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## Colombia

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## LEGAL MEMORANDA

### EDITOR'S NOTE

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## COLOMBIA

### CASE OF TRADEMARK OFERTA: SENTENCE OF OCTOBER 23, 1989

#### 1. ORIGIN OF THE SENTENCE

The Council of State requested a prejudicial interpretation from the Andean Court of Justice in the nullity proceeding against the writ from the Division of Distinctive Signs, whereby registration of trademark OFERTA was granted. Said trademark was registered in favor of corporation "Papeles Suaves de Colombia," to distinguish products under class 16 of Decree 755 of 1972. The nullity action was instituted by the corporation "Productos Gamilia S.A.," "claiming that OFERTA(1) is a generic expression and that, therefore, its registration as trademark infringes the provisions of Decision 85 of the Cartagena Agreement regarding this matter."

## 2. PROVISIONS REQUESTED TO BE INTERPRETED

The Council of State requested prejudicial interpretation of the following articles of Decision 85 of the Commission of the Cartagena Agreement: 56, 57, 58(a) and (c), 62, 64, and 84. The Andean Court of Justice, however, refrained from offering "special difficulty in their application to this proceeding."

## 3. ESSENTIAL CONSIDERATIONS OF THE COURT

In this Sentence, the Court referred to two essential themes related to trademarks: generic denominations and ambiguous terms.

### a. *Generic Denominations*

The court begins making an analysis of what, according to grammar, can be understood as generic denominations. In this regard, it states as follows:

According to the Dictionary of the 'Real Academia de la Lengua,' GENERIC is 'what is common to several species,' and GENDER is 'a grouping of beings with one or more common attributes.' SPECIES, on the other hand, is 'a group of things similar to each other because they have one or more common attributes.' "Generic denomination" or "common noun," as Mr. Andreas Bello refers to it in his *Gramatica de la Lengua Castellana* (2), applies to 'all individuals in a class, species or family, meaning their nature or the qualities they have.' Mr. Miguel Antonio Caro, in his turn, states that a generic denomination, 'being common to several individuals, does not belong to anybody.'<sup>1</sup>

Then, the court went on from the grammatical to the juridical field and states why, although there are denominations that could be understood juridically. In this respect, it expresses: "Thus, in connection to trademarks a denomination is not neces-

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1. Manuel Pachon in the "Manual de Propiedad Industrial," Temis Ed., 1984 pg. 101 and 102.) (1) Note. The word OFERTA in Spanish ("offer" in English) means something that is "on sale" and something that is offered. (2)N. del T.: Treatise of the Spanish grammar.

sarily generic just because it is so in the grammatical sense. The generic character of a common noun, which renders it juridically impeded to be used as a trademark, results only if such denomination can be used on its own, according to the language normally used in commerce, to show or identify the class of the product in question. For this reason, doctrine has specified that a generic denomination is so when the answer to the question "what is it?," regarding a product or service, is a generic denomination. Thus, the terms 'chair,' 'furniture,' 'pill,' and 'paper' are generic in relation to such classes of products."

This is how the court adopts a doctrine traditionally accepted in relation to trademarks, according to which a denomination that can be classified as 'fanciful' and that is therefore capable to constitute a trademark, may be grammatically generic, but not in juridical terms.

The rationale for this provision is the defense of freedom of industry and trade, which seeks to avoid the creation of unlawful monopolies over expressions that everybody has the right to use. It was so understood by the Court, since it expressed the following:

Instead, from the Trademark Law point of view a term is rendered generic when the entrepreneurs of the relevant economic sector have to use it in some way to show the product or service, or when the term can identify it by itself. In such cases, as it has been stated, it would not only be acceptable for only one entrepreneur to try to appropriate something that is common, and that other entrepreneurs might need to refer to their product or service, using the regular language.

*b. Ambiguous terms*

It is at this point that the Court brings about an innovation regarding the trademark law. Indeed, although it begins explaining why the work of OFERTA is not generic, it further states:

But it happens that any product or service in the market — including all kinds of paper, of course — although not necessarily "on sale" is certainly offered. It means that, despite that the term could be physically distinctive, it could lead to

confusion from the functional point of view, what is most important to the trademark law. This would also be the case of other generic and ambiguous terms which, metaphorically, could show certain individuality that could make them, in principle, suitable as trademarks, but that could lead inevitably to confusion when used as common nouns or verbs and, therefore, applicable to all kinds of products and services. This would be the case, for instance, of 'demand,' 'service,' 'sale,' 'bargain,' 'second-hand goods,' etc.

Thus the Court offers a new notion regarding expressions that cannot be registered as trademarks, and it is that of ambiguous terms in commercial language. In this respect, the Court states:

In summary, terms as those mentioned, although in theory could be new in their concrete relation with a product they, could become misleading or ambiguous within the language normally used in commerce. If this is so, they would be acceptable as trademarks, according to the provisions of Decision 85, mentioned above.

This second part of the Sentence is completely new. When reading the studies on trademarks made by experts, the reader finds a list of the signs that are registerable as trademarks, and another one with signs that are not. Among the latter, notions such as "generic denominations," "names of common use," "modifying adjectives," "unlawful signs" and "misleading signs" are found.

However, when trying to locate the *ambiguous terms* the Court refers to, it can be observed that they do not correspond to any of those already mentioned. Terms such as *demand* or *offer* cannot be classified as unlawful, nor as generic, nor as of common use, as the Court has determined. It is not with adjectives but with nouns that modifying adjectives are discarded. Finally, they cannot be branded as misleading signs, since expressions as those mentioned in the Sentence do not seek to attribute qualities, origin or nature to the product or service other than the real ones.

When the Court mentions terms that are "misleading and ambiguous in the language usually used in commerce," it is undoubtedly establishing that, although all signs or fanciful denominations are, in principle, capable of being trademarks, there

are some terms that under no circumstances can be trademarks under any class of the nomenclature, and the Court calls them *ambiguous terms used in commerce*.

Although this jurisprudence is new, it works against the Andean trademark juridical order, for article 58 of Decision 85 establishes which signs cannot be registered as trademarks, and these ambiguous terms are not mentioned.

The ambiguous terms mentioned by the Court do not fall in any of the grounds of non-registrability under article 58 of the Decision, which establishes a precedent somehow dangerous, since the Court is making interpretations that do not fit into the trademark law of the Cartagena Agreement.

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