

## ARGENTINA: Federal Court Protects a Well-Known Foreign Company Name

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Division II of the Federal Court of Appeals in Civil and Commercial Matters has ruled that a foreign company name deserves protection, even if the company has not registered to do business in Argentina, as long as it is well known. The decision was rendered on September 11, 2015, in the matter of *Esab Aktiebolag v. Esab S.A.* (Docket Nr. 5823/1999).

The plaintiff, Esab Aktiebolag, filed and obtained a preliminary injunction preventing Esab S.A. from using Esab S.A. as a company name because Esab S.A.'s business activity was similar to plaintiff Esab Aktiebolag's trademark registration for ESAB in Classes 7 and 9 (welding-related products).

After the injunction, the shareholders of Esab S.A. attempted to incorporate under a new corporate name, Esab Argentina S.A., with a corporate purpose related to toys and Christmas ornaments, an activity unrelated to the products protected by the plaintiff's mark. Esab Aktiebolag filed two lawsuits against the defendants, which were jointly decided, asking that Esab S.A. and Esab Argentina S.A. not be allowed to use either Esab S.A. or Esab Argentina S.A. as corporate names.

The Court of First Instance in that suit, *In the matter of Esab S.A.*, found in the plaintiff's favor on the grounds of prior trademark ownership by the plaintiff. The court also ruled that Esab Aktiebolag was well known in the field of welding, and found in favor of the plaintiff in the matter of *Esab Argentina S.A.* on the same basis.

On appeal, the Federal Court of Appeals upheld the decision. It held that the plaintiff owned several trademark registrations and used Esab as a company name, both locally and internationally. It further stated that the trademark owner could challenge a company name and request its change if it was confusingly similar. The court concluded that this was the case in this instance, as ESAB was the distinctive portion of the name.

Moreover, the court held that the shareholders of the defendants knew about the plaintiff's mark at the time of applying for registration of the companies at the Inspección General de Justicia (Public Registry of Commerce) and had acted in bad faith because they did not provide a reasonable explanation for the adoption of Esab as a company name.

Finally, according to the court, it is not necessary for a well-known foreign company to be registered in Argentina to challenge use of its name or oppose the registration of a local company that includes its name.

This case is an example of the protection granted by Argentine courts to well-known foreign companies that are not locally registered against bad faith adoption of their company names.

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