibatullin argued that he had the right to 909 952 000 rubles of compensation (initially he claimed 50,000 rubles). He submitted evidence to the court according to which he had concluded a license agreement with another person. Nevertheless, the case was dismissed. Ibatullin again appealed the judgment at the court of appeal.

The case was banded back and forth again through several court instances. Ibatullin reduced his demands to 10,000 rubles of compensation. And here, the judge made an unexpected and wise move: she called evidence from the patent office and obtained the mentioned license agreement. It transpired from the license agreement that the license was royalty-free. The judge rightly concluded that the plaintiff evaluated the right of use of the trademark at "0" rubles which means that the trademark has no value for the plaintiff.

Finally, the judge issued a judgment on February 1, 2023, dismissing even that meager claim for 10,000 rubles.

Contact

Gorodissky & Partners

B. Spasskaya Str., 25,
 bldg 3, Moscow
 129090, Russia

Tel: +7 495 937 6116
www.gorodissky.com

