



**Seeking a Letter of Consent or
Negotiating a Co-existence Agreement.**

CIS practice.

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CIS-2014

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In a world of fast growing economies and technologies it's hard to overestimate the importance of securing the rights to intellectual property objects. Every day we witness that new brands are created or the old ones are rebranded and serves as a basis for sprouting new ones. This ongoing process in all spheres of life inevitably leads to a certain degree of conflict between trademark owners when they file applications for registration of their marks in national jurisdictions or Madrid applications designating various contracting parties.

As soon as a danger of a potential conflict between the holders of the applied mark and those with an earlier rights arises, the key question is whether the owners of the conflicting marks are willing to reach an amicable settlement or whether one or both of them would like to go so far as to file a cancellation action against each other's marks with the aim to eliminate the obstacle to registration and use of their respective mark.

It is worth noting that when the owner of the newly applied mark is facing a refusal of the Trademark Office on the ground of existence of earlier marks, which are considered by the Examination to be confusingly similar to the applied designation, he often opts for approaching the counterparty and negotiating the Letter of Consent for the following reasons:

- if it is the only possible efficient solution considering the grounds of the refusal, the range of similarity of the conflicting marks as well as the goods/services in question, the impossibility to cancel the opposed trademark on the non-use ground or other grounds;
- it might be a cheaper solution as compared to cancellation action, which in most CIS states falls within court's competence.

However, we should note that that it is very common that the owners of earlier marks request a compensation for granting the Letter of Consent, which could vary from a very moderate to rather a considerable amount. Therefore, in cases when the holder of the earlier mark requests a compensation beyond the reasonable limit, the owner of the applied mark may switch to the cancellation option, which could be more efficient and cost-effective in such a situation.

Though we would like to note that often after a trademark cancellation action is filed, the parties could still reach an amicable settlement out of court, by negotiating the Letter of Consent.

According to our practice in negotiating the Letters of Consent, the owners of the marks whose focus of activities and/or goods is dissimilar are more inclined to reach an amicable settlement and grant the Letter of Consent than those who are operating in the same or similar field.

We would like to mention successful negotiations for a Letter of Consent to register Trademarks



IR 1087630 and



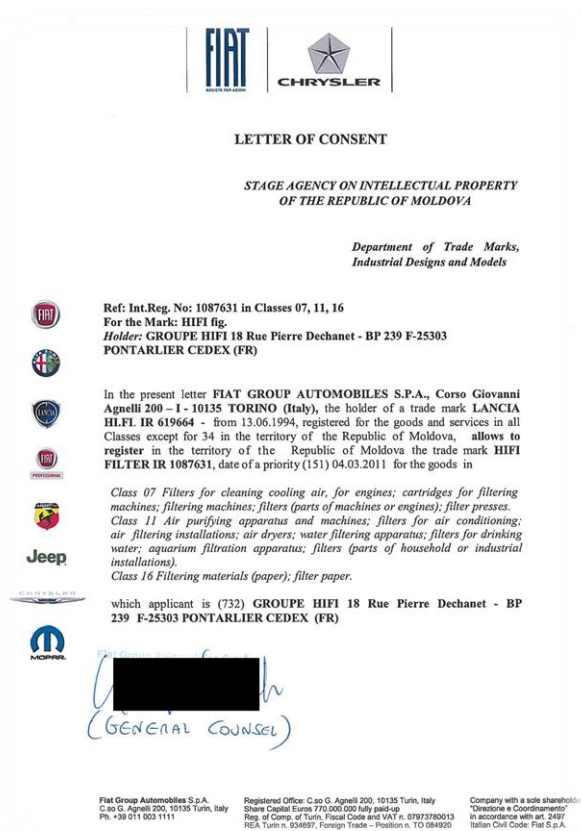
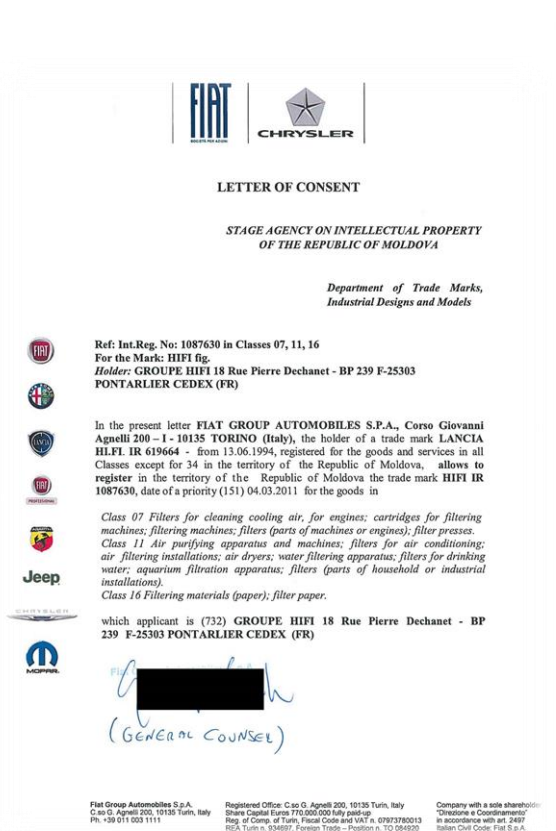
IR 1087631 in Moldova in

respect of goods in classes 07, 11, 16 in the name of GROUPE HIFI, whose focus of activities is

on manufacturing filters for automobile, transport and marine industries, farming / agriculture, etc. The consent was granted by the FIAT GROUP AUTOMOBILES, a well-known car manufacturer,



the owner of International registration No 619664 TM, registered in respect of goods and services in all classes of the Nice Classification.



We should note that very often prior to granting the Letter of Consent the counterparty expresses its willingness to conclude the Co-existence agreement with the aim to clearly delineate the rights of the parties and to ensure peaceful resolution of potential conflicts in other jurisdictions. Such was one of the demands of the owner of earlier marks when we were negotiating the Letter of Consent for registration of the **Trademark DON IR 1093042** in Azerbaijan (the owner - EDNOLITCHNODRUJESTVO S OGRANITCHENAOTGOVORNOST "FINANSKONSULT"); the earlier mark – **Don Diego, Certificate of Azerbaijan No 2005 0088**, owned by Max Rohr, Inc. and Altadis U.S.A.. With regard to this case we would like to note that despite the fact that the focus of activities of the parties are closely similar, (Don was planned to be used for cigarettes, while cigars have been manufactured under TM Don Diego for a long time already) the counterparty was anyway inclined to grant the Letter of Consent after signing the Co-existence agreement.



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MINISTRY OF ECONOMIC DEVELOPMENT AND
TRADE OF THE
REPUBLIC OF TAJIKISTAN
NATIONAL CENTRE FOR PATENTS AND
INFORMATION

LETTER OF CONSENT

We, General Electric Company, USA, the owners of the national trademark "EVOLUTION", Certificate No TJ 8085, Application No 07008253, hereby consent to registration of the Trademark Э-ВОЛЮШН IR 1092201 in the name of PIRELLI TYRE S.P.A. Viale Sarca, 222 I-20126 MILANO (MI) (IT) in respect of

- Tyres for automotive vehicles; pneumatic, semi-pneumatic and solid tyres for automotive vehicles; wheels, wheel rims for automotive vehicles in class 12

in the Republic of Tajikistan.

Fairfield, CT USA
March 27, 2013

Trademark Counsel

Subscribed and sworn to before me, this 27th day of March, 2013.

Neelam S. Bridgemoohan Notary Public
My Commission Expires: March 31, 2016

NEELAM S. BRIDGEMOCHAN
NOTARY PUBLIC
MY COMMISSION EXPIRES MARCH 31, 2016

vehicle wheels; wheels for vehicles, wheel rims”, while following the granting of the Letter of Consent the mark Э-ВОЛЮШН proceeded to registration in respect of “Tyres for automotive vehicles; pneumatic, semi-pneumatic and solid tyres for automotive vehicles; wheels, wheel rims for automotive vehicles”, for which consent was granted by the counterparty.

Another illustrative example of delimitation of the fields of use of two conflicting trademarks is the Consent granted by EASTMAN CHEMICAL B.V., the owner of the Trademark EASTMAN IR 158999B registered in respect of Special or non-pharmaceutical products in class 05, to registration and use in Moldova of the trademark ESTMAR IR 1131973 by Zentiva Group. The consent was granted in respect of “contraceptive preparations”, for which the trademark is actually used, while in the application “Medicines, pharmaceutical preparations for human use” were indicated.

Sometimes the holders of the earlier mark, especially those operating in similar or related field express their willingness to grant consent only on condition of delimitation of their respective area of trademark use, i.e. that the list of goods/services should be limited or narrowed, so as to ensure that the mark in question doesn't cover the goods that might overlap with the goods in respect of which the earlier mark is registered and used. We can't but mention the negotiations with the General Electric Company, the owner of TM EVOLUTION, national application No07008253 (Tajikistan), regarding the consent to registration of PIRELLI TYRES.P.A's IR1092201 Trademark Э-ВОЛЮШН (EVOLUTION in Latin characters). Pirelli initially applied for “Tyres; pneumatic, semi-pneumatic and solid tyres for

LETTER OF CONSENT

STATE AGENCY ON INTELLECTUAL PROPERTY
OF THE REPUBLIC OF MOLDOVA

Department of Trade Marks,
Industrial Designs and Models

Ref: Int. Reg. No: 1131973 in Class 05.
For the Mark: ESTMAR
Holder: Zentiva Group, a.s. U Kabelovny 130 CZ-102 37 Praha 10 - Dolni Měcholupy (CZ)

In the present letter EASTMAN CHEMICAL B.V. Tobias Asserlaan 5 NL-2517 KC LA HAYE (NL), the holder of a trademark EASTMAN IR 158999B registered for the goods in Classes 01 03 05 17 22 31 34 in the territory of the Republic of Moldova, hereby consent to the use and registration in the territory of the Republic of Moldova of the trademark ESTMAR IR 1131973, date of a priority (151) 27.07.2012 for the goods in

Class 05 Contraceptive preparations.

which applicant is (732) Zentiva Group, a.s. U Kabelovny 130 CZ-102 37 Praha 10 - Dolni Měcholupy (CZ)

Position, Surname and Name: Senior Counsel

Signature: Stamp:

Date: September 27, 2013

NO LEGALIZATION

We also would like to note that the Letter of Consent is accepted by the local Trademark Offices in all CIS member states. However, the Trademark Law protects not only manufacturers' but the consumers' rights as well. Therefore, if the trademarks in question are identical and cover the same or similar goods, the Letter of Consent will not be accepted by TMO, as it is not in the interest of the purchasing public.

Though there are no tough requirements to the wording of the Consent documents, they must contain the information on the company/individual granting the consent as well as its trademark (s), the details of the mark; the information on the mark in respect to which consent is granted: its owner and goods/services, territory in respect of which consent is granted. Furthermore, according to the recently introduced requirements of the Russian Trademark Office the Letter of Consent should contain an obligatory clause that the consent is irrevocable and is granted for an unlimited period of time, otherwise the Russian Trademark Office will refuse to take it into consideration.

In all these jurisdictions, it is required to file the original Letter of Consent with the Trademark Office. Furthermore, the Letter of Consent should be printed on the company letterhead, signed by an authorized person and certified with the company stamp. If the company doesn't use stamp or the Letter of Consent is granted by an individual, it would be necessary to notarize the document, otherwise it won't be accepted by the trademark Office.

If the Letter of Consent is granted for Kazakhstan, it should contain an Apostille, as such is the requirement of Kazakhstan Trademark and Patent Office. For Tajikistan, the Letter of Consent must be notarized irrespective of the fact whether it is granted by an individual or a corporate trademark owner.

All aforesaid aspects should be taken into consideration when negotiating the Letter of Consent.



Ms Victoria Soldatova, Trademark Administrator of the IPR GROUP
2011 – Joined the IPR Group. Holds the position of Trademark Administrator.

Her particular specialization within IP is management of trademark cases, including preparing trademark applications, trademark renewal applications; trademark assignment and licensing; negotiating the letters of consent and co-existence agreements; liaison with local company

offices.

During the carrier, managed a lot of trademark cases, Victoria has obtained hundreds of LoC, as well reached and drafted Coexistence Agreements on behalf of the clients.