

Registration of a trademark with the element "No. 1" might lead to liability of the rights holder



Russian version

The Presidium of the Intellectual Property Rights Court (the "**Court**") has explained that even unprotected elements of a trademark could lead to liability of the rights holder for a violation of anti-trust legislation.^[1]

Background

The rights holder registered several Russian trademarks^[2] that designated all words, numbers and symbols included therein, including the word "*dichlophos*" and the designation "No. 1", as unprotected elements.

According to the Federal Antimonopoly Service ("**FAS of Russia**"), these designations inferred the superiority of the goods of one manufacturer over those of other manufacturers.

The FAS of Russia considered the rights holder's arguments that its line of products also included "Dichlophos No. 2" and "Dichlophos No. 3" to be an attempt to create the semblance of good faith when acquiring and using the trademarks.

Conclusions of the Presidium of the Intellectual Property Rights Court

First, the Court believes that the rights holder acquired the exclusive rights to the trademarks in question to "have the formal possibility to use" the designation "No. 1" in the packaging of its products, which represents a form of unfair comparison.

Second, the designation "No. 1" not only attracts the attention of consumers, but also creates in their minds the impression that the rights holder's goods are superior to other similar goods.

Third, these actions could lead to losses for competitors through the redistribution of demand for goods.

The Court found that the specific actions to (1) acquire and (2) use a trademark that includes the words "best", "first", "number one", or "No. 1" can be classified as an act of unfair competition.

Notably, the Court stressed that in this case the prohibition on unfair competition through the use of an exclusive right to a means of individualisation had been breached.^[3] Herein lies the salient feature of this case, since cases on the illegal use of the designations "best", "number one", etc. are usually classified as a breach of another prohibition – the prohibition on unfair competition through an unfair comparison.^[4]

Conclusions and recommendations

This case shows once again that any act of competition that runs counter to honest practices in industry and business can be deemed unfair competition.^[5]

When registering and acquiring exclusive rights to trademarks, it is important not only to check that the selected designation meets the requirements of civil legislation and the rules and regulations of the registering authority, but also to perform legal due diligence to determine whether the designation complies with anti-trust legislation.

Ignoring these steps could lead to the rights holder being held liable for a breach of anti-trust rules and to the annulment of its trademark.

As always, we are prepared to provide comprehensive legal support on issues concerning anti-trust and intellectual property legislation.

[1]. Judgment No. S01-99/2024 of the Presidium of the Intellectual Property Rights Court dated 11 April 2024 in case No. SIP-439/2023.

[2]. Russian trademarks Nos. 756235, 789741, and 819398.

[3]. Article 14.4 of Federal Law No. 135-FZ dated 26 July 2006 "On Protecting Competition".

[4]. Article 14.3, *ibid.*

[5]. Article 10.bis of the Paris Convention for the Protection of Industrial Property dated 20 March 1883.

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