Vigilada Mineducación

Trade Dress regulation: a comparative analysis between The United States and Colombia

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Introduction

In an interconnected world, intellectual property has gained notoriety and importance. In some cases, trademarks have become the most valuable assets of a company. Examples of such companies are The Coca-Cola Company, Apple Inc., and Microsoft Inc. (González Restrepo, 2017). Consequently, governments have attempted to adapt the law to the evolving market dynamics in order to keep up with them.

The aforementioned highlights the dilemma that law regulators face. While it is commendable and necessary for the law to regulate existing social relationships, the reality is that society progresses much faster than Governments can issue regulations. As a result, certain aspects remain unregulated.

Trade Dress, although an old institution, emerges as a solution to meet market needs. It provides the flexibility required to protect new trademark phenomena without the constant need to update outdated laws and regulations or create new ones, because of the broad concept it embodies. However, some administrations have not adequately responded to these new demands, resulting in deficient regulations that fail to meet the expectations of businesses and market demands, leaving their new creations unprotected.

Colombia's primary legislation in this area, Decision 486 of 2000 of the Andean Community, is a regulation that has been in existence for over 20 years. From this perspective, there is a need to examine the Colombian regulation concerning intellectual property, particularly in relation to trademarks. By comparing it to the advanced concept of Trade Dress in the United States, it can be effectively assessed whether there is a legal gap that warrants the attention of the Colombian legislator.

In this regard, the present document will examine the aforementioned issue by firstly explaining how the United States and Colombia conceptualize Trade Dress, in accordance with their respective national regulations.. Subsequently, it will address how said nations protect Trade Dress. Finally, it will undertake a comparative analysis of both legal systems to determine whether Colombia necessitates the refinement of its legislation in this domain. The selection of the United States as the comparative jurisdiction is based on the premise that this country initially formulated the definition of Trade Dress.

First Section: Trade Dress Concept

In the United States

Trade Dress is a trademark phenomenon that has been conceived as the overall "look and feel of a product or service that indicates or identifies the source of the product or service and distinguishes it from those of others" (International Trademark Association, n.d.). As The United States Supreme Court has stated, Trade Dress was originally used only to identify the packaging of a product, but it has expanded to include product designs (Wal-Mart Stores, Inc. v. Samara Bros. 529 U.S. 205, 2000) or even the appearance of a restaurant (Two Pesos, Inc. v. Taco, Cabana, Inc. 505 U.S. 763. 1992).

The foundation for Trademark protection in the United States is what is known as the Lanham Act. Even though Trade Dress is not expressly contemplated in said statute, it can be protected because it is considered a "symbol" or "device" and therefore falls within the definition outlined in Section 43 (a) (1) of the Lanham Act (1946):

> § 43 (15 U.S.C. § 1125). False designations of origin; false description or representation
>
> (a) (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
>
> > (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or

> (B) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

In order for any Trademark, including Trade Dress, to be granted protection, it must simultaneously fulfill two criteria: distinctiveness and nonfunctionally. When an element meets both conditions, it can be concluded that it is worthy of protection.

Firstly, there is distinctiveness, which is the ability of consumers to recognize a specific Trade Dress and associate it with a certain product or service. This definition gives rise to two phenomena: Inherent Distinctiveness and Acquired Distinctiveness or Secondary Meaning. Inherent Distinctiveness was first mentioned in Two Pesos, Inc. v. Taco Cabana, Inc. (505 U.S. 763, 1992). In this particularly important case, The Supreme Court of The United States (SCOTUS) stated that Trade Dress could be protected if it was inherently distinctive, but it did not establish any test to determine when this phenomenon was present.

Because of this, a number of tests have been developed in order to identify inherently distinctives.

1. The Abercrombie Test. This test was first presented in the case Abercrombie & Fitch Co. v. Hunting World, Inc. (537 F.2d 4, 2d Cir. 1976). The United States Court of Appeals for the Second Circuit expressed that there was a spectrum of distinctives, consisting of five categories: generic, descriptive, suggestive, arbitrary, and fanciful. Suggestive, arbitrary, and fanciful marks are inherently distinctive, while generic and descriptive have little to no distinctives.

2. The Seabrook Test. This test was mentioned in Seabrook Foods, Inc. v. Bar-Well Foods Ltd. (568 F.2d 1342. C.C.P.A. 1977). In this test, there are a number of questions that need to be answered, regarding the Trade Dress:
    a. Is it made from a common basic shape or design?
    b. Is it unique or unusual in a particular field?
    c. Is it a "mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress or ornamentation for the goods"?
    d. Is it capable of creating a commercial impression distinct from any accompanying words?

When a certain Trade Dress is not inherently distinctive, but its use in the market has created an association in consumers' minds between a specific product or service and that Trade Dress, one is dealing with what is known as Acquired Distinctiveness or Secondary Meaning. A landmark case on this subject is Qualitex Co. v. Jacobson Products Co. (514 U.S. 159. 1995). Before this decision, it was believed that color could not be a mark because it lacked distinctiveness. However, SCOTUS ruled that color could be trademarked only when it had acquired distinctiveness. There are some categories of Trade Dress, for example: color, smell, and taste marks, which will never be inherently distinctive. Therefore, in order to register them it is necessary to have solid evidence to support the claim of the secondary meaning.

Secondly, there is nonfunctionally. As it was established in The Lanham Act (1946) (15 U.S.C. § 1052(e), (f)), in order for a Trademark to be registered it cannot be functional at all, even if it meets the distinctiveness criteria. The exclusion of functional features from trademark protection is based on the fact that there is already an instrument in place to protect useful

innovations: patents (Taylor, 2002). Accordingly, trademark law has a different purpose, which is to protect the element that has created an association in the consumers' minds between it and a specific product or service.

An important case that can help to illustrate what is understood as functionality is Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc. (696 F.3d 206. 2nd Cir. 2012). In this decision, The United States Second Circuit Court of Appeals, established that in order to determine whether a certain Trade Dress is functional, it is necessary to consider if the feature is "essential to the use or purpose of the article, or affects its cost or quality" (Hocking & Desmousseaux, 2015). This concept is known as utilitarian functionality. If the answer to the question stated previously is affirmative, then the inquiry stops, and the Trade Dress is deemed not registrable.

However, if the answer is negative, then it must be determined whether the Trade Dress significantly affects competition. This can be determined by considering whether the feature "would put competitors at a significant non-reputation-related disadvantage" (TrafFix Devices, Inc. v. Mktg. Displays, Inc., 2001). This idea has been recognized as the aesthetic functionality doctrine.

Not all circuits agree on the applicability of the aesthetic functionality doctrine. For instance, the Second and Seventh Circuits have recognized this doctrine, as illustrated in the previously mentioned case of Christian Louboutin S.A. v. Yves Saint Laurent America Holding, Inc. (696 F.3d 206. 2nd Cir. 2012) "A mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark significantly undermines competitors' ability to compete in the relevant market.". Other circuits, such as Third and Fifth Circuits have limited or even rejected this principle (Gambino, 2015).

The importance of understanding Trademark´s characteristics, especially when analyzing Trade Dress, consists in knowing the possibility of registration of each subtype. As defined by Gambino (2015), there are three categories within Trade Dress: product design or configuration, product packaging, and other nontraditional trademarks. This categorization is important in order to understand its protectability and enforceability.

Product design or configuration refers to the shape or configuration of a product, which can be the entire product or just a feature of it. The Supreme Court's decision in the Wal-Mart Stores, Inc. v. Samara Bros. 529 U.S. 205 (529 U.S. 205. 2000), stated that product design can never be inherently distinctive, the reason for this is that “with product design, as with color, consumers are aware of the reality that, almost invariably, that feature is intended not to identify the source, but to render the product itself more useful or more appealing”.

On the other hand, product packaging (which includes everything from labels to wrappers and containers) can be inherently distinctive because “the very purpose of attaching a particular word to a product, or encasing it in a distinctive package, is most often to identify the product’s source” (Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205. 2000).

Lastly, other nontraditional trademarks include every other possible Trade Dress alternative that does not fit in the other categories. This category can include the décor of a restaurant, scents, flavors, sales or marketing techniques, websites, or sounds. Regarding this category, in the Wal-Mart Stores, Inc. v. Samara Bros. 529 U.S. 205 (529 U.S. 205. 2000) decision, SCOTUS made an important remark involving a question left by the Two Pesos, Inc. v. Taco Cabana, Inc., decision. As it was stated that in the latter case, the issue it addressed was of a “product packaging or else some tertium quid that is akin to product packaging,” and because of that, the restaurant décor could be inherently distinctive. Nonetheless, SCOTUS recognized the

difficulty of differencing between product-design and product-packaging that Courts could encounter and recommended that they should err on the side of caution and classify ambiguous or nontraditional Trade Dress as product designs and therefore require secondary meaning.

In summary, in the United States, the existence and applicability of Trade Dress are undisputed. Despite minor details, such as the lack of uniform application of the aesthetic functionality doctrine, Trade Dress maintains a consistent concept across the decisions in which it is mentioned and is legislatively supported by the Lanham Act. Furthermore, the United States Patent and Trademark Office (USPTO) has granted Trade Dress protection to elements that, as will be demonstrated later in the paper, Colombian authorities would not recognize. Examples of this include the interior of the restaurant In-N-Out (U.S. Reg. No. 4,839,216) and the trademarked Tiffany Blue (U.S. Reg. No. 2,359,351), which registers the color Pantone 1837 without any delimitation or form, and without any combination of other elements such as words or graphics.

In Colombia

On the other hand, in Colombia Trade Dress has not been defined by any High Court, law, or regulation. For example, the law that regulates trademarks in Colombia, Decision 486 of the Andean Community, does not explicitly regulate what is known as Trade Dress in the United States. In the few instances where this concept has been mentioned, the Superintendency of Industry and Commerce (SIC) has quoted writer Mauricio Jalife Daher, who defines Trade Dress as “the sum of decorative and presentation elements that identify a product or establishment, that as a whole generate in the consumer a perception when they are confronted” (Resolution 5545, 2010).

Because of this, in order to understand this concept in Colombia, it is necessary to detail the pronouncements made by the authorities on this subject:

Bayer S.A. (Bayer) v. Tecnoquímicas S.A (Tecnoquímicas) – Decision No. 780 of 2012 of the Superintendency of Industry and Commerce

Bayer marketed aluminum acetate under the trademark "Acid-Mantle" with unique and original label and packaging. Tecnoquímicas also sold aluminum acetate under the trademark "Acid-Ness" but as alleged in the lawsuit, it copied key features of "Acid-Mantle's" presentation, particularly the trademark, label, and packaging design. As a result, Bayer took legal action for unlawful competition and demanded that Tecnoquímicas stop selling aluminum acetate with a similar presentation.

The Superintendence stated that to understand “confusion acts” it was crucial to consider whether a subject's actions could potentially confuse consumers regarding the identity of the company producing the goods or services, even if the confusion act itself did not actually occur, being important that it could happen potentially. The Superintendence acknowledged that the considerations made regarding confusion acts were applicable to Trade Dress, briefly mentioning this subject.

Nevertheless, the SIC concluded that there was no unlawful competition. One of the arguments used by the court was the so-called “marketing strategy of following the leader”. This theory states that other market participants are allowed to copy key characteristics of the market leader´s products with two purposes in mind: to indicate to consumers that their products belong in the same category as the leader's and to present it as a potential alternative. This mirroring is permissible as long as the competitor´s products include enough differences to reduce the risk of

confusion. The SIC argued that the prominence of “Acid-Mantle” in the Colombian market for aluminum acetate established it as the leader, which meant that other competitors, like Tecnoquímicas, could copy certain aspects of Bayer's product.

Team Foods Colombia S.A. (Team) and Grasas S.A.(Grasas) v. Lloreda S.A (Lloreda) – Decision 2762 of 2012 of the Superintendency of Industry and Commerce

Team and Grasas both commercialized sunflower oil under the brand “Girasoli” which has had a unique label since 2007. In 2010, Lloreda changed the presentation of its brand "Girasol Oleocali" by reproducing key elements of "Girasoli's" Trade Dress, such as the colors, proportions, size, and font of the letters on the label.

As a result, Team and Grasas initiated a legal action for unlawful competition, arguing that the design of the "Girasol Oleocali" label created confusion among consumers.

The new label presented by Lloreda S.A.	The original label used by Team Foods Colombia S.A. and Grasas S.A.
	

During the evidentiary stage it was proven that Lloreda deliberately changed its label in an attempt to make it similar to that of Team and Grasas. The SIC determined that “Girasol

Oleocali" closely copied key elements of "Girasoli" and also failed to incorporate sufficient distinctive characteristics that allowed to distinguish the commercial source of the products. Furthermore, it was also proven that Lloreda intentionally positioned its product near to that of Team and Grasas, causing consumers to mistakenly acquire the competitor's product.

In the case at hand, Trade Dress played a fundamental role in the court's evaluation. The SIC stated that its decision was based solely on the examination of the product´s labels, which were not protected by any trademark considered in the Decision 486. Therefore, the determination of the unlawful competition acts was conducted by examining the only element that was reported as copied: the label. The other elements of the product´s Trade Dress were not analyzed as both parties agreed that they were different.

This landmark decision exhibits the workings of Trade Dress regulation in Colombia. In order to successfully protect their Trade Dress, petitioners must demonstrate that it is consistent and recognizable. However, this requirement also presents a challenge, as it compels individuals to collect a great amount of evidentiary material in order to sustain their claims, as demonstrated by Team and Grasas, who presented studies that showed how consumers confused both sunflower oil brands. This gathering of information can be costly, particularly for small and local companies, who lack the resources to put together a competent legal team and also compile the necessary evidence.

Koba Colombia S.A.S (Koba) v. Société Des Produits Nestlé S.A. (Nestlé). – Resolution 17264 of 2017

In a recent decision, the Superintendence reinforced its position on Trade Dress. In this case, Koba applied for a trademark "Milatti" for products in class 30 of the International Niza

Classification. Nevertheless, once published, Nestlé filed an opposition based on literals a) and h) of article 136 and article 137 of the Decision 486 of the Andean Community of Nations (CAN). These articles outline the grounds for opposing a trademark registration. The opposing trademarks include the following:

Trademark request by Koba	Trademarks own by Nestlé
	   

The existence of Milo´s Trade Dress was one of the defense arguments presented by Nestlé. The Superintendence considered that Trade Dress could be protected by various means such as a three-dimensional trademark, industrial designs, or even through the possibility of pursuing actions for unlawful competition derived from deceitful, confusion or imitation

practices, even if there is no trademark registered by the claimant. With this in mind, Colombian judicial officers reiterate the jurisprudence established by the Andean Community Court of Justice:

> This Tribunal notes that, although the theme of the appearance of the product or service, also known as Trade Dress, is not explicitly regulated in the Decision 486 as well as in none international legislation since it is a jurisprudential development form Trademark Law, this thematic must be evaluated for its bond with the legal field of repression of unlawful competition, in accordance with the majority doctrine and the position of the Competent Nacional Offices of the member countries (Resolution 17264, 2017).

At the end, the SIC sided with Nestlé´s arguments and denied the trademark application presented by Koba. Koba Colombia S.A.S did not submit a claim before the Council of State for a review of the decision.

There is an especially important finding to note from this case. The SIC clearly states that Milo's trademarks must be protected and, as a result, the Milatti trademark is rejected, due to the sum of its decorative elements and presentation including packaging, colors, label design, typeface, and product name, being well-known by the consumer and generating a distinctive impression in their minds. As a result, Milo is ratified as a notorious brand[1].

However, it should be noted that the entity considers that Milo's elements should be protected through Trade Dress, despite the fact that this figure is not considered in the Andean regulation. This phenomenon arises due to the brand's status of notoriety. Taking this into

[1] Article 224 of the Decision 486 of the Andean Community of Nations (CAN): distinctive sign that is notoriously known is understood as such when is recognized as such by the relevant sector of any Member Country, regardless of the way or means by which it became known.

consideration, Nestlé would have little difficulty in establishing Milo´s Trade Dress as one deserving of protection and could effectively oppose the registration of third-party trademarks on the basis of literal h) of article 136 of the Decision 486[2].

This clearly demonstrates that in certain cases, even in the absence of explicit regulation, the Superintendence can acknowledge the existence of Trade Dress. Nevertheless, this could only occur when a notorious distinctive sign opposes a trademark registration process and provides supporting arguments for the existence of this concept, as seen in the Koba v. Nestlé case. Due to the specific requirements of this option, it is not considered as a viable alternative for protecting Trade Dress. This approach significantly disadvantages most Trade Dress owners who do not possess the "notorious" status that famous trademarks enjoy.

As a result, owners of less well- known trademarks may need to initiate unlawful competition actions when a similar trademark is used without having the corresponding administrative act or it is granted, and even then, they still have to have the economic, social, and legal resources[3] to do so.

In both Koba v. Nestlé and Team and Grasas v. Lloreda the evidentiary material played a significant role. In the former, Nestlé used market research identified as “Milo Color Project” developed by Millward Brown S.A.S. that demonstrated that 89% of survey respondents associated the color green to the Milo brand. In the latter case, Team and Grasas presented a

[2] Article h of article 136: Signs whose use in commerce would unduly affect a third party right may not be registered as trademarks, particularly when: constitute a reproduction, imitation, translation, transliteration or transcription, in whole or in part, of a well-known distinctive sign whose owner is a third party, whatever the products or services to which the sign is applied, when its use is likely to cause a possibility of confusion or association with that third party or its products or services; an unfair advantage of the prestige of the sign; or the dilution of its distinctive force or its commercial or advertising value.

[3] When starting legal actions, it is important to consider not only the economic toll that hiring a legal team implies, but it is also necessary to consider the social cost. This idea refers to the mental and physiological burden that starting a legal process implies.

study which revealed that 20 to 22% of the participating consumers confused both Oleocali and Girasoli. Another study, also listed in the second case, found that 53% of surveyed people considered that both sunflower oil brands had the same business origin.

These studies played a crucial role in SIC's decision-making process and were cited repeatedly in favor of the plaintiff's claims. However, it is important to note that such evidence can be expensive, and not all companies can afford to undertake such research.

Concept No. 06007139 of 2006

With this concept, the SIC gave answer to a consult made in which it was asked if Trade Dress could be protected by a means different to the register of a mixed, figurative or three-dimensional mark. As quoted by Duran Rico (2019), the entity stated that the provisions of Decision 486 did not expressly regulate the concept of Trade Dress or its constituent elements. However, certain elements could be individually considered and therefore, be registered as distinctive signs or new creations[4].

The Superintendence (as cited in Duran Rico, 2019) concluded that there were elements of Trade Dress, which comprise the external presentation of a product, that could be associate to the figure of a three-dimensional mark or industrial design, even, being protectable through acts of unfair competition contemplated in Law 256 of 1996.

Resolution No. 48328 of the10th of September of 2009

In this Resolution, the Superintendence of Industry and Commerce stated that the protection of Trade Dress can be justified under the premise of literal a) of article 259 of

[4] As Universidad Nacional de Colombia (n. d.) establishes, new creations "are those that are the object of protection of invention and utility model patents, industrial designs and layout-designs of integrated circuits."

Decision 486, which describes the unfair act of competition by confusion. As quoted by Duran Rico (2019), the SIC affirmed the idea that Trade Dress could be protected through competition rules, particularly through unfair acts of confusion.

The Andean Community Court of Justice (TJCAN)

Colombia is a member state of The Andean Community, an international organization which aims to promote a harmonious development between its members. Because there is an Andean law that regulates intellectual property (Decision 486), when a case reaches the last judicial instance, it is mandatory for this entity to request an interpretation to the Andean Community the Court of Justice (TJCAN) of the disputed Andean norm (The Andean Community Court of Justice, 2017). Thanks to this process, the TJCAN has issued several interpretations of its position regarding Trade Dress, which can help us better understand this concept in Colombia.

In the instances where Trade Dress is mentioned, the Court echoes the message already stated by The Superintendence: even though Trade Dress is nor expressly regulated in the Decision 486 it must be evaluated because it has ties with the unlawful competition field. This is inherently linked to articles 137 and 225 of the Decision, which state that trademarks that have been requested to perpetrate, facilitate, or consolidate acts of unfair competition must be denied.

This position has allowed the National Offices to examine this phenomenon in two distinct situations: when an unlawful competition action is established or when an unlawful competition claim is made in midst of a trademark application. As explained by The Andean Community Court of Justice (Prejudicial interpretation 66, 2014) when faced with the latter situation, the National Offices must conduct an analysis that begins with *prima facie* evidence.

This evidence must allow them to conclude that the applicant, in bad faith, may deceive another competitor. Such evidence is understood as any fact, act, or omission that, by inference, could generate a high probability that the trademark was requested with the intent of perpetuating, facilitating, or consolidating an act of unfair competition.

The situation iterated by both the SIC and the TJCAN requires the opposing party to either have an already registered trademark or be classified as a notorious one (like what happened in the Nestlé v. Koba case), in order to successfully oppose a new trademark application. The problem with this position is that it continues to ignore nontraditional Trade Dress, such as restaurant décor, which does not conform to the provisions of Decision 486. When confronted with this type of Trade Dress, The SIC and TJCAN both rely on the owner to start an unlawful competition action in order to protect it.

Second Section: Trade Dress Protection

Simply having the right to a trademark is insufficient if it cannot be adequately protected from infringement by third parties. Consequently, the level of protection afforded to trademarks may differ between countries. Therefore, it is essential to understand how regulatory systems have established and implemented trademark protection mechanisms.

In most countries, legal protection of trademarks is generally obtained through registration, although some countries also recognize the use of an unregistered trademark as a basis for protection. These systems are known as “first to file” and “first to use”. In the “first to use” system, the owner of a trademark is the first person or entity to use it in commerce, whether or not the trademark has been registered (World Intellectual Property Organization, 2017). In these countries trademark registration is not mandatory. However, in “first to use” countries,

trademarks that are registered are afforded stronger protection, making registration highly recommended.

On the other hand, “first to file” countries demand that subjects register their trademark in order to gain the rights and titularity. In this regime, using a trademark without having it registered does not generate any rights (World Intellectual Property Organization, 2017).

As established by World Intellectual Property Organization (2017), there are several advantages that come with registering a trademark:

- Exclusivity: The trademark owner has the exclusive right to commercially use that trademark anywhere in the country or region where the trademark was registered. It also prevents others from commercializing with analogous products under a similar trademark.
- Enforcement: having a registered trademark eases the evidentiary burden of proving titularity, making it simpler to start legal actions against those who violate the exclusivity right.
- Valuable assets: a trademark is a valuable resource, but by being registered it is easier to sell or license.

In order to have a full understanding of how the protection of trade dress works, it is paramount to recognize which system has been adopted by the countries in question.

In the United States

According to Article § 1 (15 U.S.C. § 1051) of The Trademark Act of 1946, exclusive rights are awarded to the person who first uses a trademark in commerce (Cornell Law School,

n.d.). This means that the United States can be considered a “first to use” country. In other words, the use of a certain Trade Dress in commerce grants its owner the same rights as if it were registered.

As established in the first section of this article, Trade Dress is expressly recognized in the United States and its registration is allowed. This recognition means that individuals and entities can request registration of their trade dress with the United States Patents and Trademarks Office (USPTO), regardless of the category it falls under.

In Colombia

In comparison, the Colombian Industrial Property system operates differently when it comes to the right to a trademark. The rights inherent to trademarks arise through the decision of the competent authority. In this sense, the use of trademarks does not grant any privileges or advantages.

Title VI of Decision 486 serves as the primary rule that governs trademarks in Colombia and other Andean countries. It provides the framework for the procedure, requirements, and conditions associated with trademark registration. While Trade Dress, as defined and practiced in the United States, is not specifically addressed in Decision 486, it is crucial to analyze this standard since it forms the foundation of intellectual property regulation in Colombia. This section will discuss the options outlined by the SIC in Concept No. 06007139 for the protection of Trade Dress, as well as some approaches given by the author.

Decision 486 of 2000

1. *Trademarks*

Despite the many similarities between trademarks and Trade Dress, there are aspects of the latter that escape the protection granted by Trademarks as defined in Decision 486. In this regard, it is important to refer the statement made by Gambino & Bartow, as quoted by González Restrepo (2017):

> The difference between Trade Dress and trademarks lies in the means by which the public becomes aware of the rights of the owners. Indeed, a trademark typically consists of one or more words, images, numbers and/or symbols affixed to a product to indicate its origin. Trade Dress, on the other hand, is much broader, encompassing the overall image or impression created by a product or its packaging.

However, it is necessary to mention the tools provided by the Decision and that could potentially be useful to protect certain aspects of Trade Dress.

Article 134 of the Decision 486 (2000) establishes the definition of what can be considered as a trademark in Colombia:

> **Article 134.** For the purposes of this regime, any sign capable of distinguishing goods or services in the market shall constitute a trademark. Signs susceptible of graphic representation may be registered as trademarks. The nature of the product or service to which a trademark is to be applied shall in no case be an obstacle to its registration.
>
> The following signs, among others, may constitute trademarks:
>
> a. Words or a combination of words;

b. Images, figures, symbols, graphics, logos, monograms, portraits, labels, emblems, and coats of arms;
c. sound and smells;
d. letters and numbers;
e. a color delimited by a shape, or a combination of colors;
f. the shape of a product, their packaging or wrapping;
g. any combination of the signs or means indicated in the preceding paragraphs.

From this section, doctrine has extracted trademark's characteristics. As explained by Lizarazu Montoya, R. (2014), these characteristics include the following: the sign must be perceptible by the senses, it must be represented graphically, and it must be capable of distinguishing goods and services in the market.

Similarly, articles 135 and 136 lay out the absolute and relative ground for non-registrability. It is noteworthy to mention that the causes listed in said sections are exhaustive, meaning that the limits for trademark registration are established within them, along with the requirements established by the doctrine, mentioned in the previous paragraph.

Despite the apparent flexibility of the law, in reality, its application is difficult. An example of this is the case of scent marks, which despite having an explicit regulation in Decision 486, have not been successfully registered before the SIC due to the difficulty of representing them graphically (Zapata Giraldo et al., 2015).

a. Three-dimensional marks

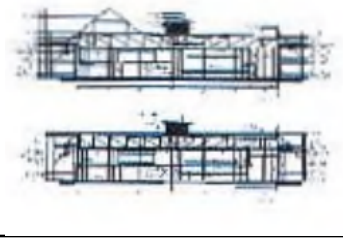
Literal f) of article 134 of Decision 486 of 2000 expressly allows for the registration of three-dimensional marks. These types of trademarks are defined as a body that occupies three

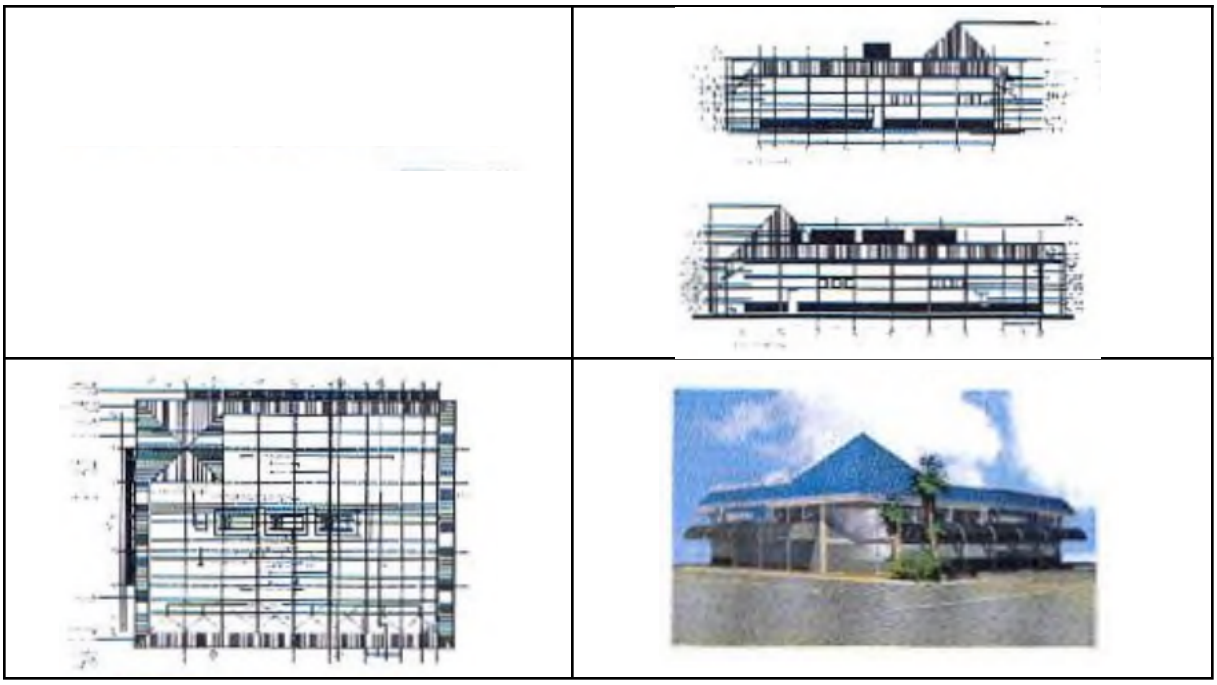
dimensions and that can be perceived through sight and touch (Prejudicial Interpretation 33, 2005).

The fundamental requirement of this subtype of trademark is distinctiveness. The Council of State of Colombia in sentence of 8th of June of 2006, as quoted by Zapata Giraldo et al. (2015), established that the mark must present its elements in a distinct way that creates an impression different from the one produced by containers typically used in products of the same category in the market. In other words, it is necessary for the mark to be different, or more precisely, not usual within the products it distinguishes.

In connection with Trade Dress, Guerrero Gaitán et al. (2016) clearly lays out that three-dimensional marks are equivalent to what is known in The United States as product packaging, a subtype of Trade Dress.

A noteworthy case is the three-dimensional trademark requested and granted to Farmatodo C.A., which protects the exterior appearance of their store for products in class 35 of the Niza classification.

Three-dimensional trademark granted to Farmatodo C.A. by Resolution 39606, 27 of June of 2012	
	



b. Opposition in trademark registration process

When a trademark is granted, the holder gains the right to prohibit third parties from using the sign in the market. These rights can be summarized in the following three categories, as explained by Zapata Giraldo et al. (2015, p. 46):

- The right to use the trademark in the good or service for which it was granted, as well on its packaging or wrapping and also to pursue judicial or administrative actions in order to prevent others from making such use on similar products boasting signs identical or similar to theirs.
- The ability to trade the goods or services identified with their mark, which is complemented by the owner's power to forbid third parties to sell goods or provide services under the protection of an identical or similar sign.
- The possibility of the owner using the mark in advertisements, preventing others from doing the same with that same trademark.

As a result of these rights, the Holder can present opposition to any trademark registration. The main arguments for opposition are the ones outlined in article 136 (relative causes for non-registrability) which mostly refer to the risk of confusion or association between the applicant´s sign and the holder´s sign (Zapata Giraldo et al., 2015). It is in these situations that The National Offices can examine the potential of unlawful competition that article 137 refers to[5].

This option, although valid, is applicable only to traditional Trade Dress, which refers to elements of this figure that have an explicit regulation on Decision 486 and subsequently, can apply for protection in Colombia and have proper registration. Despite the limitations imposed by the Andean Law, it remains a viable choice for defending certain aspects of Trade Dress.

c. Notorious distinctive signs

As mentioned in the Koba v. Nestlé section, the SIC recognized that the elements of the Trade Dress of a notorious trademark (Milo) were deserving of protection. Because of this, it is vital to explain what this figure comprises.

Article 224 of Decision 486 (2000) defines it as: "A well-known distinctive sign shall be understood to mean a sign that is recognized as such in any Member Country by the relevant sector, irrespective of the manner or means by which it became known"

As stated in the definition, a notorious trademark is primarily characterized by the knowledge of a specific consumer group within the protected product or service sector (Guerrero Gaitán et al., 2016). Guerrero Gaitán et al. (2016) further identifies the components that define notoriety:

[5] Article 137- When the competent national office has reasonable grounds to infer that a registration has been applied to perpetrate, facilitate, or consolidate an act of unfair competition, it may refuse such registration.

1. Intensive use: The use of a trademark must be real and effective, as mere intention of use is insufficient.
2. Reputation: Notorious brands enjoy a higher level of recognition among consumers compared to regular brands, as they have gained significant exposure in the market.
3. Target consumer group or market area: The trademark should have extensive recognition within one of the following groups associated with the relevant product or service:
    - Actual or potential consumers
    - Participants in the distribution chain
    - Commercial circles

Lastly, there are two instances in which National Offices can declare the notoriety of a brand: during opposition proceedings against a trademark application or in a trademark cancellation action (Guerrero Gaitán et al., 2016).

It is important to highlight the fact that the regulation when defying the concept does not limit the applicability of what notorious is only to trademarks, as it is expressed as a "distinctive sign". This could lead to the possibility of extending the implementation of notoriety to any sign, including all the elements of Trade Dress. Nevertheless, when doing a strict and integral interpretation of Decision 486, along with the TJCAN and SIC´s interpretation, it can only be concluded that it only applies to the signs described in the legislation.

However, the question remains whether the National Offices could argue that a sign that does not conform to the Decision could be considered as notorious, even when the requirements set by the Decision are met. The answer to this inquiry remains due to the fact that upon the

research made for this paper, it was not possible to find a pronunciation by the TJCAN or SIC in this sense.

2. Industrial Designs

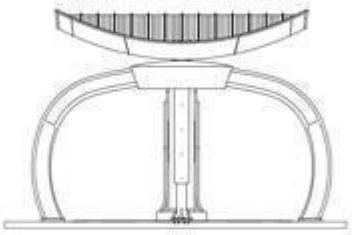
Industrial designs are defined by article 113 of Decision 486. It is composed of the appearance of a product which can adapt any shape, figure, line, texture, or color (Zapata Giraldo et al., 2015). The only requirement that the Decision establishes is that the design must be new as defined by article 115 "a design is not new if before the application date (…) it has been made available to the public in any place or moment, through its description, use, commercialization or by any other means" (Decision 486, 2000). Furthermore, a design is not new if it presents secondary differences, or it refers to another product class, in connection with previous designs.

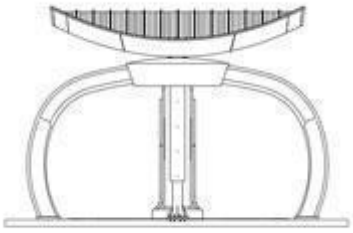
It is essential that the design does not involve an invention because this alternative only protects aesthetics, not technical functionality. Therefore, if the appearance of a design is dictated by technical considerations, it cannot be protected under this figure (Decision 486, 2000).

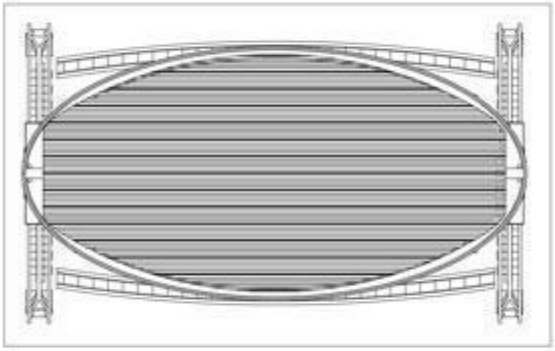
Some differences this tool presents in comparison with trademarks is the possibility of renewal. Industrial designs award the holder rights for a limited amount of time of 10 years, after the period has expired the protection stops. On the other hand, trademarks can be renewed indefinitely.

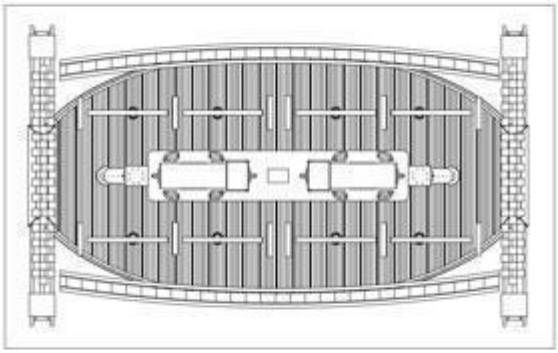
As three-dimensional trademarks are the equivalent to product packaging, it is possible to establish that industrial designs are analogous to product design. A case that supports this idea is the design granted to Organizacion Terpel S.A. of a gas station, which mimics, with limitations, the idea that product design Trade Dress represents:

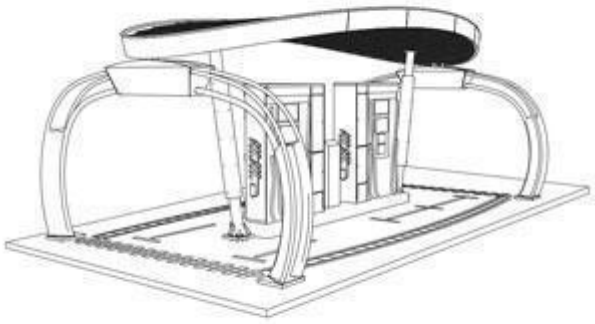
Industrial design granted to Organizacion Terpel S.A. by Resolution 30671, 24 of May of 2016











However, as it will be explained later, industrial designs still do not provide a viable solution for protecting product designs as a subtype of Trade Dress.

Unlawful competition actions

In Colombia, there are two main laws that regulate unlawful competition actions: Law 256 of 1996 and the Andean Decision 486 of 2000. While the former provides a general perspective on the subject, the latter specifically focuses on unfair actions associated with Industrial Property. It is crucial to analyze both laws and their potential implications for Trade Dress, particularly when considering nontraditional Trade Dress.

Two organizations have been responsible for interpreting and applying the concepts established in both regulations: the Court of Justice of the Andean Community (TJCAN) and the Colombian Superintendence of Industry and Commerce (SIC). The Court's interpretations are derived from their prejudicial interpretations in regards with the applicability of Decision 486, while the pronouncements of the SIC, which is the Colombian authority responsible for protecting competition (Zapata Flórez, 2022), stem from unlawful actions filed before this entity based upon Law 256[6].

1. Unfair competition acts under Law 256 of 1996

Firstly, it is important to list the actions that are categorized as unfair under this regulation. Article 7 establishes a general prohibition based on the principle that market participants must always act in good commercial faith. As stated by Zapata Flórez (2022), this

[6] Law 256 overturned articles 75 to 77 of the Commerce Code, which previously regulated the subject. To gain a deeper insight into the High Court's decisions under the prior legislation, it is recommended to review Perilla Castro´s work "Supreme Court's Rulings And Arbitration Awards On Unfair Competition In The Contractual Relationship" (https://revistas.uexternado.edu.co/index.php/propin/article/view/8437/13382)

entails both acting in accordance with the requirements of social law and expecting others to act according to the same socio-legal standards.

On the other hand, articles 8 through 19 provide a non-exhaustive list of the conducts that in Colombia are considered unfair. These include:

1. Customer deviation
2. Disorganization acts
3. Confusion
4. Acts of deception
5. Acts of disrepute
6. Acts of comparison
7. Imitation acts
8. Exploitation of the reputation of others
9. Secret violation
10. Inducement to breach of contract
11. Violation of the law
12. Unlawful exclusivity agreements

Secondly, it is important to note that the aforementioned law applies when the primary effects of the actions occur in Colombia (article 4) and that these are aimed at maintaining or increasing the offender's market share (article 2). Furthermore, it should be emphasized that the application of this law is not limited to merchants; it extends to all participants of the market (Velásquez Botero, 2018).

In regards with Trade Dress, it is essential to recall the Team Foods Colombia S.A. and Grasas S.A. v. Lloreda S.A case. The plaintiffs based their lawsuit on the violation of articles 7º, 8º, 10º, 14º, and 15º of Law 256 de 1996. As described in the previous section, the object highly analyzed in the SIC´s decision was the similarity between Team and Grasas and Lloreda´s label, an element that was not protected by any trademark and that in accordance with Decision 486

could only be registered as an industrial design which does not offer an integral protection compared to trademarks or Trade Dress.

Is due to the aforementioned, that the SIC has reiterated on several occasions that Trade Dress does have protection in Colombia. Legal actions can be initiated against those who use certain unprotected elements, such as labels, to engage in acts of unfair competition. However, it is important to note that this protection is inadequate and often triggered too late, after the harm has already been done.

2. Trademark protection actions established in The Andean Decision 486 of 2000.

Decision 486 stipulates the ability to initiate unfair competition actions as a means to protect Industrial Property. The triggering factor that allows said actions to unfold is the infringement of exclusive rights of the trademark owner, being this subject the only one authorized to initiate such actions (Velásquez Botero, 2018).

According to Zapata Florez (2022), unfair competition acts, as described by article 258[7], are limited to those that can fraudulently alter the market and can injure the consumer interest. These acts go against honest practices and are carried out with the intention to harm competitors while taking advantage of situations that could potentially cause them harm. The TJCAN also highlights that honest uses and practices stem from a commercial sense of good faith, based on the understanding that merchants are bound by principles of honesty and loyalty (Zapata Florez, 2022).

[7] Article 258- Any act related to industrial property carried out in the business sphere that is contrary to honest uses and practices shall be considered unfair.

In the same way, the acts can only be deemed as unfair if both the plaintiff and defendant are competitors engaged in a similar or equal commercial activity and, if the prohibited act has the potential to cause harm (Zapata Florez, 2022).

Article 259 (Decision 486, 2000) establishes three main events where acts are considered to be unlawful:

a. Any act capable of creating confusion, by any means whatsoever, with respect to the establishment, products or industrial or commercial activity of a competitor;
b. False assertions, in the course of trade, capable of discrediting the establishment, products or industrial or commercial activity of a competitor; or,
c. Indications or assertions the use of which, in the course of trade, could mislead the public as to the nature, mode of manufacture, characteristics, suitability for use or quantity of the products.

As previously explained, actions depicted in Decision 486 are only available to holders of a trademark or any other intellectual property title regulated in the same statue. This idea limits who can access these resources but still, it is a valid option for those whose Trade Dress aligns with the possibilities governed by the Andean Decision.

To summarize, both regulations, Law 256 of 1996 and The Andean Decision 486 of 2000, embody legal mechanisms aimed at safeguarding merchants from unfair competition practices, and both can be instrumental in the protection of Trade Dress. However, a notable distinction between them lies in the fact that only trademark owners, as explicitly stipulated by the same regulation, are authorized to utilize the mechanisms outlined in The Andean Decision 486. This stipulation only emphasizes the exclusion of non-traditional Trade Dress.

Third Section: Comparison between both systems

In first place, it is important to highlight the main difference between the trademark system of The United States and Colombia: the underlying principle in which both structures were built. The United States follows a "first to use" system, whereas Colombia has adopted a "first to file" process. Because this distinction forms the foundation of each system, it is essential to mention what advantages and disadvantages are presented in both establishments.

In the American system, a holder that does not register their sign can still maintain protection over the trademark, provided that they can demonstrate certain criteria: using the mark to distinguish services and products, having prior use of the mark compared to the disputed use, the use being limited to a specific territory, and establishing a reputation in that territory as a result of the use (Guerrero Gaitán et al., 2016). These evidentiary requirements can make it challenging to exercise the rights of the trademark holder, which is why registration is crucial to strengthen the claimed right.

As Guerrero Gaitán et al. (2016) illustrates, registration grants the following prerogatives:

- The holder of a registered right has the possibility of using the sign throughout the entire territory of the country.
- The registration serves as a public notification that the sign is the exclusive property of the registered holder.
- After five years from the date of registration, the right will become unquestionable and definitive.

On the other hand, in Colombia, due to the use of a registration-based system, there are no significant concerns regarding the exercise of rights arising from a trademark, making it easier to defend any distinctive sign.

In conclusion, attributive or first to file systems tend to improve the standard for legal security by explicitly granting or denying exclusive rights over a distinctive sign. However, as Guerrero Gaitán et al. (2016) states, legal security depends on an administrative act that does not always reflect the market dynamics. While declarative systems, like the US one, seek to ensure that merchant dynamics prevail, it is impossible to provide certain protection mechanisms to a sign if it is not registered in a state public registry (Guerrero Gaitán et al. 2016).

In second place, concerning what the definition of Trade Dress entails, it is notable that The United States has a broader concept compared to Colombia, to the extent that one could argue that the Latin American country does not fully contemplate this figure in its legislation. As a result, certain aspects that make Trade Dress such a unique trademark concept cannot be adequately protected in Colombia.

Some of these unprotected elements are colors not delimited by shapes, the overall look and feel, which includes both the interior and exterior decoration of an establishment, taste marks, business techniques and sales methods (Gonzalez Restrepo, 2017). This leads us to deduce that there are aspects of Trade Dress that can be protected by the Colombian regulation, which have been referred to as Traditional Trade Dress throughout this document. However, as previously explained, the current regulation is highly limited and does not fully encompass the breadth of what Trade Dress entails.

In third place, another big distinction between both systems is the requirement established by the Andean Decision to graphically represent the sign. This demand greatly limits what can be considered as a trademark and has resulted in the inability to fully implement Decision 486, as seen with olfactory marks.

In fourth place, in connection with Trade Dress protection and enforcement, the United States enjoys a clear advantage because this concept has been explicitly regulated. This is evident through its incorporation into the USPTO's application system and consistent recognition as a valid trademark by the judicial system. Conversely, in Colombia, safeguarding Trade Dress faces numerous obstacles, particularly with regard to non-traditional Trade Dress. Because of the exclusion of this subtype from any regulatory framework, actors seeking protection are confronted with a significant challenge, both legally and economically.

Lastly, although industrial designs share similarities with Trade Dress, there are some distinctions worth mentioning. Trademarks serve the purpose of identifying the business origin of a product or service, while industrial designs do not have that specific intent. Industrial designs aim to protect the external appearance of a product, which through its use may become associated with a particular business, but it is not their primary objective. It is also important to highlight that industrial designs have a limited protection period of 10 years with no possibility of renewal, whereas trademarks offer that option. This makes industrial designs a precarious tool to replace Trade Dress.

Conclusion

As evidenced in this paper, Trade Dress has evolved greatly in the United States system, allowing it to be implemented without restrictions. This has enabled the market participants to protect the trademarks they possess and use through various means, without encountering any

type of restriction. The evolution of Trade Dress through court decisions has resulted in the application of protection to elements that were once thought to be ineligible as trademarks. The freedom provided by Trade Dress has allowed the law to keep up with social evolution without the need for constant updates or modifications.

Unfortunately, the Andean Community has not been able to expressly regulate the subject, shielding themselves with the argument that some of the elements that comprise the figure can be protected. However, as demonstrated throughout this paper, the protection granted by Decision 486 of 2000 is incomplete and fails to fully encompass the scope of Trade Dress, leaving important concepts unprotected.

Similarly, although the Superintendence of Industry and Commerce of Colombia reiterates that Trade Dress can be protected through various means, it is evident that the rights arising from Industrial Property bestow the holder with greater judicial security. This idea has already been recognized by the entity, as for instance in Decision 780 of 2012, in the case of Bayer v. Tecnoquímicas:

> **The protection granted by the rules on industrial property to the owner of distinctive signs "gives rise to a type of reinforced protection**, based on the technique of subjective right, subject to the principles of formality, typicality and publicity, consisting in the granting of an erga omnes exclusive, which can be automatically enforced against any imitator, without having to prove circumstances other than the existence of the infringement of the right" (2012).

That being said, the requirement for owners of trademarks not recognized by Decision 486 to wait until their unrecognized right is infringed before initiating actions to protect it

exhibits the disbalance that actors are subject to. These individuals are compelled to engage in a process where they must prove not only the infringement of their right but also the existence of the right itself. This issue discourages the judicial user from accessing justice because of the burden of proof they are confronted with.

This idea severely tilts the scale in favor of a specific trademark group and hampers the progress of Colombian legislation, preventing it from keeping up with the major global trends in the field of Industrial Property. Both the SIC and TJCAN in their somewhat backward position, hinder Colombia's ability to adopt a modern position regarding Trade Dress. Embracing a modern approach could bring benefits in areas such as trademark innovations and place the country on the global legal landscape.

Overall, these observations highlight the disparities in the regulation and protection of Trade Dress between the United States and the Andean Community, especially in Colombia, underscoring the need for comprehensive and effective measures to safeguard this important aspect of intellectual property.

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