

## Defenses and offences at the trade mark counterfeiting in the Algerian marks law

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### Summary :

Counterfeiting is linked to the trade marks property and its value . the Algerian legislator has given abroad meaning of counterfeiting . That is to say, any infringement is upon trade marks exclusive rights can be considered as counterfeiting.

Much more counterfeiting is a fraud; there are still gaps in penal protection of trade marks law .

### ملخص :

إن المشرع اخذ بالنزعة الاستهلاكية في الإلزام بوضع العلامة فيترتب عن تسجيل العلامة الملكية و بالتالي الحقوق الاستثنائية و عدم وضع العلامة في شكلها النظامي الصحيح يعرض المحترفين للجزاءات العقابية.

إن التسجيل مرتبط بالاستعمال الجدي للعلامات و إغفال ذلك يترتب عنه سقوط الحقوق دون المساس بأحكام الاتفاقية الدولية لاتحاد باريس.

إن المشرع اعتبر التقليد كمفهوم عام لأي اعتداء و لم يعرف أركان الجنحة. إن ذلك يتنافى و مبدأ شرعية التجريم و العقاب. إن الاجتهاد القضائي رسخ معيارا للتقليد يسمى بمعيار مغالطة المستهلك العادي.

يتمثل التقليد في الاعتداء على ذاتية العلامة بيد أن استعمال العلامة المسجلة من دون رخصة اعتداء على قيمة العلامة.

## **Introduction**

Over the past two decades systematic infringements on the rights of the marks owners have become the major concern to businesses, tradesmen and industrial firms. Notably, the trademark counterfeiting has seemed to be serious misappropriation to such important intellectual ownership .As the modern economy grows increasingly, reliant on the intellectual property; the proliferation of computers and computer networks has made the illegal reproduction and distribution of goods and services much easier to accomplish. <sup>(1)</sup>

Experience has already proved that the old marks law of 1966 has sound to be out of date. Hence, there should be new involvement of the legislator in the area. Being Conscious of that, the parliament has passed series of intellectual property laws in 2003. One has to mention the law of marks which has had its occurrence on July 19th ,2003. It may be useful, so far to explain what strategies the legislator has been aiming to conclude through such a law.

It is obvious that the primary objective of the lawmaker is to develop programs that will be workable. Through the new legislative movement, the new law attitudes towards the new behavior, the new claims must be one of the first concerns of legal studies in the field.

So , one may ask ,at ease , what revision should bring about to , both , protecting professionals and users against trademark's threatening. What are the defenses and the offences that the law may bring to protecting from such a disease, namely, mark counterfeiting.

In dealing with such issue, we may suggest, variety of elements. Accordingly, we will be exploring our conviction.

## **A. Defenses to the trade mark counterfeiting in the Algerian law of marks of 2003**

Before tackling the protection topic, searching it out, we may have to expose primary notions that should consist keywords to the analysis.

1°: what is a trade mark?

A trademark is a word, sign, symbol, or phrase, used to identify a particular manufacturer or sellers' goods and to distinguish them from the goods of their competitors for example, the trade mark " Nike " swatch " , identify the shoes made by Nike, and distinguish them from shoes made by other companies (e. g. : rebook or Adidas "

Black's law dictionary defines trademark "as" a distinctive mark of an authenticity, through which the products of particular manufacturers or the vendible commodities of particular merchants may be distinguished from those of others <sup>(2)</sup>. The US Lanham Act , which was enacted in 1946 as part of a comprehensive revision of civil trademark law and the trademark registration process defines "trade mark " , to include any word , name ,symbol , or device , or any combination .<sup>(3)</sup>

In order to individualize a product for the consumer, the trade mark indicates its origin. This does not mean that it must inform the consumer about the actual person who has manufactured the product , or even the one who is in it. The consumer in fact often does not know the name of manufacturer, less the geographical location of the factory in which the product was made.<sup>(4)</sup>

The Algerian legislator has succeeded to define the mark, any mark, according to its various functions. The second article declares explicitly: ( it is meant by this law ,marks :are any symbols "graphically", representative , in particular words , names of persons , letters , figures ,drawings , and pictures ,characteristics of products and their packaging , colours : single or compound , that aim to distinguish the products or services of physical or moral persons ".<sup>(5)</sup>

One commentator has observed that the Algerian law of marks of 2003, even that of 1966, recognizes and protects four functions performed by the trade marks.<sup>(6)</sup> these are : (1) -identifying a particular sellers products and distinguishing them from products sold by others ; (2) -signifying that all goods bearing the trade mark come from, or are controlled by a single source ; (3)- signifying that all goods bearing the trade mark are of an equal level of quality ;and (4)- serving as a prime tool in advertisement and sale of goods .

A trade mark is also an important objective symbol of goods which that business has built up. Consumers are entitled to rely on trade mark when making their purchasing decisions.

The defense comes when we have begun using the trade mark and involves these schedules:

First, what determines whether a trade mark becomes a matter for serious legal protection, or remains something to be neglected?

The legislator has to some extent, mentioned what a trade mark, or generally marks should be to deserve a protection. The seventh article of the preceding Law has already elaborated several conditions, in such rules , that govern the need for a trade mark .

The legal characteristic for having a mark that must be distinctive. It must be able to identify the origin of a particular good. In reaching whether a Mark is distinctive , the studies group marks in four categories bound on the relationships between the mark and the underlining products : 1 arbitrary or fanciful , 2 suggestive , 3 descriptive , 4 generic .<sup>(7)</sup>

Because the marks in each of these categories vary with respect to their distinctiveness, the requirements for a degree of level protection afforded to a particular trade mark will depend on which category it falls within.

An arbitrary or fanciful mark is a mark that bears no logical relationship to the underlying product, for example the words “ green apple “ bear no inherent relationship to their underlying products ( respectively ,blouses ) . Similarly, The words ( Aurassia has no relationship to apricot juice or orange juice ).<sup>(8)</sup>

There is always confusion between marks as a sign, a name ...and geographical place which represents territory , for example ,N’gaous as to mark apricot juice ; the notorious trade mark . Someone wonders how it was admitted to be such a mark, though it is still a name of town or region .

A suggestive mark is a mark that evokes or suggests characteristic of underlying good. For example a word “Coppertone “ is suggestive of sun-tan, but does not specially describe the underlying product.

A DESCRIPTIVE mark is a mark that directly describes , rather than suggest , a characteristic or quality of the underlying product (example it’s colour , function ,dimensions or ingredients ) for example Holiday inn , all BRAN, and Vision Center all describe some aspects of the underlying products or services ( respectively , HOTEL ROOMS , BREAKFAST CEREAL OPTICAL SERVICES ).<sup>(9)</sup>

They tell us something about the product .unlike arbitrary or suggestive marks , descriptive marks are not inherently distinctive and are protected only if they have quit secondary useful for describing the underlying product and giving a particular manufacture the exclusive right to use the term .

Finally a generic mark is a mark that describes the general category to which the underlying product belongs. for example , the term computer is a generic term for computer equipment . Generic marks are entitled to no

protection and trade mark law. Thus , manufacturer selling computer brand computers ( or apple brand apples) would have no exclusive right to use that term with respect to the product . Generic terms are not protected by trade mark law because they are not useful for identifying a particular product .

Now, we may ask which successful ways of defenses we imagine , through using or registering the mark ?

Assuming that a trade mark qualifies for protection, one can guess the rights

The trade marks can be acquired in one of tow ways:

(1) By being the first to use the mark in trade; or (2) by being the first to register the mark with trade mark offices.<sup>(10)</sup>

The use of the mark generally means the actual sale of a product to the public with the mark attached .Thus if I am the first to sell.

Although the registration with the patent and the trade mark offices in many countries is not required for a trade mark to be protected , it has become the old law an obligation the new law requires registration of the tow marks : trade and fabric marks .

So, one can ask which way is suitable for protecting a trade mark?

Is it the first using or registering? The legal systems are so different. There are tow visions. The first is liberal. The second is cooperative. The tow movements have there own convictions

The liberal school thinks that the using of trade mark should be the way for its protection, mainly the first use. In respecting the freedom of industry and business, there should be no such rules before a good will, a creative behavior. The registration can be considered an acquiring for a trade mark property, but trade mark property is legally worthless without a using. Being prior for protection, is being the first user of the trade mark?

The second school claims that the genuine mark must be registered.

Registering a trade mark must be condition for acquiring trade mark property that should be protected .The vision is consumerist. it is somehow social and humanist . There should be priority for protecting users of trade mark. A mark is given for consumers it is the way to distinguish similar products, which means it protects the consumers will. <sup>(11)</sup>

Indeed, the registration of the trade mark gives the right to the ownership of its holder. Registration constitutes nation wide constrictive

Notice to others that the trade mark is owned by the party. it enables

A party to bring an infringement suit before a repressive court.

But the ownership of a mark arises not through any single act of national registration, but rather through continued use.

The Algerian legislator is persuaded that a choice of the mark,

The genuine mark and its registration should be the way of its defense, its self-defense from external threatening. in its fifth article , the law 03-06 on 19<sup>th</sup> July 2013 , notices that the right to the mark can be acquired by its registering in the concerned service and in respecting all the international conventions that are workable in Algeria .the registration period is limited to 10 years , starting , retro-actively, since the date of the deposition .<sup>(12)</sup>

The same legislator has already established a national administrative process for registering trade marks, since twenty one February 1998. It is the national institute of industrial property which is a public service, enjoying both industrial and commercial characteristics. The new establishment has replaced the old institute of normalization and industrial property that was created in 1966 .the new establishment is charged with the State's prerogatives in industrial ownership which are organization and control .

The application for registration is subject to approval by the preceding institute the last may reject a registration of any mark.

There should be a new birth of some rights that come after trade mark registration. Property right which bears in it self a legal protection against any infringement. Some exclusive rights must be a protecting belt against any threatening. it is by excellence the way of defending such a right .

The sixth article of the preceding law , clearly , announces : “ apart of usurpation , the mark belongs to the first who has fulfilled the conditions needed for the disposal’s validation or to whom is the first proved the priority of one’s disposal according to the Paris convention “

- The Paris convention of the industrial ownership was signed on the twenty third march 1883 has proved in its sixth article that the **unionist** who has a marks disposal in any country of the union, enjoys the right of priority of six months to operate a disposal of the same mark in other country of the union. The second disposal works, retroactively, to the date of the first disposal.<sup>(13)</sup>

But one may ask whether mark’s registration is sufficient for such a legal protection?

when reading attentively the fifth article ( c1) of that convention declares : if in any country the use of the registered mark is obligatory the registration should be annulated just after an equitable delay , we will understand that the text obliges the unions members to be aware of the decadence of the mark which is out of the use .

The Algerian legislator is conscious of decadence danger, when the mark is out of use. As a result the eleventh article has mentioned in the following terms :

To enjoy the rights inherited by registration act is closely linked to solemn use of the mark on the goods or on their packaging “

The nonuse of the mark brings about its annulment, apart in tow cases:

- 1- of the nonuse does not extent 3 years with any interruption
- 2- If the marks owner does not give proof of any cause stands before its nonuse.

So the right to trade mark can be lost through abandonment, improper licensing or assignment and generosity. A trade mark is abandonment when its use this continued with intent not to resume its use.(14)

Moreover, the nonuse for 3 consecutive years in prima facie evidence of abandonment.

The national registration of the trade mark is a jurisdictional prerequisite to penal suit.

#### B – Offences at the trade mark counterfeiting

If a party owns exclusive rights to a particular trade mark, that party can sue subsequent parties for trade mark infringement. So, one can ask what's the trade mark infringement?

The word counterfeiting is not defined by modern penal codes according to oxford dictionary, to counterfeit is to make in exact imitation of something valuable with the intention to deceive or defraud. <sup>(15)</sup>

The term counterfeit mark is a term of art, and is defined by USA trade mark counterfeiting act as follows:

- A- Spurious mark (false mark)
- 1- That is used in connection with trafficking in goods or services.

2- That is identical with , substantially undistinguishable from , a mark registered for those goods or services on the principal register in the united sates Patent and Trade mark office and in use whether or not the defendant knew such mark was so registered ; and

3- The use of which is likely to cause confusion, to cause mistake, or to deceive.

Although by it's terms the united states trade mark counterfeiting mark seems to require that the mark be counterfeit ( rather than , for example , requiring that the goods be counterfeit ), the courts have not been unduly concerned with this technically where the trade mark holder is deprived of the ability to control the quality of products bearing its name and where consumer confusion is likely , so long as the other formalities have been met . for example the defendant in US Petrosian purchased genuine Coca Cola bottles , filed them with a cola like carbonated that was not Coca Cola ; and told purchasers that the beverage was Coca Cola . the Ninth Circuit rejected the defendant's contention that the use of coca cola mark could not be a counterfeit because it was a genuine mark and observed that “ when a genuine trade mark is affixed to counterfeit product , it becomes a spurious mark because the mark falsely indicated that Coca Cola was a the source of the beverage in the bottles .

The statute itself requires that the use of counterfeit mark be likely to cause confusion, to cause mistakes, or to deceive.

The Algerian law of marks has considered a trade mark infringement to be a mark counterfeiting. According to previous law “in general” counterfeiting is any infringement on the mark.

The seventh chapter of marks law is entitled “the rights infringements and sanctions “. And the twenty sixth article of the given law provides : “in taking into account the disposition of the preceding tenth

article , it is considered a misdemeanor counterfeiting upon registered mark , any violation of mark's exclusive rights “

The legislator has not defined what is counterfeiting as many foreign legislators, nor drawn the ways or materials of counterfeiting i.e. its legal elements .But, he has qualified counterfeiting act as a misdemeanor. He has considered a counterfeit misdemeanor of registered mark to be any act infringes to excusive rights of a mark.

We may deduce from such a definition that legislator:

1-qualifies the counterfeit infringement as a misdemeanor.

The twenty seventh article of penal code describes any infraction with referring to the degree of its danger as illegal act.

2- Qualifies any infringement upon the marks rights as a counterfeiting.

Hence, in reading the twenty sixth articles we can arrive at saying that the word counterfeiting to the Algerian legislation extents to abroad meaning. It is intently, a fraud in its full meaning.

The word fraud is much related to the consumer. Trade mark counterfeiting is a kind of a fraud and its last victim is a consumer.

We think that such definition is let to be a work of ju-ris prudence . in many decisions ,the Algerian courts as well as the French ones have considered counterfeiting as to induce aconsumer in confusion, to lead him in error , when choosing among similar goods or services . the courts have adopted criteria that explains whether the ordinary consumer can be led in error or not . consequently , we can say that there is counterfeiting or not .

To be more specific the use of counterfeit trade mark as a fraud has a relationship with the law of consumer's protection and fraud repression. The last law has come after the marks law. We think that both laws are closely related to each other. The aim of the legislator, when obliging the mark

registration is to protect the consumers from counterfeit goods bearing much forms, as some researchers point out .<sup>16</sup>

Yet, counterfeiting goods can be of much lower quality. They can even present serious health safety risks to consumers, as in the cases of counterfeiting food products, prescription drugs, and automotive parts. Trade mark counterfeiting can be an especially preconscious kind of fraud because counterfeit goods are often distributed widely through layers of intermediaries will dispersed victims and small losses per victim. A large scale of counterfeiters can often avoid civil and criminal sanctions.

We speak about counterfeit goods that comparable to legitimate goods. Cases involving trafficking in marked goods that are comparable legitimate goods. They seem to be trade mark counterfeiting. When an actual trade mark is placed on a product or associated with services, is not the legitimate product or service offered by the trade mark owner. on the other hand we can consider counterfeiting , as a practice of manufacturing goods often of inferior quality , and selling them under a brand name without the brand owner's authorization .

The trade mark counterfeiting also occurs when goods are advertized or presented in ways designed to mislead consumers into believing that the services and goods originate from a legitimate source.

Whatever the counterfeiting is, we try to expose and study its aspects shortly in the Algerian marks law.

The Algerian legislator punishes infringements upon trade mark as following:

1- The trade mark counterfeiting is sentenced to six months until tow years imprisonment , and to tow million and five hundred thousands dinars to ten million dinars , or with one of both penalties , according to the thirty second article of the law of marks .

2- Placing of unauthorized mark on goods or services and the trafficking of goods services which don't bear marks , is sentenced to one month until one year's imprisonment , and to five hundred thousands until tow million dinars , or one of both penalties .

3- Placing upon goods or services mark that's not registered or there is no request for its registration.

We can deduce that through out the reading of the articles: 26, 32 and 33 that the legislator distinguishes between tow kinds of trade mark infringements:

The first deals actually with misappropriation of the trade mark as an intellectual property, by the ways of counterfeiting. And the trade mark counterfeiting consists an infringement on trade mark exclusive rights that are inherited to the mark's ownership.

The second deals actually with infringement upon marks obligation as a public order, by the ways of selling, exposing to purchase, or serving without placing a mark ,or placing a mark on goods or services which are not registered or not requested to be registered.

**Finally,** the defenses as a way of a trade mark protection stand with assuming that the registering obligation of the trade mark, In respecting its conditions gives its ownership. The Algerian legislator has his own vision to such protection of trade mark through the consumers need when trade mark is made for arriving at there choices , in understanding the sources and quality of goods and services .

The offences as a way of trade mark protection must be in penalizing such infringements on trademark ownership or its legal system. The Algerian legislator has succeeded to provide a penal protection for trade mark , but has not successfully get at the meaning of counterfeiting act unfortunately. This legal gap may lead to the arbitrary judgment, when

explaining such law. The legality principal maybe the first victim of such legal neglecting.the legislator should be aware of a good law making .

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