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## ARGENTINA: Court Holds NIKE ZOOM and ZOOM Can Coexist

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Division III of the Federal Court of Appeals in Civil and Commercial Matters of the city of Buenos Aires partially reversed the lower court's decision in *re: Nike Argentina SRL v. Pace, Susana* on May 16, 2017, thus allowing the coexistence of ZOOM and NIKE ZOOM. The Court of First Instance had invalidated Ms. Pace's trademark registration for ZOOM (and design) in Class 25.

In 2007, Ms. Pace summoned the plaintiff, Nike Argentina, to a pre-trial mediation hearing requesting that Nike cease use of ZOOM and pay damages. The parties were unable to reach an agreement. In order to avoid the granting of a preliminary injunction to Ms. Pace, Nike Argentina filed a complaint in 2008 with the Court of First Instance requesting the invalidation of Ms. Pace's trademark registration. In her reply to that complaint, Ms. Pace counterclaimed, again asking that Nike cease use of ZOOM and pay damages

### Defendant's Trademark Registration



The Court of First Instance admitted Nike's complaint and rejected Ms. Pace's counterclaim. The court said that Nike Argentina had been using NIKE ZOOM as a *de facto* trademark for special sports footwear prior to Ms. Pace's application for ZOOM (and design) in Class 25. Ms. Pace obtained the registration in 2005 and used the mark for clothes for teenagers. The court pointed out that both parties conducted similar business and their marks were confusingly similar.

The Court of Appeals reversed the first instance decision regarding the invalidity of the ZOOM (and design) registration, but confirmed the lower court's rejection of the counterclaim.

The Court of Appeals ruled that, since the plaintiff used NIKE ZOOM together with the well-known Nike Swoosh logo, ZOOM was not endowed with independent distinctive capacity regarding NIKE.

The court held that Nike Argentina had not proven intense enough use of ZOOM so as to be considered a *de facto* trademark. It further stated that a potential buyer would seek out footwear with the NIKE mark, since it was the most important element.

Additionally, the court held that there was no evidence of a bad faith registration by Ms. Pace, as Nike had alleged, and that it would be difficult for a buyer to get confused when purchasing the products.

Finally, the Court of Appeals ruled, that since Nike Argentina had not proven use of ZOOM as a trademark, it was reasonable for the company to continue using the word without paying damages.

Prior decisions in conflicts involving well-known marks had forbidden coexistence.

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