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2009 INTA Award Winners Named
INTA is pleased to announce the winners of the 2009 INTA President’s Award and Volunteer Service Awards, which will be presented on November 11 at INTA’s 2009 Leadership Meeting in Miami Beach, Florida.
The INTA President’s Award is designed to acknowledge the profound appreciation of the global trademark community to individuals who over the course of a career in trademark and related IP law have made a lasting impact on INTA and the Association’s mission. Criteria for nomination are:
• Consistently outstanding service to the

Federal Circuit Overrules Medinol Fraud Standard
In its decision in In re Bose Corp., No. 2008-1448, slip op. (Fed. Cir. Aug. 31, 2009), the U.S. Court of Appeals for the Federal Circuit flatly rejected the U.S. Trademark Trial and Appeal Board’s (TTAB’s) definition of fraud in Medinol, Inc. v. Neuro Vasc Inc., 67 U.S.P.Q.2d 1205 (TTAB 2003). Under Medinol, any material misrepresentation of fact in procuring or maintaining a registration could void the entire registration if the applicant or registrant knew or should have known the statement was false or misleading.
Broad interpretations of what parties “should know” about the status of their marks were the basis for many decisions under Medinol canceling registrations in their entirety based on the registrants’ partly erroneous statements as to use of the marks. Often such findings were made without any analysis of the applicant’s or registrant’s actual intent (or not) to deceive (and sometimes, as in Medinol itself, based on sua sponte grants of summary judgment). Bose will likely win ribbons from trademark owners for rejecting this bare negligence (or strict liability) standard under Medinol, holding instead that “[b]y equating ‘should have known’ of falsity with a subjective intent, the Board erroneously lowered the fraud standard to a simple negligence standard.” Slip op. at 6.
Consistent with other recent Federal Circuit precedent narrowly construing the related patent doctrine of inequitable conduct, see Star Scientific, Inc. v. R.J. Reynolds Tobacco Co., 537 F.3d 1357 (Fed. Cir. 2008); Exergen Corp. v. Wal-Mart Stores, Inc., No. 2006-1491, slip op. (Fed. Cir. Aug. 4, 2009), Bose reaffirmed that fraud requires proof of willful deceit (or scienter). “[M]ere negligence” or even “gross negligence does not of itself justify an inference of intent to deceive.” Bose, slip op. at 6 (citations omitted). However, Bose specifically declined to rule on whether “reckless disregard of … truth or falsity” might suffice to show fraud, id. at 9 n.2. Recognizing the difficulty of obtaining direct proof of fraudulent intent, Bose acknowledged that intent to deceive can be inferred from indirect and circumstantial evidence, but that “such evidence must still be clear and convincing.” Id. at 7.
The Medinol rule that a false statement of use for some goods could, without more (and evidence of intent to deceive), void the entire registration is plainly no longer the law after Bose.

CONTINUED ON PAGE 2
Volunteer Leaders  

of Directors, been Editor-in-Chief of *The Trademark Reporter*, served on INTA’s Special Committee on the Federal Trademark Dilution Act and received the Ladas Memorial Award and the INTA Volunteer Service Award for the Advancement of Trademark Law.

Introduced in 2002, the three categories of Volunteer Service Awards recognize individuals who provide exemplary volunteer service to INTA during a specific year. Subcommittee chairs, committee members and non-committee volunteers, such as speakers at INTA education programs and authors of INTA publications, are eligible for Volunteer Service Awards. Nominees must have shown exemplary volunteer service above and beyond their regular activities in the Association since the 2008 Leadership Meeting.

The award for the *Advancement of Trademark Law* recognizes individuals whose efforts during the year have led to the advancement of substantive trademark law and practice. This year’s winners are Marion Heathcote (Davies Collison Cave—Sydney, Australia); and Adam Lindquist Scoville (RE/MAX International Inc.—Denver, Colorado, USA).

This year’s award for the *Advancement of Committee or Subcommittee Objectives* goes to Mary Beth Besler (Lewis and Roca LLP—Phoenix, Arizona, USA), chair of the Young Practitioners Subcommittee of the Membership Services Committee; and Glenn A. Gundersen (Dechert LLP—Philadelphia, Pennsylvania, USA), a member of the Singapore Treaty Promotion Subcommittee of the Treaty Analysis Committee.

The award for the *Advancement of the Association* is presented to individuals whose participation, efforts and progressive thinking have most notably advanced the objectives of INTA outlined in the Association’s Strategic Plan. Winners are Peter W. Becker (Microsoft Corporation—Redmond, Washington, USA); Karina Dimidjian-Lecomte (Casalonga Avocats—Paris, France); Kelly McCarthy (Sideman & Bancroft—San Francisco, California, USA); and Iris V. Quadrio (Marval, O’Farrell & Maira—Buenos Aires, Argentina).

Complete coverage of the Awards Presentation in Miami and details on the award winners will appear in the December 1 *INTA Bulletin*.

New at INTA’s 2009 Leadership Meeting in Miami Beach, Florida, USA

This year’s President’s Report and Awards Presentation will be Wednesday November 11. A reception honoring award winners and open to all attendees will immediately follow.

**Wednesday November 11**

4:45 – 6:00 pm Welcome Remarks by INTA Executive Director Alan Drewsen; President’s Report and Awards Presentation by 2009 INTA President Richard Heath

6:15 – 7:45 pm Welcome and Awards Reception for all Leadership Meeting Attendees

Welcome New Members

INTA's Model State Trademark Bill: Modernizing and Harmonizing U.S. State Trademark Laws

In the United States, INTA members can promote the advancement of state trademark law by supporting passage of the Model State Trademark Bill (MSTB) in each state. The purpose of the MSTB is to promote modernization of the state trademark laws and harmonize those laws with the standards and provisions in the federal Trademark Act (Lanham Act).

INTA originally promulgated the MSTB in 1949, and significantly amended it in 1992, 1996 and 2007. Since the 1992 amendments, more than 46 states have adopted most or all of the MSTB. The most recent changes reflect changes in dilution law made by the federal Trademark Dilution Revision Act of 2006 (TDRA).

Members of INTA’s U.S. Model State Trademark Bill Subcommittee have been actively working for passage of the MSTB in many states. The MSTB recently has been passed in California, Mississippi and Oregon, and the Association hopes to build on these successes in other states. Says Julia Huston, chair of the Subcommittee, “The MSTB brings state law into conformity with federal law, particularly with respect to dilution and fair use, and benefits both large and small trademark owners. Additionally, it affords the courts with a clear set of guidelines to more effectively enforce these rights.”

There are many important reasons for states to adopt the MSTB. Among them:

- State dilution laws vary widely, and in many cases are quite outdated. The MSTB brings state dilution law up to date.
- Consistent registration procedures across the various states make life easier for those seeking multistate trademark protection.
- The MSTB provides for treble damages for trademark infringement as a result of bad faith or knowing infringement.
- In general, the MSTB provides better detail and clarity than many prior state laws. For example, it provides for cancellation of state registrations in appropriate circumstances.
- The duration of a state trademark registration is shortened to five years to reduce “deadwood” registrations.
- Federal case law can be used as persuasive authority to interpret and construe the MSTB. This gives lawyers and judges a developed body of law to reference, which is helpful for smaller states with limited precedent in this area.
- The MSTB is balanced to benefit trademark owners and users, small and large companies, local and national businesses.

To harmonize with the TDRA, the 2007 MSTB amendments include the concepts of “dilution by tarnishment” as well as “dilution by blurring.” Also, under the MSTB, the dilution remedy is available only to famous marks as defined. A state court may recognize and protect a locally famous mark in an area smaller than the entire state. (The geographic scope of injunctive relief is limited to the scope of the fame associated with the mark, and injunctions are not available beyond the state border.) Further, the MSTB incorporates and defines “fair use” to protect the legitimate rights of dilution defendants.

The MSTB provides balanced deference to U.S. federally registered marks. When applying for trademark protection under the MSTB, an applicant must state that to his or her knowledge no person has registered a confusingly similar mark, either federally or in the state. The applicant must also state whether the mark has been filed with the USPTO, and if so, provide the particulars. These provisions should be a bulwark against registration of marks that ought not to be eligible for registration, even though many states do not conduct thorough examination and review.

Because of the importance of national trademark law uniformity and modernization in the United States, INTA members are encouraged to take an active role in their states to ensure legislative success of the MSTB.

More information about the Model State Trademark Bill is available on the INTA website, or by contacting Michelle Sara King, Manager, External Relations, U.S., at mking@inta.org.

Federal Circuit Overrules Medinol Fraud Standard

The Federal Circuit’s holding, indeed, did not disturb the TTAB’s finding that Bose Corporation had made an incorrect statement in alleging in a renewal application that its trademark WAVE was still in use on audio tape recorders and players (Bose was, at the time, merely repairing and reshipping previously sold goods of these two types). However, because Bose’s general counsel believed such use was sufficient when he signed the renewal application, the Federal Circuit, rather than canceling the entire registration, reversed and remanded to allow the registration to be narrowed to those other remaining goods for which there was continuing use.

Bose indeed departs from the strict reasoning of many TTAB decisions applying Medinol. Bose recognizes that, in some cases, scienter can be inferred from indirect, circumstantial evidence. It cannot be assumed how the TTAB will interpret the “reckless disregard for the truth” standard, under which fraud still may be proven. Litigants before the TTAB likewise may be loath to let go of already-pleaded (or simply contemplated) allegations of fraud. Fraud issues thus may continue to be hotly litigated before Medinol’s momentum runs its course.

Recalling a common view summarizing the law of fraud on the USPTO prior to Medinol, it is perhaps too soon to say whether six or eight months from now the consensus view once again will be that “a charge of fraud in the procurement of a trademark registration is a disfavored defense” (Cash Technologies, Inc. v. Giugliardo, 127 F. Supp. 2d 1609, 1079 (C.D. Cal. 2000)). However, even if the exact contours of the fraud doctrine will continue to evolve, Bose appears to mark the ending of a six-year chapter in which a once-“disfavored” defense became a focal point, fueling considerable controversy and causing significant reevaluations of prevailing practices of portfolio management. Nevertheless, it may be too soon for trademark administrators to relax those new standards of vigilance (assuming there would ever be a good time to do so).

Time to Renew Your INTA Membership

INTA would like to take this opportunity to thank you for your past year’s membership and participation in the Association’s activities.

As we begin to round out the year, it is now time to renew your organization’s membership for 2010. In doing so, for the first time ever INTA is pleased to offer all members an opportunity to renew for up to three (3) years and save up to ten (10) percent. Furthermore, you are now eligible to include unlimited additional online listings and up to five (5) print listings in the Membership Directory.

Visit www.inta.org/apps/renewal/ and renew your membership by December 31.

How will you Choose to Receive Membership Information?

In its continuous effort to be eco-friendly, INTA is encouraging members to utilize online materials and directories. INTA is now providing you with a choice on how you receive crucial membership information.

This year during membership renewal, you will be able to select the way you would like to receive your versions of the Membership Directory, Bulletin and TMR. You can receive a print version or have immediate access online only.

During the renewal process, the designee of each organization will be prompted to choose their version preference. Once they have submitted and paid for their organization’s membership, an email will be automatically generated to the additional listings from that organization to make their version selection.

Thank you for helping INTA go green!

INTA’S EXAMINING EUROPEAN TRADEMARK ISSUES AND DEVELOPING NEW STRATEGIES CONFERENCE

DECEMBER 3 – 4, 2009 | VIENNA, AUSTRIA

Meet WIPO Director General Francis Gurry and OHIM President Wubbo de Boer

Join INTA in the historic city of Vienna, Austria on Thursday, December 3 and Friday, December 4 and gain practical tips, valuable insights, updates on important issues, astute analyses of case law, and a chance to meet WIPO Director General Francis Gurry and OHIM President Wubbo de Boer.


INTA ROUNDTABLE: FOR TRADEMARK ADMINISTRATORS AND PARALEGALS

OCTOBER 19 – 30 | VARIOUS U.S. CITIES

USING MULTI-JURISDICTION FILING OPTIONS, NAMELY, THE MADRID SYSTEM, COMMUNITY TRADEMARKS (CTMS) AND REGISTERED COMMUNITY DESIGNS (RCDS)

This Roundtable focuses on the issues and strategies to take into consideration when deciding whether to file through the Madrid System versus filing nationally (for all countries, not just CTMs). You’ll gain a better understanding of WIPO terminology, and methods for handling docketing deadlines for converting (transforming) extensions of protection to national applications.

Visit www.inta.org/go/roundtables to register now.
David Gryce, a partner at the Washington, D.C. office of Arent Fox LLP, is a lover of music. In this he takes after his father, an accomplished violinist, pianist and tinkerer with everything from trumpet to accordion. David’s love of music began with seeing the Beatles perform on The Ed Sullivan Show. While attending prep school, David took classical guitar lessons and played in both rock-and-roll and jazz bands. During the summers, he worked as a cowboy on a couple of ranches in Wyoming, attending to the horses and setting up hunting camps in Yellowstone National Park. He trained the horses so that they would be gentle enough for ranch guests to ride safely.

Music also played an important role for David at Brown University, where he played guitar in a rock-and-roll band on weekends to make ends meet. After suffering through the musicians’ version of the “school of hard knocks,” David decided to go to law school to acquire the knowledge needed to protect the rights of musicians—something he found seriously lacking in his musical career. At the University of Denver College of Law, he started the Entertainment Law Society with a classmate who was a former Chicago disc jockey. While there, David met Patricia, who would become his wife; they have been happily married for over 25 years.

From the very beginning of his legal career, David has been in the intellectual property field, doing a variety of trademark-related work, including litigation, prosecution and licensing. He first began to attend INTA meetings in the 1990s, around the time USTA changed its name to INTA. In his estimation, “INTA has been a gateway to the global trademark bar and to the issues that challenge us all.” David has chaired the ADR Committee and currently is a member of INTA’s Panel of Neutrals (PON) and the Membership Services Committee, where he heads the Leadership Transition Project Team of the Leadership Development Subcommittee. He particularly enjoys and derives great satisfaction in putting voices and faces together with correspondents with whom he works daily and from whom he gains the perspective necessary to manage global trademark portfolios.

In David’s opinion, the most important issues in trademark law today are “(a) making ADR, especially mediation, a universally accepted option to resolving trademark disputes; (b) the evolving landscape of trademark infringement on the Internet, including the naming conventions on social websites, such as Facebook; and (c) the issue of fraud on the Trademark Office, where declarations of use have become the new battleground and the reversal in In re Bose is the latest chapter.”

David sums it up: “It is all about joy in your life’s journey, and I have had the good fortune to have lots of it—from the family and friends I adore, to the music that is so much a part of me, to the adventures I have had and will continue to have. And INTA has afforded me the remarkable opportunity to enrich my life and join friends in participating in this wonderful organization along the way.”

Kathy Merlino

Shortly after starting her career in law, Kathy Merlino found that “once that IP stamp is on your forehead, it won’t go away!” So, after her first few positions in IP, she decided to embrace trademarks and make her mark in it. Over the course of the almost 23 years that she has been in the trademarks field, Kathy has moved from law firms to in-house positions and back again, contributing her time and expertise to INTA committees along the way.

Since her first involvement with INTA, in 1993, Kathy has missed only three Annual Meetings. She has also been on an INTA committee every year since 1994, and currently chairs the Trademark Administrators Subcommittee of the Membership Services Committee. Kathy has been a frequent speaker at the Trademark Administrators Conferences, presenting at the 2004, 2006, 2007 and 2008 meetings. She is one of the authors of INTA’s handbook Trademark Administration, Third Edition.

Co-chairing the Trademark Administrators Conference with attorney Paul Grady in 2006 was one of the highlights of Kathy’s INTA experience. “You cannot put a price tag on meeting and working with this diverse, interesting, hardworking and dedicated group of non-lawyers,” Kathy says. She also gained a new appreciation for the knowledge and expertise of the INTA staff.

Over her many years of practice, Kathy has enjoyed watching Internet and domain name issues develop in response to the Internet’s sudden boom. For her the most welcome change, however, was the ability to file U.S. applications online, because she was never a fan of filling out USPS Express Mail forms.

Her demanding career as an intellectual property paralegal at Cozen O’Connor in Philadelphia, Pennsylvania, USA, and her extensive involvement in INTA do not keep Kathy from enjoying her free time, however. She loves to travel, read, go river rafting and attend sporting events, especially NASCAR automobile races and Florida Gators football games. Kathy loves a good wedding and has even planned several of them as a certified event planner!
Trademark Disputes in the Hospitality Industry

The efforts of hotels, casinos and restaurants to globally protect their brands and, in some cases, to geographically expand are resulting in disputes with remote geographic users of the same or similar marks. Although there are many global, national and regional hotel, casino and restaurant chains, many of these businesses—including some of the most famous in the world—have only single locations. According to Travel + Leisure and Restaurant magazines, respectively, most of the world's top hotels and all 50 of the top restaurants are single-location venues. Although these businesses may cater to travelers, they provide their services in a single location. Perhaps in light of this, hospitality businesses historically have neglected to register their trademarks on a national or international basis or have failed to enforce their marks outside of their own geographic markets. Recently, the geographic expansion of businesses in the hospitality industry has resulted in trademark disputes. In the last few years alone, there were lawsuits between The Plaza Hotel in New York and the Union Plaza a.k.a. Plaza Hotel and Casino in Las Vegas, the Casino de Monte-Carlo in Monaco and the Monte Carlo in Las Vegas, the Bukhara restaurant in New Delhi and the Bukhara Grill in New York, and the Atlantis in the Bahamas and the Atlantis resort in Reno, Nevada.

Key Issues: Territoriality and Well-Known Marks

The international disputes in the hospitality industry evoke the tension between the territoriality principle (that trademark rights are determined on a country-by-country basis) and the well-known and famous marks doctrine (the exception to the territoriality principle). The territoriality principle is reflected in Article 6(3) of the Paris Convention, which provides that “[a] mark duly registered in a country of the [Paris] Union shall be regarded as independent of marks registered in other countries of the Union, including the country of origin.” The well-known marks doctrine is an exception to the territoriality principle. See Article 6bis of the Paris Convention. Article 16(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) of the General Agreement on Tariffs and Trade (GATT) extended the well-known marks doctrine to service marks, which include those applicable to hospitality industry services. The same article provides that knowledge of the trademark among the relevant segment of the population may be established based on promotion of the mark. Thus, actual use of the mark in a foreign country is not necessary to establish that a mark is well known in that country. The well-known marks doctrine is particularly important in countries that do not recognize common-law rights in unregistered marks.

One of the most notable cases involving an international dispute over hospitality marks occurred over 50 years ago in Canada. Hilton Hotels filed suit against a company using the HILTON mark in Canada. At the time, Hilton Hotels did not have a HILTON hotel in Canada and did not own any Canadian trademark registrations. Nevertheless, the Canadian court enjoined the defendant's use of the HILTON mark for a hotel in Vancouver, British Columbia, based on the well-known marks doctrine. The court held that the HILTON mark was well known in Canada by Canadians who traveled in the United States. Hilton Hotels Corp. v. Belkin & Kalensky, 17 WWR 86, 24 CPR 100 (British Columbia Sp. Ct. 1955).

Although such international disputes are not new in the hospitality industry, they are becoming more frequent, and the results, as well as the applicable law, are still unpredictable. Indeed, the ability of famous hotels, casinos and restaurants to rely on the well-known and famous marks doctrine is uncertain, at least in the United States.

In ITC Ltd. v. Punchgini, Inc., 482 F.3d 135 (2d Cir. 2007), ITC, the owners of the Bukhara restaurant in India, sued Punchgini, the owners of the Bukhara Grill in New York, for trademark infringement and other claims. ITC operates the Bukhara restaurant in New Delhi, which has consistently been rated as one of the top restaurants in the world. ITC opened additional Bukhara restaurants in various countries around the world, including in New York and Chicago. However, the U.S. restaurants closed by 1997. In 1999 and again in 2001, Punchgini, an entity formed by former employees of ITC’s Bukhara restaurant in New York, opened restaurants using the BUKHARA GRILL mark in New York. The Bukhara Grill emulated ITC’s Bukhara restaurants, including the overall look and feel. The owners of the Bukhara Grill described it as “quite like Delhi’s Bukhara.” ITC filed suit against Punchgini for trademark infringement, among other claims. Punchgini filed a motion for summary judgment, which the district court granted. The court held that ITC had abandoned its U.S. trademark registration and any trademark rights acquired through use. Thus, ITC’s only basis for establishing rights in the BUKHARA mark in the United States was the well-known and famous marks doctrine. The district court held that U.S. law does not recognize the doctrine, despite the court’s acknowledgement that the United States was required to adopt a well-known marks doctrine under the Paris Convention and the TRIPS Agreement. The Second Circuit affirmed. The ruling is contrary to the Ninth Circuit’s recognition of the well-known marks doctrine, creating a split in authority in the United States. See Grupo Gigante S.A. de C.V. v. Dallo & Co., 391 F.3d 1088 (9th Cir. 2004).

A more recent global clash over trademark rights in the hospitality industry is a suit filed on March 28, 2008, by Société des Bains de Mer et du Cercle des Etrangers a Monaco (SBM) against the owner of the MONTE CARLO resort and casino in Las Vegas in the U.S. District Court for the Southern District of New York. See Societe Anonyme des Bains de Mer et du Cercle des Etrangers a Monaco v. MGM Mirage, Inc. et al., Case No. 08-cv-03157 (S.D.N.Y. 2008). SBM is a holding company that owns and operates the Casino de Monte-Carlo in Monaco. SBM does not own or operate any hotel or casino in the United States and does not own any U.S. trademark registrations for the MONTE CARLO mark. However, citing its victory in a Fourth Circuit case against a cybersquatter, SBM claimed that it owned rights in the MONTE CARLO mark in the United States based on use in commerce. In addition, SBM claimed that its mark was well known in the United States. The case was recently dismissed while the parties were attempting to settle the dispute.

Trademark disputes in the hospitality industry are also common in geographically remote markets within the same country. A recent infringement action in the United States was filed by a common-law user of a mark against the federal registrant when the federal registrant announced plans to enter the common-law user's geographic market. In January 2008, Tamares Las Vegas Properties, LLC filed suit for trademark infringement against the El-Ad Group, Ltd. and
related entities, involving the PLAZA mark for hotel services. El-Ad is the owner of The Plaza Hotel, which opened in New York City in 1906. El-Ad owns a U.S. federal trademark registration for THE PLAZA and design for hotel and restaurant services, which was registered in 1987. Tamares owns a hotel and casino in Las Vegas that has used PLAZA-formative marks since 1971, including the UNION PLAZA and, more recently, according to Tamares, PLAZA alone. The parties peacefully coexisted for decades until El-Ad announced plans in 2007 to build a hotel–casino under THE PLAZA mark less than three miles from Tamares’s property. Tamares sued El-Ad for trademark infringement, claiming that El-Ad’s use of THE PLAZA mark for a hotel–casino in Las Vegas would cause confusion among consumers with respect to Tamares’s PLAZA hotel–casino. El-Ad argued that the hotels and casinos catered to different segments of the market and that Tamares’s transition from use of UNION PLAZA to PLAZA postdated El-Ad’s federal trademark registration. The case went to trial, and the jury concluded that there was no likelihood of confusion. Tamares has appealed the decision, and the case is currently pending in the Nevada Supreme Court.

Practical Strategies

To maintain the ability to use their marks when they geographically expand, hospitality companies should develop a global trademark strategy. As with other global trademark protection programs, the first step is to identify countries in which the company may reasonably expect to expand and, for those countries, to attempt to obtain and maintain trademark registrations. In some countries, advertising of the hospitality services, or at least the marketing or sale of room reservations, etc., under the mark to residents proposing to travel to the hotel or facility concerned, may be sufficient to obtain and maintain registrations, even though the hospitality services are not actually provided in the country in question.

In the countries of interest where the hospitality company is forced to rely on the well-known and famous marks doctrine to enforce its rights, the company should maintain records that it may need to establish that its mark is well known or famous in the future. For example, the company may need to rely on advertisements and media references in the country or in publications or media that may reach consumers in the country; accounting records reflecting advertising and marketing expenses in the country; customer lists identifying guests from the country who have visited the hotel, casino or restaurant; and Web logs identifying visits to the company’s website from Internet users in the country. Proving that a particular mark is well known or famous and proving priority in a particular country may require evidence spanning several years or even, in some cases, decades. In the absence of a document retention program specifically designed for this purpose, many companies would fail to maintain documents necessary to prove that their mark is famous or well known in a particular country.

Finally, hospitality companies should maintain an enforcement program in countries or regions of interest to ensure that they can maximize the opportunity for future expansion into the countries of interest and avoid the application of laches or other defenses that may affect their right to enforce their marks in the future.
Final Revocation of Trademark Protection for Shape of LEGO Bricks

In a decision of July 16, 2009, which so far is available only as a press release, the German Federal Court of Justice finally revoked trademark protection for the design of LEGO bricks.

In 1996, the German Patent and Trademark Office registered the design of a LEGO brick as a three-dimensional trademark for gaming bricks in Class 28.

The registration became subject to several applications for revocation by third parties. In a decision of May 2, 2007, the German Federal Patent Court ordered the revocation of the three-dimensional trademark. That decision has now been upheld by the judgment of the Federal Court of Justice. The Court ruled that the LEGO bricks were ineligible for registration under the German Trademark Act. According to Section 3(2) No. 2 of the Act, a trademark lacks inherent registrability if it consists only of a form that is required in order to trigger a specific technical effect or function.

Pursuant to the Federal Court of Justice's holding, only the plastic pimples (bosses) on the top side of the LEGO bricks were relevant for the assessment of the inherent registrability, as the cubic design itself represented only the basic design of the general type of plastic bricks and therefore was not eligible for registration as a three-dimensional trademark.

With regard to the plastic pimples, the Court decided that the pimples had a merely technical function as they were part of the LEGO bricks clamping system that allowed bricks to connect with each other. Because neither the pimples nor the LEGO bricks, as a whole, had any additional, nontechnical distinctive features, the Court finally revoked the three-dimensional trademark registration for the LEGO brick design for the benefit of Lego's competitors. Thus, the competitors are—as far as trademark rights are concerned—now allowed to offer accessories to the Lego system.

Contributor: Michaela Huth-Dierig, Boehmert & Boehmert, Munich; Verifier: Wiebke Baars, Taylor Wessing, Hamburg. Both are members of the INTA Bulletin Law & Practice—Europe & Central Asia Subcommittee

SYRIA

2007 Trademarks Law Amended

Syrian President Bashar Al-Assad issued on August 16, 2009, Legislative Decree No. 47, regarding the amendment of Articles 44 and 45 of the Trademarks Law (Law No. 8 of 2007).

According to the new Decree, the owner of a well-known and distinctive trademark in Syria, even if it is not registered, has the right to submit a request directly to the Ministry of Economy and Trade to cancel and prevent others from registering or using an identical or similar mark or the translation thereof for similar or nonsimilar goods or services if the use of the mark for nonsimilar products causes others to believe that there is a link between the owner of the well-known mark and such products, or if such use discredits the mark or causes damage to its owner or is unjustified.

Within a month from the date of submission, the Minister of Economy and Trade must form an ad hoc committee to look into the cancellation request. In addition, paragraph D of the first article in the new Decree stipulates that petitions before the judiciary seeking the cessation of the enforcement of decisions issued by the above-mentioned committee will be denied.

Also, “when determining whether a mark is well-known, to what extent the mark is well-known to the concerned people in Syria should be taken into account.”

Moreover, Article 3 of the Decree provides that the regulations mentioned in the Decree must be implemented in connection with any previously filed trademarks regardless of the filing date. However, it is not yet known when the ad hoc committee will be formed and when the relative official fees are to be established.


The Trademark Reporter

The Trademark Reporter seeks contributions from practitioners and other trademark professionals, professors and students, and is particularly looking to expand its coverage of international issues authored by international writers. Both INTA members and non-members may submit articles for publication.

Contact the Managing Editor at tmr@inta.org or visit The Trademark Reporter portion of INTA’s website at www.inta.org for information on proposed article topics, guidelines and deadlines.
MALAYSIA

McLaren Fails to Attain Pole Position in Class 25

In McLaren International Limited v. Lim Yat Meen (June 8, 2009, unreported), the Federal Court of Malaysia affirmed the Court of Appeal’s decision refusing McLaren’s trademark revocation action against a Malaysian individual who had registered the mark McLAREN in Class 25 in 1992.

Under the Malaysian Trade Marks Act, only a “person aggrieved” can apply under Section 45(1)(a) for a “wrongful entry” expungement and under Section 46(1) for a revocation for non-use. The High Court and Court of Appeal had both applied a global view to the facts rather than analyzing the locus standi question separately from the case on its merits.

The questions referred to the Federal Court were:
1. Is a party whose application for registration of a trademark obstructed by the prior registration of an identical or similar mark an “aggrieved person?”
2. In the face of uncontroverted evidence of non-use of a registered mark in relation to some of the registered goods, can such registered mark be rectified such that those goods are removed?

Relying on the Singapore case of Re Arnold D. Palmer (1987), the Federal Court decided that “a person whose application for registration is jeopardized by [a prior conflicting registration] cannot, without more, qualify as a person aggrieved, because he could be a mere busybody.” A “person aggrieved” was defined by the Federal Court as “a person who has used his mark … or who has a genuine and present intention to use his mark. …” It is not clear from the judgment when this use must commence in order for such a person to qualify as a “person aggrieved.”

McLaren had submitted evidence of its 37-year history, broadcasting statistics of Formula 1 racing in Malaysia, advertising at the Sepang Malaysia F1 circuit and the proliferation of merchandise in recent decades. The Federal Court chose not to engage in a discussion of “use,” as that was a question of fact for the trial court to decide.

The defendant admitted that he had used his mark only in relation to executive men’s footwear. The Federal Court held, in relation to the second referred question, that had McLaren been a “person aggrieved,” it would have allowed the partial revocation. This is an extremely narrow definition of “person aggrieved,” and it is difficult to understand why McLaren failed to establish locus standi to revoke the mark for non-use with respect to clothing in Class 25 other than footwear.

UNITED KINGDOM

When Are Fake Goods Not Counterfeits?

The High Court has reluctantly refused to interfere with a decision by the UK customs authorities not to seize a shipment of fake NOKIA phones. In his judgment of July 27, 2009, Mr. Justice Kitchin called for reform: “I recognise that this result is not satisfactory. I can only hope it provokes a review of the adequacy of the measures available to combat the international trade in fake goods by preventing their transshipment through Member States” of the European Union.

The goods were being shipped from Hong Kong to Colombia. At a transit stop at London’s Heathrow Airport, they were inspected and samples sent to Nokia. Despite Nokia’s request to have the goods seized in accordance with the Community Counterfeit Goods Regulation (Council Regulation (EC) No. 1383/2003), Customs declined to do so because they were in transit and there was no evidence that they might be diverted onto the EU market. Thus, they did not come within the definition of counterfeit goods in the Regulation. The judge agreed.

Nokia argued that the purpose of the Regulation was to prevent transshipment of counterfeit goods through the Community customs territory. In fact, the Regulation even says so in the recitals. Justice Kitchin, however, noted that there was a requirement that the goods infringe an intellectual property right under UK law or the Community Trademark Regulation. These goods did not. Trademark infringement requires the goods to be placed on the market, and this has been confirmed in ECJ case law. Goods in transit and subject to suspensive customs procedures do not, without more, satisfy this requirement.

Nokia also sought to rely on ECJ decisions that specifically held that the Counterfeit Goods Regulation does apply to goods in transit. However, the judge felt that the more specific question of whether the definition of counterfeit goods encompassed goods in transit had not been addressed in those cases.

Finally, Nokia suggested that a “manufacturing fiction” should be applied and infringement decided on the basis that the goods had been manufactured in the United Kingdom. This argument, too, failed.

Ironically, the fake goods were, at the time of the hearing, in one of the Queen’s Warehouses, as it had not been possible to identify the consignor or the consignee.

Eleventh Circuit Finds ACPA Statutory Damages Not Duplicative of Compensatory Damages for Service Mark Infringement

The U.S. Court of Appeals for the Eleventh Circuit reversed in part a decision involving claims under the Lanham Act and the Anti-cybersquatting Consumer Protection Act (ACPA), reinstating an award of statutory damages under the ACPA and finding these damages not duplicative of compensatory damages awarded under the Lanham Act. St. Luke’s Cataract and Laser Institute, P.A. v. Sanderson, No. 08-1429 (Fed. Cir. July 23, 2009).

The plaintiff, an eye care and ambulatory surgery center, filed suit against a former employee who had misappropriated St. Luke’s domain names, along with website content featuring St. Luke’s service marks. In addition to copyright and state law claims, St. Luke’s alleged cyberpiracy under the ACPA and service mark infringement under Section 43(a) of the Lanham Act. At trial, the jury awarded St. Luke’s damages in the amount of $150,000 in profits and actual, statutory and punitive damages. The district court later reduced the jury’s award to $98,000. Part of this reduction was due to the district court’s conclusion that the statutory damages of $10,000 under the ACPA were duplicative, and thus the court refused to enter judgment on that amount.

HOTELS.COM Denied Registration; Appeals Court Affirms Mark Is Generic

The U.S. Court of Appeals for the Federal Circuit affirmed an administrative decision refusing registration of the mark HOTELS.COM on the ground that the mark was generic for “providing information for others about temporary lodging; travel agency services, namely, making reservations and bookings for temporary lodging for others by means of telephone and the global computer network.” In re Hotels.com, L.P., No. 08-1429 (Fed. Cir. July 23, 2009). The decision holds that the addition of “.com” does not alter the otherwise generic nature of a mark. In apparent contrast, the Trademark Trial and Appeal Board (TTAB), in its analysis of applicant’s survey showing that 76 percent of respondents perceived HOTELS.COM to be a brand, noted that consumers might automatically equate a domain name with a brand name.

The examiner for the U.S. Patent and Trademark Office (USPTO) initially refused registration on the ground that the mark was merely descriptive. The TTAB affirmed the refusal, but on the ground that “hotels” was generic for the services covered and the “.com” did not convert the generic term “hotels” into a brand name. The TTAB did disagree with the examiner’s conclusion that applicant’s evidence of acquired distinctiveness was insufficient, noting that if its genericity finding was overturned on appeal, evidence of acquired distinctiveness was sufficient.

Hotels.com argued the mark was not generic because it did not provide lodging, but rather informational website services. It also urged that the “.com” component was a significant aspect of the way the mark was used and perceived. The company also referred to survey evidence establishing that HOTELS.COM was widely associated with the applicant and not viewed as a generic term and submitted 64 identical and conclusory declarations from customers, vendors and competitors supporting this position.

The Eleventh Circuit disagreed with the district court. Acknowledging that a plaintiff seeking damages based on several legal theories for a single injury generally is limited to a single recovery, the appellate court held that, because the text of the ACPA specifies that damages for cyberpiracy are awarded “in addition to” other civil remedies, ACPA damages may be conferred even if they are duplicative of other damages. Moreover, the Eleventh Circuit found that damages under the ACPA and the Lanham Act are not duplicative because they serve different purposes. Recovery under the ACPA requires a showing of bad faith and is therefore punitive in nature, whereas damages under the Lanham Act are intended to compensate plaintiffs for their injuries.

The Eleventh Circuit instructed the district court to reinstate statutory damages under the ACPA in addition to compensatory damages under the Lanham Act and affirmed the lower court’s decision on all other grounds.
TTAB Clarifies Rule Regarding Service of Notice of Opposition

The Trademark Trial and Appeal Board (TTAB) has issued a precedential opinion in which it clarified the language in Trademark Rule 2.101 that requires that a notice of opposition include a proof of service on the entity listed at “the correspondence address of record in the Office.” Chocoladefabriken Lindt & Sprungli AG v. Karlo Flores, Opposition No. 91187963 (T.T.A.B. July 30, 2009).

The opposer in this case timely filed a notice of opposition and mailed a copy to the applicant's address. The applicant filed its answer and asserted as an affirmative defense that the opposer failed to serve the applicant's attorney at the correspondence address of record in the USPTO. The opposer subsequently mailed a copy of the notice of opposition to the applicant's attorney. The applicant then filed a motion to dismiss the opposition for insufficient service.

Although the applicant's motion was untimely because it was not filed prior to or concurrently with the answer, the TTAB considered the merits of the motion. The opposer failed to object to the timeliness of the motion, and thus waived any timeliness objection.

In considering the motion, the TTAB noted that there are two elements to the service requirement: the opposer must (1) make sufficient efforts to serve the notice and (2) notify the TTAB of the service when the notice of opposition is filed. The opposer met the second condition. The only issue, therefore, was whether the opposer's failure to serve the notice on applicant’s correspondence address of record nullified the opposition.

The TTAB concluded that the opposer's actions were sufficient to comply with Trademark Rule 2.101. Although the opposer did not initially serve the notice of opposition at the correspondence address of record, the opposer immediately served a copy of the notice at that address upon receipt of the applicant's answer and affirmative defense. In reaching its conclusion, the TTAB distinguished between a complete lack of actual service and defective but curable actual service. Here, the opposer's service was sufficient to provide notice to the applicant, which is the purpose of service. The applicant responded with both an answer and a motion to dismiss.

This decision serves as a reminder to parties and counsel involved in inter partes proceedings to review the Board’s Rules before filing or answering a notice of opposition.

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