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Problems of protecting exclusive trademark rights in advertising

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ABSTRACT

This article examines the legal challenges of protecting exclusive trademark rights in the context of advertising. The purpose of the research is to analyze how trademark law and advertising law interact to balance the exclusive rights of trademark owners with the needs of advertisers to reference others' brands. The study uses a comparative legal method, reviewing legislation and cases from multiple jurisdictions (including Uzbekistan, the European Union, and the United States) to identify common approaches and differences. The results demonstrate that unauthorized use of another's trademark in advertising can lead to consumer confusion and dilution of the brand's reputation, thereby infringing the trademark owner's exclusive rights. At the same time, many legal systems permit comparative advertising and other nominative uses of trademarks under certain conditions, recognizing that truthful, non-misleading comparisons can benefit consumers and competition. Key findings indicate that modern laws - such as those in the EU and US – provide clear criteria distinguishing lawful comparative advertising from trademark infringement. However, the enforcement of these rules remains a challenge: even where laws are adequate, lack of awareness and weak enforcement mechanisms can undermine the protection of trademark rights in advertising. The conclusions drawn from this research underscore the need for a balanced approach. It is that jurisdictions like Uzbekistan recommended international best practices by clarifying the boundaries of permissible brand use in ads (for example, use of competitors' marks is allowed for objectively substantiated comparisons or to indicate genuine products and spare parts) while strengthening measures against deceptive and advertising. By improving legal provisions, increasing accountability for violators, and fostering a culture of fair competition, it is possible to ensure effective protection of trademarks in advertising without stifling legitimate comparative advertising.

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Reklamada tovar belgilarini himoya qilish muammolari

ANNOTATSIYA

Kalit soʻzlar: insofsiz raqobat, noqonuniy foydalanish, brendlarning chalkashligi, ishchanlik obro'si.

muhitining faol rivojlanishi davrida reklama Ragobat materiallarida tovar belgilaridan reklamalarda foydalanish bir qator huquqiy ziddiyatlarni keltirib chiqarayotgani aniqlandi. Vijdonlik mezonlari bajarilgan holda qiyosiy reklamani ruxsat etuvchi qonunchilikning Tovar belgilari egalari va raqobatchilar manfaatlari balansini saqlashga ta'siri baholandi. Birovning tovar belgisini reklamalarda noqonuniy ishlatish iste'molchilarni chalg'itishi hamda huquq egalarining huquqlarini poymol qilishi mumkinligi tasdiqlandi va shu bois qonunchilikda alohida huquqlarni himoya qilish mexanizmlari koʻzda tutilganligi koʻrsatildi. Xalqaro huquqiy tartibga solish va xorijiy yurisdiksiyalar tajribasi (Yevropa Ittifoqi, AQSh va boshqalar) koʻrib chiqilib, tovar belgilarni himoya qilish va reklamani erkin olib borish oʻrtasidagi ziddiyatlarni hal qilishga qaratilgan vondashuvlar tahlil qilindi. Tovar belgilarini reklamalarda himova qilishning asosiy muammolari qonunchilikdagi boʻshliqlar bilan emas, balki uning samarali tatbiq etilishini ta'minlash bilan bogʻliqligi aniqlandi. Huquqni qo'llash amaliyotini takomillashtirish, noinsof reklama uchun javobgarlikni oshirish, shuningdek reklama bozori ishtirokchilari va agentliklarga boshqa brendlardan foydalanishning huquqiy jihatdan xavfsiz va ruxsat etilgan usullarini tushuntirish boʻyicha tavsiyalar taklif etildi.

Проблемы защиты товарных знаков в рекламе

АННОТАЦИЯ

Ключевые слова: недобросовестная конкуренция, неправомерное использование, размывание бренда, сравнительная реклама, деловая репутация.

Обнаружено, что в современных условиях активного развития рекламы использование товарных знаков в рекламных материалах создаёт ряд правовых коллизий. Оценено влияние законодательства, позволяющего сравнительную рекламу при соблюдении критериев добросовестности, на баланс интересов правообладателей и конкурентов. Установлено, ЧТ0 неправомерное использование чужого товарного знака в рекламе может вводить потребителей в заблуждение и ущемлять права правообладателей, связи С чем законодательство В предусматривает механизмы защиты исключительных прав. Рассмотрено международно-правовое регулирование и опыт зарубежных юрисдикций (ЕС, США и др.), демонстрирующие подходы к разрешению конфликтов между защитой брендов и свободой рекламы. Выявлено, что основные проблемы охраны прав на товарные знаки в рекламе связаны не пробелами законодательства, сколько обеспечением его эффективного применения. Предложены рекомендации по совершенствованию практики правоприменения И повышению ответственности недобросовестную рекламу, а также ПО разъяснению участникам рекламного рынка и агентствам допустимых способов использования чужих брендов.



INTRODUCTION

Under market economy conditions, advertising plays a pivotal role in the promotion of goods and services. A trademark grants its owner the exclusive right to use a designation to distinguish their goods and services; thus, the unauthorized use of another's trademark in advertising can infringe upon the rights of the trademark owner and mislead consumers. On one hand, the law protects trademark holders from unfair advertising practices that use their trademarks without permission. On the other hand, it is essential to provide conditions that support fair competition and inform consumers, such as permissible comparative advertising. Consequently, there is a challenge in finding a balance between protecting brand owners' rights and allowing competitors freedom in advertising activities.

This research aims to identify key conflicts and trends in protecting exclusive rights to trademarks in advertising and to develop recommendations for improving legal regulations and enforcement practices. Many authors highlight the necessity of clear criteria distinguishing between permissible mentions of other brands and infringements of exclusive rights (Grigoriadis, 2014; Lott, 2018). However, gaps in enforcement and emerging forms of advertising (such as internet advertising and contextual marketing) present new challenges for legal professionals. Hence, comprehensive research into international experience and current national legislation is essential for developing an integrated approach to address these issues.

METHODS

In studying the issues related to trademark protection and the utilization of agencies' trademarks in advertising, a comprehensive review was initially undertaken of official legislative documents and regulatory frameworks issued by the government and relevant authorities of Uzbekistan, including Decrees by the President of the Republic. Detailed attention was paid to evaluating the objectives established by these legislative instruments, as well as assessing their practical implementation and effectiveness.

Furthermore, to evaluate the alignment of Uzbekistan's legal norms and advertising practices with international intellectual property standards, key international treaties and conventions, such as the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), were carefully studied. Comparative analyses were conducted using legal provisions and regulatory frameworks from foreign jurisdictions, including the European Union, the United States, and South Korea, examining practices in these countries regarding the use of agency trademarks within client advertisements.

RESULTS AND DISCUSSION

International treaties establish foundational principles for the protection of trademarks and combating their unfair use, including in advertising. According to the Paris Convention of 1883, member states are obligated to grant legal protection to trademarks and prevent unfair competition through acts that might mislead the public concerning the nature of goods or commercial activities of competitors (Paris Convention, 1883, Article 10bis). The TRIPS Agreement of 1994 confirms that holders of registered trademarks possess exclusive rights to prevent third parties from using signs

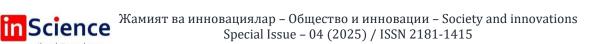


identical or confusingly similar to their trademarks in commercial contexts, including in advertising goods or services without the consent of the trademark owner (WTO, 1994). Simultaneously, international law acknowledges permissible fair informative use of trademarks; for instance, Uzbekistan (like many other countries) adheres to the principle of exhaustion of trademark rights—once a trademarked product has been introduced into the market by the rights holder, subsequent resale and advertisement of such product using the trademark do not violate the owner's rights (Law of Uzbekistan on Trademarks, 2001, Article 19). This principle is crucial for advertising, as it permits dealers and retailers to legitimately use manufacturers' trademarks when advertising original products they offer (McCarthy, 2017). Consequently, international law maintains a balance between protecting consumers and brands from misleading advertisements and permitting fair mention of others' trademarks for informative or comparative purposes.

Developed countries' legislation includes specific rules governing the use of competitors' trademarks in advertising. Within the European Union, Directive 2006/114/EC on misleading and comparative advertising permits comparative advertising provided specific conditions are met: advertising must be objective, truthful, non-misleading, must not confuse the origin of products, must not discredit or defame a competitor or their trademark, nor unfairly exploit the reputation of another's brand. These requirements are reflected in the national laws of most European countries. For example, Germany's Act Against Unfair Competition allows comparisons in advertising only when characteristics are accurate, objective, consumer deception is avoided, and competitors' marks are not unjustifiably used (European Commission, 2016). Similar implementations of this directive are found in the UK and other EU member states, ensuring consistent rules across the advertising market.

In contrast, the United States does not have a specific federal law governing comparative advertising, but it operates under provisions of trademark law (Lanham Act) and unfair advertising regulations. US courts typically allow competitors' trademarks in advertising claims if truthful and not likely to confuse product origin. Moreover, US law recognizes the doctrine of nominative fair use, whereby judicial decisions allow the mention of competitors' brands when necessary for product identification, proportionate to necessity, and without suggesting endorsement by the trademark owner. Overall, comparative advertising in the US is seen as competitionenhancing, with lawsuits typically filed under trademark infringement or false advertising, based on misleading or deceptive practices. The judiciary has thus established a balanced approach: truthful comparative claims are permissible, whereas deceitful or unjustified exploitation of another's renowned trademark is prohibited

In recent years, Uzbekistan has actively modernized its intellectual property and advertising laws, incorporating international best practices. Notable amendments in trademark legislation aim to balance stakeholders' interests. The primary legislation regulating trademarks is the Law of Uzbekistan "On Trademarks, Service Marks and Appellations of Origin" No. 352-II dated August 30, 2001 (as amended). This law details exclusive rights and legally protected uses of trademarks, explicitly including their use in advertising, printed publications, announcements, signage, and other materials (Article 15). Thus, Uzbek law explicitly recognizes that unauthorized placement of another's trademark in advertisements may constitute unlawful use. Trademark owners possess



exclusive rights to control trademark use and prohibit third-party use without consent, except under legally stipulated circumstances, such as the principle of rights exhaustion or non-commercial descriptive uses.

Advertising activities are specifically regulated by the Law of Uzbekistan "On Advertising" of December 26, 2019. This law defines requirements for advertising content and prohibits unfair advertising practices. Article 6 classifies unfair advertising as containing incorrect competitor comparisons, defamation, or misleading information. Conversely, Article 13 permits comparative advertising if it meets objectivity and accuracy criteria, avoids confusion, relies on verifiable data, and does not harm competitors' reputation. Thus, Uzbek legislation aligns substantially with European standards, endorsing fair comparative advertising while prohibiting misleading or defamatory advertisements.

Despite having an updated legal framework, Uzbekistan continues to encounter challenges in trademark protection within advertising. These issues primarily relate to law enforcement rather than legislative gaps.

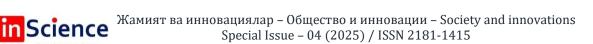
Firstly, effective enforcement is required: unfair use of trademarks must be swiftly addressed by antitrust and judicial authorities. Monitoring and prompt responses to violations, especially in online advertising, remain challenges. For example, for quite a long time, the advertising banners of the Elmakon household appliance store were accompanied by the text "Take care of the "second wife" (Ikkinch xotin"ga g'amxo'rlik qiling), which is contrary to the law, since polygamy is prohibited by the provisions of the Criminal Code of Uzbekistan. Only after gaining popularity among the public, the Committee for the Development of Competition and Consumer Protection announced that all Elmakon advertising banners with this inscription would be dismantled.

Secondly, educating market participants is crucial. Advertisers and marketers often lack clear guidance on permissible uses of third-party trademarks. Clarifying boundaries, such as lawful mentions under rights exhaustion and illegal uses involving imitation products, is essential. Additionally, permissible comparative advertising must be factual, objectively evidenced, and neutrally phrased to avoid negative connotations. Insufficient awareness risks either unjustified fears of legitimate comparative advertising or unintentional infringements.

Thirdly, novel digital advertising forms, including social media influencer partnerships and keyword-based advertisements, require clarification in Uzbek judicial practice. National authorities must consistently interpret principles preventing consumer deception and misuse of reputation, drawing upon international experiences. The American media investment company GroupM, Hidden online advertising, falsely presented as independent reviews but incorporating unauthorized trademarks, constitutes unfair competition requiring regulatory action.

Fourth, consider the following scenario: an advertising agency (advertising producer) wishes to use its registered trademark (logo or name) in advertising materials produced for a client (advertiser). The key question concerns the legitimacy of such an action under Uzbek legislation, alongside the protection of the interests of both parties involved.

Under the Republic of Uzbekistan's Law on Trademarks (2001), the exclusive rights to a registered trademark belong to its owner, who may use the mark at their discretion for the goods and services listed upon registration. Others are prohibited from



using similar marks without the owner's permission, especially if such use might mislead consumers regarding the origin of goods or services. Consequently, within the advertising context, the unauthorized use of another entity's trademark in advertising is unlawful if it generates consumer confusion about the origin of advertised goods. However, an advertising agency using its registered trademark in a client's advertisement does not infringe upon another's rights, as it is employing its mark rather than someone else's. From the standpoint of Uzbek trademark law, this use is inherently permissible, provided it does not mislead consumers regarding the advertised goods or their producer.

Significantly, the roles of parties involved in advertising are distinctly outlined in the new version of Uzbekistan's Law on Advertising (7 June 2022). Typically, advertising involves three entities: the advertiser (the party commissioning the advertising, whose goods or services are promoted), the advertising producer (the agency or entity that creates advertising materials), and the advertising distributor (the platform for advertising dissemination, such as TV, billboards, or websites). According to Uzbek law, the advertiser bears primary responsibility for compliance with legal advertising standards, whereas the advertising producer is responsible for meeting technical and other applicable standards.

Thus, an advertising agency operates on behalf of and in the interests of the advertiser, creating advertising content representing the advertiser. While copyrights for advertising materials such as videos or layouts may belong to the agency (or specific individuals, like designers or directors), these rights are typically transferred to the client under advertising service agreements. Nevertheless, agencies may retain the right to claim authorship (for example, within portfolios). Uzbek advertising law explicitly acknowledges advertising as intellectual property created by the advertising producer.

Regarding the use of an agency's trademark within a client's advertisement, Uzbek advertising legislation contains no explicit provisions either permitting or prohibiting such practices. Consequently, this matter is governed by general advertising regulations, particularly the requirement for advertisements to be accurate and fair, avoiding consumer deception concerning the characteristics, origin, or endorsement of products. For instance, Article 16 of Uzbekistan's Advertising Law prohibits claims suggesting official endorsement by government bodies to avoid misleading consumers. Similarly, any information included within advertisements should not create false impressions about product origins or attributes.

Applying this to the scenario involving an agency's trademark, consumer confusion might arise if, for example, an agency's logo appeared prominently in a car advertisement, potentially suggesting agency involvement in manufacturing or selling vehicles. However, consumers typically differentiate clearly between the advertised product's brand and a modest agency logo, if noticeable. Uzbek legislation does not explicitly prohibit the inclusion of third-party logos within advertisements, provided such inclusion does not constitute unlawful advertising or concealed promotional activity, and does not compromise consumer rights to truthful information.

Under civil and contractual law in Uzbekistan, relationships between advertisers and advertising agencies are governed primarily by contracts. Parties can explicitly include clauses concerning the use of the agency's trademark within advertising service agreements. An agency might, for instance, request permission to feature its logo



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discreetly in advertisement corners or add a label such as "Produced by ". If consent is granted by the advertiser, this arrangement becomes contractual. Conversely, if an agency inserts its trademark without client approval, this may constitute a breach of contractual terms, especially if the contract explicitly assigns all advertising rights and control to the advertiser. Thus, internal contractual arrangements are vital; without express client consent, agencies should refrain from including additional trademarks or logos.

Considering international experience (EU, USA, South Korea, and CIS countries), the use of an agency's trademark within advertisements is generally permissible when agreed upon explicitly in contracts, ensuring transparency, clarity, and preventing consumer confusion.

Practical recommendations for Uzbekistan include:

- Explicit contractual clauses on trademark use.
- Development of ethical guidelines or industry standards.
- Clear regulatory clarifications where necessary.
- Prevention of covert advertising through transparent and subordinate agency branding.

Overall, clear agreements and transparency between advertising agencies and advertisers constitute the best practices, effectively balancing legal compliance with ethical promotional standards.

Thus, Uzbekistan faces three critical areas for improving trademark protection in advertising: (1) clearly defining permissible trademark uses for advertisers and advertising agencies; (2) consistently applying sanctions (fines, regulatory directives) to deter infringements; and (3) adapting enforcement practices to the evolving digital marketplace

CONCLUSION

Upon analyzing international standards and practices from various jurisdictions, it becomes clear that the issue of trademark protection in advertising revolves around achieving an optimal balance. On one hand, it is essential to prevent unfair competitors from misusing others' brands and misleading consumers. On the other hand, it is equally important to allow fair comparative advertising, which fosters competition and informs the marketplace. International experience, including that from the EU, the USA, and other developed regions, offers several approaches relevant to Uzbekistan.

Firstly, clear criteria are required to define permissible comparative advertising. already includes such criteria—objectivity, verifiable Uzbekistan's legislation comparisons, the absence of deception, and non-defamation of competitors' reputations. These standards should not only be preserved but also effectively implemented. Advertisers and advertising agencies must strictly adhere to these guidelines, clearly understanding the boundaries of permissible practices.

Secondly, the effective operation of regulatory authorities responsible for overseeing compliance with advertising laws, particularly antimonopoly bodies, is crucial. It is recommended that explanatory guidelines or manuals be developed for the advertising sector, clarifying when mentioning another entity's trademark is lawful (for instance, when indicating original branded products or making honest comparisons of product characteristics) and outlining how to do so safely from a legal perspective.



Additionally, these guidelines should detail situations where such use might result in sanctions. Such a preventive approach would enhance legal awareness and prevent violations.

Thirdly, a comprehensive approach is necessary to strengthen trademark protection mechanisms, including refining regulations through targeted amendments, enhancing penalties for infringements (such as imposing substantial fines for deliberately false or misleading advertising involving unauthorized trademark usage), and fostering a culture of honest advertising through market participant education. Economic sanctions should outweigh any benefits derived from unfair practices to dissuade potential violators from misusing trademarks.

Implementing these measures will ensure effective brand protection in advertising that aligns with the best global standards without obstructing healthy competition. It is unacceptable for exclusive trademark rights to be undermined by unfair advertising practices, adversely affecting both trademark holders (in terms of reputation and profit) and consumers (due to misinformation). Conversely, fair advertising, even comparative advertising, complying with established requirements, benefits the market. Thus, clearly distinguishing these scenarios is a critical responsibility for law enforcement agencies. By following international practices and implementing the above recommendations, Uzbekistan can significantly enhance trademark protection in advertising while maintaining consumer awareness and market competition.

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