
A Successful Businessman and a Not-So-Successful Businessman Fight over the Noy Trademark

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The Bjni Mineral Water Plant, owned by businessman and parliament member Khachatur Sukiasyan, has produced Noy spring water since 1999, and in 2000 the Intellectual Property Agency (IPA) of Armenia registered its trademark for producing mineral water in accordance with Class 32 of the International Classification of Goods and Services (ICGS) . Before that, in November 1998, Gagik Sargsyan, president of the Firma Noy Cooperative, registered the Noy trademark with the Patent Department and on March 23, 2000 the IPA registered his property right to the Firma Noy combined trademark. In order to start production he was awarded a number of ICGS classes including Class 32, under which, according to the president of Firma Noy Cooperative, he produced syrup.

On March 24, 2005 Bjni Mineral Water Plant, cjsc informed the Intellectual Property Agency that the Noy trademark had been registered for five years and since the trademark proprietor hadn't used it continuously for five years it asked the agency to suspend the usage of the trademark for combined production under the name Firma Noy because of disuse.

In a July 8, 2005 decision, the Board of Appeal of the IPA complied in part with the request of the Bjni Mineral Water Plant and prematurely terminated the effectiveness of the registration (certificate #4,971) of the combined trademark given to Firma Noy in accordance with ICGS Classes 16, 21, 22, 29, 30, 32, 33 and 35. The Board of Appeal of the IPA stated that Firma Noy had presented as an argument only a lottery ticket which proved only the usage of goods under Class 41 and could not be considered proof for using goods under other classes. The Board of Appeal revoked nine classifications from Firma Noy allowing it to use only class 41.

On February 1, 2006, the Intellectual Property Agency registered the property rights of the Bjni Mineral Water Plant to the Noy trademark in accordance with seven ICGS classes - 16, 21, 22, 29, 30, 32, 35. By allowing Firma Noy to use class 41 the agency acknowledged that Firma Noy did operate under at least one class and allowed it to use the name Noy. Firma Noy was granted the trademark for a period of ten years up to November 12, 2008 after which the term can be extended if the owner continues to operate.

"The argument by Bjni Mineral Water Plant that we haven't used the trademark for five years does not correspond to reality since we used it under all classes. I have a stamp with the imprint of the Noy trademark, we have operated in a variety of ways - we issued lottery tickets, and engaged in advertising and publishing activity using the trademark," said Firma Noy's director. According to Gagik Sargsyan, they had been producing syrup under Class 32 but later on halted the production to improve the quality of the syrup. He showed us samples of plastic bottles that they produced in 2002. When asked why he didn't complain five years ago when Bjni was producing spring water under the trademark with the same Class 32, Gagik Sargsyan responded: "I was not concerned about the usage of my trademark because I knew that the production of Bjni was not licensed and my property right to the trademark was protected by the law."

Disputing the decision to revoke the classes of goods, Firma Noy brought an action against the Intellectual Property Agency in the Economic Court on January 8, 2006 requesting that the July 8, 2005 decision by the IPA Board of Appeal on the Bjni Mineral Plant be reversed. "If we used the trademark just once over the last five years it means we've been using it," Sargsyan maintained. His lawyer, Vardan Safaryan, believes that the decision by the Board of Appeal was adopted with violations of the law and the by-laws of

the Board.

The lawyer insists that the trademark owner used it many times - producing syrup, advertising on TV and through other means. He also used the trademark on labels of the goods he produced. In particular, in 2001 the Firma Noy president was granted by the Ministry of Finance and Economy a license to produce all kinds of foodstuffs. He was also granted by the Ministry of Justice a license for printing. "We presented the IPA with all this but they didn't consider it," Sargsyan said.

Bjni, cjsc argued in the court that apart from the lottery tickets Sargsyan had not present to the Board of Appeal any other proof, that the bottles had been presented without labels and did not show that he produced any goods using these bottles and sold them in stores. The agency shares this opinion: "The plastic bottle alone cannot be viewed as valid proof of using the trademark." It concerned also other types of activity - advertisement, printing, etc.

"He only used one class of goods or services - organization of a lottery - and I didn't appeal in connection with that. He doesn't use other classes but wants to keep them for himself and prevent others from using them. After all, the law sets the five-year term for using the trademark to exclude any unfair competition. If Gagik Sargsyan had an intention to have a place in the market he would have done that between 1998 and 2005," said the executive director of the Bjni Mineral Water Plant, Sayad Hovhannisyan said. Today Noy is one of the fifteen best-known trademarks in our country. The Bjni Mineral Water Plant has used the name Noy since 1999 - producing Noy spring water under the Class 32 granted to it only for the spring water. Grand Tobacco Company produces Noy cigarettes under Class 34. Class 33 envisaged for alcoholic beverages is used by the Yerevan Wine and Cognac Factory whose owner, parliament member Gagik Tsarukyan, produces cognac under the name Noy. Sayad Hovhannisyan of the Bjni plant believes that none of these companies have contributed to making the Noy trademark as well known as his company did. "In 2004 we appealed to the World Intellectual Property Organization (WIPO) for an international registration to be able to operate all over the world. We can use the trademark on the grounds of being well known and make Firma Noy's registration invalid. We have this right under Article 6 Bis of the Paris Convention for the Protection of Industrial Property of December 25, 1991, which states: 'The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith,'" Sayad Hovhannisyan explained.

The Noy trademark has been well known in Armenia since 2000 but the IPA registered this fact in January 2006. The significance of being well known is that the law doesn't set a term for using such a type of the trademark and besides it is protected from unfair competition. We learned from the Intellectual Property Agency that in 2006 usage of 24 trademarks was terminated prematurely and another 15 trademark owners terminated their usage voluntarily since they registered the trademarks but hadn't used them continuously for three years as required by the law. The agency has submitted amendments to the existing legislation to the National Assembly to replace the 3-year-term for terminating prematurely the trademark for not being used with a 5-year-term as in other countries. The agency maintains that registering and later on selling a trademark has not become a business activity in Armenia yet though there have been such cases.

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<http://www.hetq.am/eng/court/0704-noy.html>
