

COMMERCIAL COURT of the City Of Kyiv

01030, Kyiv-30, 44B B. Khmelnytskoho Street

tel: 216-65-72

**DECISION
IN THE NAME OF UKRAINE**

No. 18/80

September 13, 2011

At the suit: Torgmash Open Joint Stock Company
Against: ARM-EKO Limited Liability Company (Defendant-1);
State Department of Intellectual Property of the Ministry of Education and Science of
Ukraine (Defendant-2);
On: Recognizing the goods and services trademark certificate of Ukraine No. 121743 as
ineffective;

Judge O.V. Mandrychenko

Representatives of the Parties:

For Claimant: O.A. Peremezhko, representative, power of attorney No. 24 dated
March 11, 2011.
I.M. Tarasov, representative, power of attorney No. 24 dated March 11, 2011.
For Defendant 1: Absent;
For Defendant 2: Absent.

Under the decision of the Commercial Court of the City of Kyiv dated March 4, 2011, a proceeding
was instituted in case No. 18/88, the hearing of the case was set to be held on March 22, 2011.

On the basis of Article 77 of the Civil Procedure Code of Ukraine recesses in case were announced
from March 22, 2011 to April 21, 2011 and from April 21, 2011 to April 28, 2011.

By decision of the Commercial Court of the City of Kyiv dated April 28, 2011, the proceeding in
case No. 18/88 was suspended in connection with scheduling a court expert examination in this case
regarding the objects of intellectual property, the conducting of which was assigned to the court
experts of the Scientific Research Institute of Intellectual Property of the Academy of Legal Sciences
of Ukraine.

Under the decision of the Commercial Court of the City of Kyiv dated September 1, 2011 the
proceeding in case No. 18/88 was resumed, the case was set for hearing on September 13, 2011.

CIRCUMSTANCES OF THE CASE:

The Claimant in the statement of claim filed with the Commercial Court requests to recognize the
goods and services trademark certificate of Ukraine No. 121743 dated April 26, 2010 as ineffective;
oblige Defendant-2 to publish in an official bulletin the information on recognition of the goods and
services trademark certificate of Ukraine No. 121743 dated April 26, 2010 as ineffective and
introduce the information to the Uniform State Register of the Goods and Services Trademark
Certificates of Ukraine on recognition of the goods and services trademark certificate of Ukraine No.
121743 dated April 26, 2010 as ineffective; exact from Defendant-1 the costs of state dues and costs
of information and technical support of the judicial process for reasons as stated in the statement of
claim.

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On March 22, 2011 the Claimant filed a statement of claim with the Commercial Court on a change of the subject of the statement of claim, requesting to recognize the goods and services trademark certificates of Ukraine No. 121743, 106366, 123835, 124476, 124477, 124478 as ineffective; oblige Defendant-2 to introduce changes to the Uniform State Register of the Goods and Services Trademark Certificates of Ukraine as to the recognition of the goods and services trademark certificates of Ukraine No. 121743, 106366, 123835, 124476, 124477, 124478 as ineffective; oblige the State Department of Intellectual Property of the Ministry of Education and Science of Ukraine to publish in the official "Industrial Property" bulletin the information on recognition of the goods and services trademark certificates of Ukraine No. 121743, 106366, 123835, 124476, 124477, 124478 as ineffective; exact from Defendant-1 the costs of state dues and costs of information and technical support of the judicial process.

The Claimant representatives confirmed the stated claims in the court session, requesting to settle the claim in full, taking into account the statement about the change of the subject of the statement of claim.

Defendant-1 denied the Claimant's claim in the provided statement of defense, requesting to dismiss the claim, referring to the fact that the goods and services trademark No. 121743 registered by ARM-EKO LLC, and the trademark of Torgmash Open JSC registered under an international registration No. 939969, have different character and are not identical.

Defendant-2 denied the Claimant's claim in the provided statement of defense, requesting to dismiss the claim, referring to the fact that all the Defendant-2 actions at the moment of consideration of the Defendant-1 applications and state registration of its designations as trademarks were such that were in compliance with the applicable legislation of Ukraine.

Having considered the documents and materials attached to the statement of claim and heard the Claimant's explanations; having comprehensively and fully ascertained all the circumstances of the case and assessed the evidence that have significance for the settlement of the dispute, the Commercial Court

ESTABLISHED:

On August 27, 2007 Torgmash Republican Production Unitary Enterprise (RPUE) registered a trademark under an international registration No. 939969 for the goods of Classes 07, 08, 11 of the International Classification of the Goods and services (ICGS), its legal force extending to the territory of Ukraine effective from the registration date (from August 27, 2007).

As a result of reorganization of Torgmash Republican Production Unitary Enterprise into Torgmash Open Joint Stock Company, the Claimant is the owner of the trademark under an international registration No. 930069 dated August 27, 2007 for the goods of Classes 07, 08 and 11 of the ICGS.

Defendant-1 is the owner of the following certificates of Ukraine: No. 121743 for the "Torgmash" trademark; No. 106366 for the "MIM-300" trademark; No. 124478 for the "MOO-1" trademark; No. 124477 for the "MOK-300M" trademark; No. 124476 for the "MPR-350M" trademark and No. 123835 for the "MPO-1" trademark.

Assessing the documents available in the materials of the case and investigating into the evidence in the court session, the Commercial Court believes the Claimant's stated claims to be groundless, unsubstantiated and such that are not subject to the settlement, on the basis of the following:

Article 492 of the Civil Code of Ukraine stipulates that a trademark can be any designation or any combination of designations that are suitable for

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distinguishing the goods (services), which are manufactured (rendered) by a person, from the goods (services) that are manufactured (rendered) by the other persons. In particular, such designations can be words, letters, numerals, pictorial elements, color combinations, etc.

Pursuant to Item 1 of Article 5 of the Law of Ukraine “On protection of rights to trademarks,” legal protection is provided to a trademark that does not contradict to the public order, principles of humanity and morality and, to which do not apply the grounds for refusal to provide legal protection established by the law.

As it is stipulated by Item 1 of Article 19 of the Law of Ukraine “On protection of rights to goods and services trademarks,” the certificate can be recognized judicially as ineffective fully or partially in the following instances:

- a) Non-compliance of the registered trademark with the terms of providing legal protection;
- b) Availability in the certificate of the elements of the trademark representation and a list of the goods and services, which have not been in the submitted application;
- c) Issuance of the certificate as a result of submitting an application that violates the rights of other persons.

Item 2 of Article 6 of the Law of Ukraine “On protection of rights to goods and services trademarks” stipulates that designations can not be legally protected if they are misleading or such that can mislead as regards the goods, a service or a person, who manufactures the goods or provides a service.

According to Item 3 of Article 6 of the Law of Ukraine “On protection of rights to goods and services trademarks,” trademarks can not be registered as designation marks that are identical or similar to such extent that it is possible to be confused with:

- The trademarks registered previously or submitted for registration in Ukraine in the name of the other person for the same goods or services or those related with them;
- The trademarks of the other persons, if these trademarks are protected without registration under international agreements, of which Ukraine is a participant, especially, the trademarks recognized as well known pursuant to Article 6 bis of the Paris Convention for the Protection of the Industrial Property;
- Trade names that are known in Ukraine and belong to the other persons that obtained the right to them before the submission date of the application to the Institution on the same goods and services or those related with them.

By decision of the Commercial Court of the City of Kyiv dated April 28, 2011 the court expert examination of the objects of the intellectual property was set in this case to solve the following questions:

- If the goods and services trademark under the certificate of Ukraine No. 121743 and the trademark under the international registration No. 939969 are so similar that it is possible to mix them up;
- If the goods and services trademark under the certificate of Ukraine No. 121743 is such that it misleads with regard to the person that manufactures the goods or provides a service?
- If the goods and services trademark under the certificate of Ukraine No. 106366 is such that it misleads with regard to the person that manufactures the goods or provides a service?
- If the goods and services trademark under the certificate of Ukraine No. 123835 is such that it misleads with regard to the person that manufactures the goods or provides a service?
- If the goods and services trademark under the certificate of Ukraine No. 124476 is such that it misleads with regard to the person that manufactures the goods or provides a service?
- If the goods and services trademark under the certificate of Ukraine No. 124477 is such that it misleads with regard to the person that manufactures the goods or provides a service?
- If the goods and services trademark under the certificate of Ukraine No. 124478 is such that it misleads with regard to the person that manufactures the goods or provides a service?

Conclusion No. 755 dated August 2, 2011 of the court expert examination of the objects of the intellectual property, made by the Scientific Research Institute of Intellectual Property, reads as follows:

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- the goods and services trademark under the certificate of Ukraine No. 121743 and the trademark under the international registration No. 939969 are so similar that it is possible to mix them up;
- the goods and services trademark under the certificate of Ukraine No. 121743 is such that it misleads with regard to the person that manufactures the goods;
- the goods and services trademark under the certificate of Ukraine No. 106366 is such that it misleads with regard to the person that manufactures the goods, concerning the product “meat grinders (machines) manufactured by Torgmash RPUE (Republic of Belarus); concerning the remaining goods mentioned in the goods and services trademark certificate of Ukraine No. 106366, this trademark is such that it misleads as regards the goods;
- the goods and services trademark under the certificate of Ukraine No. 123835 is such that it misleads with regard to the person that manufactures the goods, concerning the product “graters for vegetables (machines) manufactured by Torgmash RPUE; concerning the remaining goods mentioned in the goods and services trademark certificate of Ukraine No. 123835, this trademark is such that it misleads as regards the goods;
- the goods and services trademark under the certificate of Ukraine No. 124476 is such that it misleads with regard to the person that manufactures the goods, for the products manufactured by Torgmash RPUE such as: electro-mechanical equipment for preparing food; root cutters (machines); electric food processors; meat grinders (machines); electric scissors; domestic electric crushing machines (grinders); cutter lathes; cutting tools (machine parts); cutting machines (machine parts); cutters (machine parts); sieves (riddles) (machines); vegetable graters (machines); concerning the remaining goods mentioned in the goods and services trademark certificate of Ukraine No. 124476, this trademark is such that it misleads as regards the goods;
- the goods and services trademark under the certificate of Ukraine No. 124477 is such that it misleads with regard to the person that manufactures the goods, for the products manufactured by Torgmash RPUE such as: electro-mechanical equipment for preparing food; root cutters (machines); electric food processors; electric kitchen machines; meat grinders (machines); electric scissors; domestic electric crushing machines (grinders); cutter machines; cutters (machine parts); sieves (riddles) (machines); vegetable graters (machines). Concerning the remaining goods mentioned in the goods and services trademark certificate of Ukraine No. 124477, this trademark is such that it misleads as regards the goods;
- the goods and services trademark under the certificate of Ukraine No. 124478 is such that it misleads with regard to the person that manufactures the goods, for the products manufactured by Torgmash RPUE such as: electro-mechanical equipment for preparing food; root cutters (machines); electric food processors; electric kitchen machines; meat grinders (machines); electric scissors; domestic electric crushing machines (grinders); cutter lathes; cutting tools (machine parts); cutting machines; cutters (machine parts); sieves (riddles) (machines); vegetable graters (machines). Concerning the remaining goods mentioned in the goods and services trademark certificate of Ukraine No. 124478, this trademark is such that it misleads as regards the goods.

Taking into consideration the circumstance that the goods and services trademarks under certificates of Ukraine No. 121743, 106366, 123835, 124476, 124477 and 124478 do not comply with the terms of provision of legal protection, the mentioned certificates should be recognized as ineffective.

According to Item 2.3 of the Regulation on the State Register of the Goods and Services Trademark Certificates of Ukraine, approved by the Order of the Ministry of Education and Science of Ukraine No. 10 dated January 10, 2002, the information on recognition of a certificate as ineffective is introduced fully or partially in the process of maintaining the register, and such information as per Item 1.3 of the Regulation is published in the official “Industrial Property” bulletin. In this connection, the Claimant’s claims as to obliging Defendant-2 to introduce changes to the State Register of the Goods and Services Trademark Certificates of Ukraine regarding Certificates No. 121743, 106366, 123835, 124476, 124477, 124478 and publish this information in the official “Industrial Property” bulletin, are subject to the settlement.

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According to Article 49 of the Civil Procedure Code, the costs of litigation will be imposed on Defendant-1.

Considering the foregoing and in compliance with Articles 43, 49, 82 – 85 of the Civil Procedure Code of Ukraine, the Commercial Court