Judicial Seminar, Government Meetings Highlight INTA’s 2010 China Delegation

In continuation of INTA’s annual senior level visits to China, a delegation of INTA brand owners and staff completed an intensive series of government meetings in China from October 18-20. Led by INTA Executive Director Alan Drewsen and 2010 President Heather Steinmeyer (WellPoint Inc.), the delegation, consisting of Gerhard Bauer (Daimler), Lucy Nichols (Nokia), Bruce Longbottom (Eli Lilly), Russell Pangborn (Microsoft), Justin Pierce (Sony-Ericsson), Mark L. Neighbors, INTA External Relations Manager, Asia-Pacific, Candice Li, INTA External Relations Manager, Anticounterfeiting, and China Representatives Chen Min and Jeff Zhang, met in Beijing and Hong Kong with key government officials. On October 18 a seminar was held with judges from the IP Tribunal of the Supreme People’s Court.

The engagement between the Chinese government and brand owners provided INTA with the unique opportunity to underscore and broaden discussions on trademark development, protection and enforcement issues within and outside of China. The government meetings served as a platform for INTA to re-emphasize the importance of trademark protection and enforcement from policy and regulatory perspectives; the judicial seminar held in Beijing allowed INTA delegates and Chinese trademark owners to share experiences and concerns on important issues at a practical level with judges of the Supreme People’s Court. Following the seminar, a cocktail reception was held for INTA members.

Government Meetings

As part of the Association’s efforts to reinforce INTA’s relations with government bodies and raise IP issues that affect trademark owners and Commerce, State Intellectual Property Office, China Trademark Office, China Trademark Association, the Trademark Review & Adjudication Board and met in Hong Kong with the General Administration of Customs.

During these meetings, the Chinese government officials provided overviews of their efforts regarding the protection of trademarks and the National IP Strategy that was released in June 2008. INTA delegates raised issues such as the challenges of protecting well-known trademarks from non-Chinese brand owners in China, concerns over the quality of examination and opposition proceedings, the burden that Chinese legal certification requirements places on IP practitioners in China, the increasing problem of sales of counterfeit products over the Internet and INTA’s worldwide efforts to stop counterfeiting through partnership with other intergovernmental organizations and associations such as the Global Congress on Combating Counterfeiting and Piracy. Additionally, INTA raised questions concerning the latest proposed revisions to the China Trademark Law, for which INTA submitted comments in April 2010.

Judicial Seminar in Beijing

In addition to the successful government meetings, INTA held its first judicial seminar in Beijing in collaboration with the China Law
China Delegation  CONTINUED FROM PAGE 1

Society and the Supreme People’s Court (SPC) of China. Chief Judge Kong Xiangjun and Judge Zhou Yunchuan from the SPC’s IP Tribunal presented their opinions on the Court’s role in granting trademark rights, protecting well-known marks and working with the administrative and criminal systems on overall protection of IP rights. Members of the INTA delegation as well as local Chinese brand owners, including Beiqi Foton Motors and CITIC Group, were able to engage the judges and gain a better understanding of the Court’s role in IP protection in China.

INTA’s Anticounterfeiting Conference: The Quest for Control in Asia in the Battle Against Counterfeiting

Hong Kong was the site of INTA’s 2010 Anticounterfeiting Conference, held October 21–22. Jointly organized by INTA’s Programs and Anticounterfeiting Committees and co-chaired by Cindy E. Nelson (Warner Bros. Entertainment) and Andy Leck (Baker & McKenzie. Wong & Leow) the conference attracted more than 200 attendees from 37 countries. The program focused on anticounterfeiting trends, issues and policies in the Asia region and highlighted best practices from other countries. Speakers and attendees discussed issues such as landlord and consumer liability, trends in counterfeiting on the Internet, best practices for lawyers and investigators working together, as well as enforcement and legislative developments in Cambodia, China, India, Laos, Philippines, Thailand and Vietnam.

INTA Anticounterfeiting Committee Chair Bruce Longbottom (Eli Lilly) and INTA External Relations Manager for Anticounterfeiting Candice Li provided an international overview of counterfeiting trends and developments and participated in other panels during the conference.

Highlights included presentations by Judge Yin Shaoping of the IP Tribunal of the Supreme People’s Court (SPC) of China who gave in-depth insight into judicial perspectives in trademark and anticounterfeiting enforcement in China, and Judge Chankrapor Sinthavathavorn of the Central Intellectual Property and International Trade Court of Thailand, who introduced the structure and workings of Thailand’s specialized IP courts.

Jackie Chan, the famous Chinese actor, director, producer and noted opponent of counterfeiting activities, made a virtual guest appearance by way of a recorded video message in which he discussed the harms of counterfeiting in the film industry to society and economies. In the video message, Jackie Chan thanked INTA for organizing the important conference in Hong Kong.

INTA Bulletin Board

On the Move

Anna Carboni has joined Powell Gilbert LLP’s London office as a partner. Associates Jennifer Antcliff and Isabel Burnham have also joined the team.

Christopher L. Graff, a partner, and Steven M. Espenshade, an associate, have joined Pirkey Barber’s office in Austin, Texas, USA.

Anne Gundelfinger, having retired from Intel Corporation in 2009, has now opened the Law Office of Anne Gundelfinger in Menlo Park, California, USA. The Office provides strategic legal counsel, trademark management consulting, and dispute resolution services for brand owners. For more information, go to www.gundelfingerlaw.com. Ms. Gundelfinger was president of INTA in 2005.

Karin Segall has joined Leason Ellis in White Plains, New York, USA as partner in the Trademark and Copyright Practice Group. She was formerly with Foley & Lardner.

Zeeger Vink has joined Lacoste as Senior IP Counsel, in Paris.

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USPTO Reaches Out to INTA Stakeholders at Trademark Administrators Conference

The 2010 Trademark Administrators Conference was held October 3–5, 2010, in National Harbor, Maryland, USA. The Gaylord National Resort Hotel and Convention Center, the conference venue, hosted 359 enthusiastic practitioners from around the globe. The agenda was jam-packed, as attendees had 13 sessions to choose from at a conference lasting two and a half days.

The influence of the U.S. Patent and Trademark Office (USPTO) was clear throughout the forum. INTA was honored by the presence of Sharon Barner, Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the USPTO, who gave the keynote address. The educational sessions then kicked off with an annual review of U.S. Trademark Trial and Appeal Board developments followed by a full session on celebrity endorsements.

The next day’s agenda offered attendees a choice of eight intriguing sessions. One hot topic was covered in “Opportunities and Headaches,” on the introduction of the new generic top-level domains (gTLDs). Fabiolo Vayra (Time Warner Inc.) warned brand owners “not to register your TLD unless you have a business model going in.” It will take years to change consumer behavior.

On the final day of the conference the USPTO was once again represented, providing practical advice on obtaining a trademark registration. The session on ethics that followed was highly interactive, with attendees receiving prizes for answering questions about cases presenting ethical dilemmas. A lively discussion on infringement in the virtual world closed out the meeting. Brian Winterfeldt (Steptoe & Johnson LLP) suggested that companies “be creative in dealing with infringement in virtual worlds. Take a situation and make it an opportunity for the brand.”

The forum generated many positive remarks from attendees. Carol McClain (Pioneer Hi-Bred International, Inc.) reflected, “I always find the Trademark Administrator’s Conference very beneficial. Two sessions in particular, one on the topic of the new gTLDs and one focusing on infringement in the virtual world, were greatly appreciated.” Paul Allen (Marksmen) noted that “Marksmen has been attending and exhibiting at the TMA conference for 12 years. We find the topics and speakers both to be excellent, and we very much enjoy the collegial and inclusive atmosphere of the event.”

In the words of INTA Board member and program co-chair Debra Hughes (American Red Cross), “The 2010 TMA Conference provided an opportunity for trademark administrators to benchmark best practices, to sharpen existing skills, and to discuss emerging topics with the practitioners from around the world. We believe the ability to demonstrate the value added that trademark administrators bring to the table is essential to success and career development.”

Pennsylvania Fashions New Law after INTA Model Bill

On October 19, 2010, Governor Edward Rendell of the U.S. state of Pennsylvania signed into law Pennsylvania House Bill 727 regarding criminal enforcement of trademark counterfeiting in Pennsylvania. The law helps authorities by redefining what constitutes trademark counterfeiting and allows the state government to destroy seized fake goods at the cost of the defendant. The bill is modeled after provisions of INTA’s Model State Anticounterfeiting Bill. INTA worked in collaboration with the International Anti-Counterfeiting Coalition to lobby for the adoption of the bill as well as mobilize our members to submit letters in support of the bill.

The creation and adoption of House Bill 727 follows the Supreme Court of Pennsylvania’s ruling last year in the consolidated cases of Commonwealth v. Omar and Commonwealth v. O’Connor, which struck down a previous statute as unconstitutionally vague and overbroad. In Omar, the court observed that Section 4119 “has a laudable and constitutional purpose,” and that the prohibition against the sale of counterfeit merchandise serves a clear public interest. The court, however, took issue with the language and grammatical structure of the statute by which the General Assembly had sought to pursue that interest. In the aftermath of the Supreme Court’s ruling, the Senate Judiciary Committee took up House Bill 727, intended to address the Court’s concerns raised in Omar, while also ensuring protection of the interests of consumers and legitimate businesses in Pennsylvania. The bill received strong support from the business community; the Office of the Attorney General as well as law enforcement and prosecutors.

Trademark Trailblazers in India

February 12
Novotel Mumbai Juhu Beach
Mumbai, India

Join INTA in bustling Mumbai, India on Saturday, February 12 for its first-ever forum designed to expose Indian brand owners to international trends in trademark law while offering them a cutting-edge in the global brand competition.

Meet and network with leaders of the trademark community and receive valuable brand building techniques for strengthening trademarks. At Trademark Trailblazers in India leading experts will discuss:

- Best practices in brand management strategies
- Developments in trademark rights management for the sports and entertainment industries
- New trends in protecting geographical indications
- Implications of advancements in the virtual world
- Considerations in parallel import issues
- Global standards of registration via the Madrid Protocol

Registration opens mid-November so check back at www.inta.org for updates!
Bruce Ewing, a partner in the New York, New York, USA office of Dorsey & Whitney, has an active practice in trademark and copyright litigation in U.S. federal courts. He also advises clients on various intellectual property matters, such as trademark clearance, licensing, and sweepstakes and promotion law.

Bruce graduated from Brown University in 1988 with a B.A. in Political Science and received a J.D. from Columbia Law School in 1992. He has been an active participant in INTA since 1997.

At INTA, Bruce has served on the INTA Bulletin Committee and the Proof of Confusion Subcommittee. Without a doubt his most significant contribution has been as a member of the Amicus Brief Committee, which he chaired in 2006 and 2007, overseeing various successful amicus interventions on behalf of the Association. These interventions, which were filed both inside and outside the United States, had a positive impact on the advancement of trademarks. Bruce commented, “I loved the Amicus Committee because it provided the opportunity for me to be involved as an advocate for the greater interests of trademark owners, as opposed to one particular client, in a very tangible and meaningful way. Many people are not entirely familiar with the benefits of amicus brief filings, one of INTA’s most important efforts in trying to influence the proper interpretation of trademark law issues.”

As a volunteer, Bruce serves on the INTA Bulletin Committee and the Proof of Confusion Committee. He has been an active participant in INTA since 1997, and currently is a subcommittee chair on the Famous & Well-Known Marks Committee.

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Asked how he envisioned INTA in the future, Bruce said: “It will continue to grow and be a major player in the realm of trademark law… its influence will continue to expand internationally as commerce becomes more globalized and trademark problems, notably counterfeiting, continue to increase.” In his view, the international harmonization of trademark law, with standards of enforcement and protection particularly for Asia and Africa, is a number one priority.

Aside from his INTA activities, Bruce is involved in other volunteer projects, such as pro bono matters for artists, and serves on the boards of arts-related organizations in New York City. He enjoys going to the theater and following the New York Giants football team, and tries to keep in shape by jogging and kayaking.

During the summer, Bruce usually hides away in the Pennsylvania mountains, in the company of his wife, Tracey, and two daughters, Isabelle and Miranda.

Juan Pablo Silva is the managing partner of Silva & Cia., a full-service intellectual property firm located in Santiago, Chile. Juan Pablo started his career with the firm, where he works with his father and brother and heads the Trademark Department. He returned to school in 2006 and the following year received a General Business Studies Award from the University of California at Los Angeles. Juan Pablo has spoken at several international seminars, including ASIPI, and recently was elected to the Board of the IP Chilean Association. He works long days, spending time with the management of the firm, attending client meetings and tending to correspondence, with an occasional escape to the gym or the tennis court for relief.

Juan Pablo has been involved with INTA for over 15 years as both a speaker and a committee member, and currently is a subcommittee chair on the Famous & Well-Known Marks Committee. He believes that establishing a minimum worldwide standard to enable trademark owners to defend their brands from counterfeiters and infringers is a key concern for the trademark community. Infringers must know that penalties and fines will be applied everywhere: “This is an effort which involves companies, governments and all the trademark community.”

In particular, Juan Pablo views INTA’s efforts in attracting young people and students to its meetings as a very positive step that is critical to the future of the Association. “The idea of educating young people in the field of trademarks is an important future project,” he says.

When asked what he would be doing if he were not practicing trademark law, Juan Pablo responded, “I see myself working in a company which involves innovation and marketing. Being an IP lawyer is the best of both worlds: business and law mixed with innovation and marketing. If you add to this the possibility of being part of a group such as INTA, which gives you the chance to meet new people, travel to different countries and increase your business, I can’t ask for more.”

Among Juan Pablo’s favorite trademarks are those of Starbucks, which he began representing in Chile many years ago, before anyone in that country had even heard of the brand; those of Disney, for what the brand represents; and those of Google, YouTube and Apple.

Juan Pablo enjoys spending time with his wife and four children in the south of Chile, where the skiing is wonderful even though his BLACKBERRY device is always on.
Decorative Use of a Mark in Germany Under the EC Trademarks Directive

Dorothee Altenburg, SKW Schwarz, Munich, Germany
INTA Bulletin—Features Subcommittee

Recently, the German Federal Supreme Court rendered three decisions with respect to the question of use as a trademark within the scope of Article 5 paragraphs 1 and 2 of the EC Trademarks Directive (Directive 89/104/EEC, codified in Directive 2008/95/EC).

Article 5 paragraph 1 accords the trademark proprietor the exclusive right to prevent all third parties from using in the course of trade, without his consent, (a) any sign that is identical with the trademark in relation to goods or services that are identical with those for which the trademark is registered or (b) any sign where, because of its identity with, or similarity to, the trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trademark. Article 5 paragraph 2 enables EU member states to provide that a trademark owner is entitled to prevent third parties from using in the course of trade, without his consent, any sign that is identical with or similar to the trademark in relation to goods or services that are similar to those for which the trademark is registered. To do so, the trademark must have a reputation in the member state and the use of that sign must unjustifyably take unfair advantage of, or be detrimental to, the distinctive character or the repute of the trademark.

To date, the most important decisions of the European Court of Justice regarding the subject of “use as a trademark” have dealt with use of a trademark as a trade name, in the course of comparative advertising, as a parody, as editorial reference or as a domain name (see, e.g., BMW v. Deenik, Case C-63/97; Arsenal v. Reed, Case C-206/01; Robelco v. Robeco Groep, Case C-23/01; Hölterhoff v. Freiesleben, Case C-2/00; Anheuser-Busch v. Budějovický Budvar, Case C-245/02; Céline v. Céline, Case C-17/06). There is also another category of trademark disputes in which the use is for purposes other than distinguishing goods or services: cases where a trademark is used as a decorative element (see, e.g., Adidas v. Fitnessworld, Case C-408/01). Scenarios falling into this category were the subject of the three decisions of the German Federal Supreme Court.

Opel Blitz

The first judgment, dated January 14, 2010 (I ZR 88/08—Opel Blitz II), was rendered following a preliminary ruling of the ECJ on January 25, 2007 (Adam Opel v. Autec, Case C-48/05). The District Court of Nuremberg had been asked by the car manufacturer Adam Opel AG, owner of the mark (the “Opel logo”), registered for, inter alia, motor vehicles and toys, to enjoin Autec, a toy car manufacturer, from using the Opel logo on scale models of vehicles.

On reference from the District Court of Nuremberg, the ECJ held that in the present case the identical use of the trademark on scale models of vehicles for the purpose of faithfully reproducing those vehicles

• constituted a use in the sense of Article 5 paragraph 1(a) of the Trademarks Directive only if that use affected or was liable to affect the functions of the trademark as a trademark registered for toys; or
• constituted a use in the sense of Article 5 paragraph 2 of the Directive only if, without due cause, use of that sign took unfair advantage of, or was detrimental to, the distinctive character or the repute of the trademark as a trademark registered for motor vehicles.

The ECJ further took the view that the identical use of the trademark on scale models, in order to faithfully reproduce those vehicles, did not constitute use of an indication concerning a characteristic of those scale models within the meaning of Article 6 paragraph 1(b) of the Directive, limiting the rights of the trademark owner.

The Federal Supreme Court had to assess whether the essential function of guaranteeing to the consumer the origin of the goods had been affected by the use of the logo on the toy cars. In a survey submitted by Opel, only 13 percent of all survey participants and only 11 percent of all relevant consumers identified the name of the plaintiff as the source of the scale-model cars in dispute, whereas 38 percent of all participants and 48 percent of the relevant consumers had named the defendant as the origin of the toy cars, which had “Autec” AG and “Autec” AG DE90441 Nürnberg” on the front page of the user instructions and also on the front of the remote control transmitter.

The German Toy Industry Association had supported the defendant, arguing that the public was accustomed to the fact that, for more than 100 years, the toy industry had been making such reproductions, which are so faithful to the originals that they include the relevant trademarks. Thus, the public understands that the scale models do not come from the manufacturers of the vehicles that they replicate. Based on this understanding, the Supreme Court denied that the trademark function of guaranteeing the origin of the goods was harmed. The Court further ruled that the other trademark functions protected under Article 5 paragraph 1(a) and the respective national law, namely, the function of safeguarding the quality of the product as well as other trademark functions, also were held not to be affected by the use of the Opel logo on the scale models. The question whether one of these functions was harmed because of an existing risk of confusion with respect to real motor vehicles, that is, whether there was a likelihood of confusion in the sense of Article 5 paragraph 1(b) of the Directive, was not discussed in this case, as the ECJ had already ruled that toy cars and motor vehicles were dissimilar goods.

Consequently, the Federal Supreme Court had also to assess whether there was an infringement in violation of Article 5 paragraph 2 and of the parallel provision in German trademark law, Section 14(2) No. 3 of the German Trademark Act. This was rejected as well, the Court holding that the use of the mark on scale-model cars did not take unfair advantage of the well-known trademark without due cause. This would be the case only if the defendant had used the logo other than for purposes of faithfully reproducing the real vehicle. In the present case, however, the defendant had used its own trademarks as well, whereas the use of the Opel logo seemed to be...
only occasional and mandatory because of the nature of the product as a replica.

**DDR and CCCP Marks**

In the cases involving the DDR logo (I ZR 92/08) and CCCP (I ZR 82/08), also decided on January 14, 2010, the German Federal Supreme Court ruled that abbreviations of former Eastern Bloc countries, as well as their coats of arms, being affixed on the front of articles of clothing, would not be recognized by consumers as trademarks distinguishing goods and services, but only as decorative elements, and thus would not constitute “use of a trademark.”

In the first case, the plaintiffs were the owners of the word mark DDR (the German-language abbreviation for the former German Democratic Republic) for clothing articles and of a figurative trademark for textiles in Class 24; in the second case, they were the owners of the word mark CCCP, the abbreviation of the Cyrillic title of the former USSR, also registered for clothing articles.

The plaintiffs were seeking to prohibit third parties from selling T-shirts as depicted.

The appellate court had held that the signs on the T-shirts had been used as trademarks, as it could not be excluded that some of the consumers would understand the signs as indicators of the origin of the goods. The public would be used to the form of affixing trademarks consisting of big letters on the outside of the shirts. An additional decorative function would not exclude the trademark's function of guaranteeing the origin of the products.

The Supreme Court, however, held that, unlike the case with signs affixed on sewn-in labels, the pictures, symbols or words on the front of articles of clothing would not be understood by the general public as indicators of origin, though this would have to be assessed on a case-by-case basis. While signs known to the public as trademarks for apparel (such as the famous three stripes of Adidas) or well-known trademarks for other goods will be appreciated as trademarks even when affixed on clothes, this rule could not be applied in the present case. According to the Court, consumers would understand the logos to be abbreviations of countries from the former Eastern Bloc, not as indications of origin of the T-shirts. Consequently, the decisions of the appeals court were reversed and the actions dismissed.

It should be noted that as a practical consequence of these decisions, in considering “use as a trademark” in the sense of Article 5 paragraphs 1 and 2 of the Trademarks Directive, that is, a use for purposes other than distinguishing goods or services, the courts of Germany and the other EU member states will have to assess whether an essential trademark function, such as that of guaranteeing the origin of the product, will be affected. For this purpose, the appreciation of the relevant consumers will be decisive. From a trademark owner's perspective, it may be disappointing to realize that even if an identical mark is applied to identical goods, there may still not be trademark infringement.

### Become part of an exclusive group of INTA member organizations to host a Pre-Annual Meeting Reception

From January through March INTA is seeking volunteers from member organizations to host a Pre-Annual Meeting Reception at a venue of your choice. This is the perfect opportunity to help educate potential attendees of the many benefits the Annual Meeting offers, and:

- Mingle with friends and peers over hors d’oeuvres and cocktails
- Network and meet new professionals with a common interest in trademark and IP law
- Swap valuable insight and success stories about the Annual Meeting
- Enter a raffle to win a free Annual Meeting registration

Hosts will receive exposure on inta.org, through email recognition and in the Annual Meeting Daily News.

**Please respond with your interest by Friday, December 17 to lcastle@inta.org.**
CHILE

IP Court Raises Bar for Cancellation Under Paris Convention Article 6bis

On July 7, 2010, the Intellectual Property Court of Chile upheld the dismissal of a cancellation action filed by Iron Maiden Holdings Limited against Horacio Humberto Mardones Contreras. In 1994, Mr. Mardones registered the mark IRON MAIDEN for all goods in Class 25.

The plaintiff is the holding company for the British rock band Iron Maiden. According to the pleadings, Iron Maiden is “one of the most important rock bands in the history of modern music.”

The cancellation action was based on Chilean law and Article 6bis of the Paris Convention. The claims under Chilean law were barred by a five year statute of limitation. However, the plaintiff argued that this limitation did not apply to a claim under Article 6bis, which states that “no time limit shall be fixed for requesting the cancellation…of marks registered…in bad faith.”

The Intellectual Property Court did not reach this issue, finding that the plaintiff failed to prove the fame of its own mark and the bad faith of the defendant, as required under Article 6bis. While the plaintiff provided evidence that Iron Maiden was a well-known rock band, it did not show that this notoriety extended to goods in Class 25. Thus, the court would not assume that the defendant registered the mark IRON MAIDEN in bad faith.

A broad reading of the court’s decision is that rights in a mark are limited by the principle of specialty to goods or services in the same class, even if the mark is well known. However, the court may not have intended to go this far—it may simply have concluded that the plaintiff was required to provide affirmative evidence of bad faith given the differences in the parties’ goods and services.

EUROPEAN UNION

OHIM Makes Some Noise About Trademark Protection for Guitars and Basses

The General Court held on September 8, 2010, that the trademark filed in April 2002 by Hans-Peter Wilfer, a German citizen, which consisted of the specific guitar/bass headstock shown, lacked distinctiveness and could not be registered in Classes 9 and 15. This decision confirmed the previous findings of the OHIM Opposition Division and the OHIM Board of Appeal.

The court determined that the relevant public comprised not only professional musicians but also amateurs. The level of care was set above the ordinary level of care of the average consumer because (1) the products at issue were not bought on a regular basis because they represented a long-term investment and (2) consumers generally were assisted in purchasing musical instruments. This consumer profile is similar to the specific consumer profile established by EU case law in matters regarding pharmaceutical trademarks.

SOUTH KOREA

Karaoke Bar’s Use of BURBERRY Found to Violate Unfair Competition Law

On August 18, 2010, the Daejeon High Court (Case No. 2010-na-819) held that a karaoke salon’s use of BURBERRY, a registered trademark of Burberry Limited, violated Article 2(1)(iii) of the Unfair Competition Prevention and Trade Secret Protection Act (UCPA).

Article 2(1)(iii) defines an act of unfair competition as “an act of doing damage to [the] distinctiveness or reputation attached to another person’s sign.”

The Court concluded that because the karaoke salon’s offering of low-priced services in a medium-sized city inflicted harm on the well-known high-fashion image associated with the BURBERRY mark, the karaoke salon’s use of BURBERRY for its business for over seven years damaged the distinctiveness of the mark in violation of Article 2(1)(iii) of the UCPA.

Accordingly, the High Court overturned the lower court’s decision in favor of the karaoke salon and ordered the salon to cease all use of the registered trademarks owned by Burberry Limited and to pay the firm KRW 2,500,000 (approximately US $2,230) in damages.
Copyright Not Helpful in Opposition Proceedings

On June 22, 2010, the General Court dealt with a number of issues raised in opposition proceedings initiated in response to a Community trade mark (CTM) application by José María Padilla Requena for JOSE PADILLA for goods and services in Classes 9, 25 and 41 (Case T-255/08). José Padilla was the name of a well-known and successful composer who had died and whose niece, Eugenia Padilla, apparently had used the name José Padilla in exploiting intellectual property rights. Ms. Padilla brought opposition proceedings on a number of grounds relating to alleged earlier rights (registration of two Spanish word trademarks JOSE PADILLA for goods and services in Classes 9 and 41; the trademark JOSE PADILLA had a reputation; it was a well-known trademark; and there were rights attached to the mark JOSE PADILLA used in the trade).

Both the Opposition Division and the Second Board of Appeal of OHIM rejected the opposition. On appeal to the General Court, there were two arguments to be considered: first, the application should be refused on public policy grounds under Article 7 of the CTM Regulation (Council Regulation (EC) No. 207/2009), because if the mark were allowed to proceed to registration, it could prevent the legitimate exploitation of copyrighted works authored by José Padilla (absolute grounds), second, the exploitation of copyrighted works written by José Padilla did not amount to “use as a trademark” of the author’s name for the purposes of Article 8(4) of the Regulation (relative grounds).

The court denied Eugenia Padilla’s appeal. It confirmed that absolute grounds for refusal (Article 7 of the Regulation) could not be invoked in opposition proceedings. Thus, the argument based on the violation of public policy—that the mark, if it proceeded to registration, could be used to prevent the exploitation of copyrighted works—was rejected.

With regard to the relative grounds, the court held that it was not shown that the name “José Padilla” had been used in a trademark sense to indicate the commercial origin of goods and services.

The opponent had also argued that Spanish law entitled copyright owners to restrict the use of a trademark and that this law should be implied in Article 8(4) of the Regulation. The court found that there was no evidence to support this conclusion; consequently, it rejected that argument as well. It noted that the Spanish national courts had rejected an action by the opponent to declare the Spanish national trademark JOSE PADILLA invalid on the same grounds.

Most important, the court stated that, because of the scheme in Article 53 of the Regulation (relative grounds for invalidity), copyright is not a “sign used in the course of trade of more than mere local significance” for the purposes of Article 8(4). Article 53(2)(c) provides specifically that a copyright may be used as a basis for invalidity of a registered CTM if the CTM’s use could be prevented under national or European law relating to copyright, whereas Article 53(1)(c) provides for invalidity on grounds equivalent to those in Article 8(4). Therefore, copyright was distinct from a “sign” within the meaning of Article 8(4) and hence could not be invoked in opposition proceedings against a CTM application.

Although the appeal was dismissed in its entirety, it gives some clarification of the effect of Article 8 of Regulation No. 207/2009 in relation to prior rights of this nature.

German Court of Justice Rules on Trademark Owners’ Rights Concerning Parallel Imports of Medicinal Products

Johnson & Johnson’s German Lifescan enterprise brought an action objecting to the parallel import of blood glucose test strips marketed under its ONE TOUCH ULTRA brand (I ZR 185/07—“One Touch Ultra”).

Both the trial court and the appellate court dismissed the case (LG Hamburg 327 O 418/06; OLG Hamburg 3 U 5/07). The Federal Court of Justice (FCJ), however, found in favor of the trademark owner.

Trademark Law

The Court found that conditions for exhaustion under Section 24(1) of the German Trademark Act were met. Nevertheless, it found that the trademark owner was able to legitimately oppose the further commercialization of the products because there existed a danger that the condition of the goods might be changed or impaired as a result of the repackaging (Section 24(2)).

Law Against Unfair Commercial Practices

At least as far as in vitro diagnostics are concerned, the FCJ found that repackaging (by way of relabeling and exchanging the instruction sheet) leads to a new medicinal product, pursuant to Chapter 3, Section 15(2) of the Unfair Competition Act. Trademark rights in relation to this new medicinal product were not exhausted.

Therefore, parallel importers seeking to put their products on the market have to conduct a new or additional conformity assessment. In the present case, the “CE” signet that had been applied to the product originated from a conformity assessment conducted prior to the repackaging. Thus, the FCJ held that applying the signet constituted an act of unfair competition.

The FCJ’s judgment is fully in line with European Court of Justice case law. It is to be welcomed, as it further enhances the position of trademark owners vis-à-vis parallel importers, making it clear that there is no such thing as a carte blanche for parallel importers.


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Second Court of Appeal Decision Confirms eBay Liability

On September 3, 2010, the Court of Appeal of Paris ruled on eBay’s liability in three cases. The court found that eBay was regarded as having (1) failed to warn users against product pirates and to implement filter systems, which was considered to be in breach with its obligation of vigilance; (2) not withdrawn, in the shortest possible time, auctions of infringing material, even though the plaintiffs had repeatedly demanded that they be pulled down; and (3) infringed the selective distribution networks of the plaintiffs.

The French firm Louis Vuitton Malletier and several companies of the Louis Vuitton group, including Parfums Christian Dior, sued eBay International AG and Ebay France in 2006 before the French trade courts. Their claims were based not on trademark infringement but on civil responsibility provisions and the Law on Trust in the Numeric Environment (LCEN). Only eBay was sued. There was no eBay seller involved in the proceedings.

In order to stop eBay from permitting auctions that infringed their trademarks, the plaintiffs requested that

1. eBay refrain from permitting auctions for fake Vuitton products or auctions set up by sellers whose usernames were composed of the plaintiffs’ trademarks or with descriptions including the plaintiffs’ trademarks for the sole purpose of attracting more potential buyers; and
2. eBay refrain from permitting auctions relating to perfumes and cosmetic products manufactured by Vuitton, or auctions of goods presented by sellers as being manufactured by Vuitton.

On June 30, 2008, the Court of First Instance issued three decisions, in all of which eBay was found liable. The court granted the plaintiffs’ requests and ordered eBay to pay the plaintiffs a total of €40 million.

Before the Court of Appeal, eBay argued that it neither intervened in nor controlled the content of the auctions. The responsibility for the auctions consequently remained in the sole hands of the sellers. Louis Vuitton countered that eBay could not be regarded as a hosting company with a limited liability, considering eBay’s brokerage activities and the variety of services that eBay offered to its users, regardless of eBay’s knowledge of and control over the information contained in the auctions.

The Court of Appeal of Paris stated that eBay’s role was not purely technical, automatic and passive; rather, eBay played an active role in helping the sellers in describe, present and position the items listed on its auction site.

The judge pointed out that the activities of eBay consisted of both hosting and brokerage activities, and because of the brokerage aspects eBay had to determine whether the items for sale were fake products.

Accordingly, the Court of Appeal of Paris reduced the compensation that eBay was ordered to pay to the plaintiffs to €5.6 million.

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Civil Proceedings Against Parallel Imports into Russia: Grounds for Optimism?

The principle of exhaustion of trademark rights has never been given as much attention by the Russian legal community as it has in the last two years.

In February 2009, the Higher Arbitrazh Court expressed its opinion that Russian customs authorities should refrain from initiating administrative actions against parallel importers of original goods in order to maintain a balance of private and public interests. According to the Court, the lack of such administrative actions should be offset by the availability of civil actions against unauthorized importers that may be taken by trademark owners. This has substantially disrupted consistency of Russian court practice on parallel imports cases and has even resulted in discussions on a potential shift from national to international exhaustion of trademark rights.

Recent court decisions, however, give certain grounds for optimism with respect to the prospects of civil proceedings against parallel importers in Russia. In the case initiated by Société Anonyme des Eaux Minérales d’Evian against an unauthorized importer, LLC Monolit Invest, the importer was held liable by the courts of first and second appeal. The rulings of the courts of appeal clearly stated that the importation of the goods in question without the right holder’s consent to the use of the relevant trademark constituted an infringement of the exclusive right of the right holder in the trademark, no matter whether the product was marked with the trademark by the importer or by third parties.

These rulings were sustained by the Higher Arbitrazh Court in its resolution of August 5, 2010. The Court did not find legal grounds for amending or setting aside the rulings, based on the view that there was no breach of uniformity in interpretation and application of legal provisions by the courts. Although Russia is a common law system and, thus, court decisions do not have precedential effect, the official position of the Higher Arbitrazh Court is usually respected and followed by the lower courts. Thus, right holders may be afforded an additional instrument in protecting their interests in civil proceedings, in the absence of administrative mechanisms for enforcement.

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SYRIA

Request for Legalized Power of Attorney for All IP Applications Confirmed by High Council for Legislation

The Syrian Property Protection Department (PPD) recently upheld Decision No. 263 of 2010 of the High Council for Legislation in Syria, stipulating that powers of attorney (PoAs) should be legalized up to the Syrian consulates abroad.

Last July, the PPD announced that it had recently been requesting that PoAs be duly legalized up to the Syrian consulates abroad. This involved obtaining the Interior Ministry’s approval and superlegalization of the document by the Ministry of Foreign Affairs.

This practice complies with the Interior Ministry’s regulations requiring that clearing approval be obtained on PoAs for all IP applications in Syria (trademarks, designs, patents, recordals, appeals and oppositions).

The procedure of superlegalizing a PoA in Syria takes two to three months and involves extra cost.

The Trademark Office’s demand is to be applied to all pending applications retroactively. Therefore, trademark owners who have pending applications that lack such a legalized document should provide their agents with a PoA legalized up to the Syrian consulate.

It is envisioned that the PPD will consider those applications that were not supported with a PoA (fully superlegalized) during the six-month period following the filing date of the application as abandoned. The PPD may request payment of a new filing fee for reactivation of such applications after submission of the superlegalized PoA.

The advantage of a PoA legalized up to the Syrian consulate is that it can be used permanently, as the local IP firm can deposit it with the Notary Public in Damascus and extract original copies locally for the number of the applications required. Consequently, it will no longer be necessary to send new PoAs for future matters.

Source: Syrian Property Protection Department


UNITED STATES

Initials Can Make Name Not Merely a Surname

In a case with significant implications for “personal name” marks, the Trademark Trial and Appeal Board (TTAB) recently reversed an examining attorney’s refusal to register the mark P.J. FITZPATRICK, INC. In re P.J. Fitzpatrick, Inc., 95 U.S.P.Q.2d 1412 (T.T.A.B. 2010) (precedential). The examining attorney had refused registration on the Principal Register under Section 2(e)(4) of the U.S. Trademark (Lanham) Act, 15 U.S.C. § 1052(e)(4), on the ground that the proposed mark was primarily merely a surname. The applicant appealed.

The TTAB held that FITZPATRICK alone was primarily merely a surname and that the INC. designation did not transform the surname into a mark. However, it ruled that the initials P.J. were enough to make the mark as a whole not primarily merely a surname.

The Board observed that many well-known people use two initials in lieu of a given name, citing as examples E.E. Cummings, J.C. Penney, J.D. Salinger and O.J. Simpson. The TTAB also discussed In re I. Lewis Cigar Mfg. Co., 205 F.2d 204 (C.C.P.A. 1953), in which the mark S. SEIDENBERG & CO’S. was held to be primarily merely a surname. It noted, however, that the court in Lewis Cigar did not find that “a single initial added to a surname could never convey something other than surname significance.”

The TTAB held that “if a mark consists of two initials (or more) coupled with a surname, it typically will convey a commercial impression of a personal name, and thus generally will not be primarily merely a surname.” The test for determining whether a mark is primarily merely a surname was “the primary significance of the mark as a whole to the purchasing public.” Applying that test, the TTAB concluded that the initials P.J. coupled with FITZPATRICK were perceived as a given name, and not merely a surname.


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Meanwhile, Back in the Dollhouse, the BRATZ Saga Continues

In the long-running BRATZ saga, the U.S. Court of Appeals for the Ninth Circuit has reversed a multi-million-dollar verdict and injunction entered in favor of Mattel, Inc. and against MGA Entertainment, Inc. Mattel, Inc. v. MGA Entertainment, Inc., Case No. 09-55673 (9th Cir. July 22, 2010).

As previously reported in the INTA Bulletin, Judge Stephen G. Larson of the U.S. District Court for the Central District of California ordered MGA to stop selling its line of BRATZ dolls or any other products branded with the BRATZ mark. Judge Larson also banned MGA from making future use of the BRATZ mark and ordered the recall of all BRATZ dolls and materials used to make the dolls. The ruling was stayed, allowing retailers to sell BRATZ dolls through the 2008 end-of-year holidays.

In 2009 Judge Larson lifted the stay and confirmed that the BRATZ dolls were the property of Mattel. In addition, he upheld the jury award of $100 million in damages, stating, “The jury’s verdict of $100 million is well within the range of possible awards based on the evidence of record, and therefore the Court must leave it undisturbed.”

MGA appealed the decision.

The Ninth Circuit held that Judge Larson erred in ordering MGA to transfer the BRATZ portfolio, including the BRATZ and JADE marks, to Mattel. It reversed the district court’s injunction barring MGA from selling BRATZ dolls and vacated the “very broad constructive trust” that in essence forced MGA to hand over its “sweat equity.”

“It is not equitable,” the appellate court said, “to transfer this billion dollar brand—the value of which is overwhelmingly the result of MGA’s legitimate efforts—because it may have started with two misappropriated names.” Accordingly, the Ninth Circuit held that the district court committed an abuse of discretion. It also stated that a significant portion of the jury verdict and damages award likely would need to be vacated and that the entire case would probably be retried.

MGA and Mattel are due back in court on January 11, 2011, for the retrial.
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