International Trademark Protection

By Lanning G. Bryer*

I. General Principles and Considerations

A. Protection of Trademarks in Different Countries

Trademarks may be one or more combinations of words, letters, and numerals. They may also consist of drawings, symbols, three-dimensional signs, audible signs, colors, or scents. The types of trademarks protected vary from country to country. For example, several countries recognize only visual signs as trademarks and do not afford protection to sound or scent marks. Many countries also recognize collective marks and certification marks, the former being an indication of membership in a group and the latter a certification that products or services meet a particular standard of quality or origin. An example of a certification mark is the mark CE, which indicates that a product complies with safety, health, or environmental requirements set by the European Commission. An example of a collective mark in the United States is

Practice Tip

Some countries, such as the United Kingdom and Hong Kong, allow a series of two marks (e.g., one claiming color) in the same application. This can be helpful if an owner wishes to register a logo both in color and in black and white: the owner can file one application covering both versions. This practice reduces the cost of filing separately.

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Trademark owners doing business internationally should adequately exploit their trademark rights to maintain or increase the reputation and value of their mark and seek to protect those rights in jurisdictions where commercial use of the mark is being or will be made. They must also develop an awareness of the significance of their mark outside any country’s boundaries, given the increasing presence of brands in the global market, in order to protect the markets for their goods and services as they introduce their brands to new markets. Consequently, trademark owners need to adopt an international trademark strategy to control, preserve, and protect their rights worldwide.²


### B. Territoriality of Rights

Generally, a trademark registration has no extraterritorial effect and stops at the border of the country where it was granted. To obtain complete “worldwide

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¹ For more examples, see INTA, Presentation, *Collective Marks and Certification Marks*; INTA, Fact Sheet, *Certification Marks*.
² See World Intellectual Property Organization (WIPO), *Some Important Steps to Be Considered While Developing an Intellectual Property Strategy*. 
International Trademark Protection

protection,” it would be necessary to proceed separately or regionally in each of the nearly 200 jurisdictions where it is currently possible to register trademarks.

**RESOURCE:** WIPO provides a Directory of Intellectual Property Offices, which includes links to the websites for all the countries where registration of a trademark is possible.

The extent of protection of a registered trademark can be either national or regional. At the national level, trademark protection can be obtained through registration at the national trademark office. At the regional level, there are several multinational registries available. (See Section I.C.4, below.)

There is no true international trademark registration covering all jurisdictions, although this term is frequently applied to registrations obtained through the Madrid Agreement or the Madrid Protocol. An applicant can file a trademark application either with the trademark office of each country or via the Madrid System through a single central filing with the WIPO International Bureau in Geneva, Switzerland. The applicant must establish which office(s) may be the country of origin; that will depend on whether the application will be governed by the Madrid Agreement or the Madrid Protocol. The term “country of origin” is defined as any country in which the applicant has a real and effective establishment or, in the absence thereof, the country in which it has its domicile, or, if neither of these, the country of which the applicant is a national. In contrast, if the application is governed exclusively by the Protocol, the applicant is free to choose the country of origin on the basis of establishment, domicile, or nationality.

Although registrations obtained under the Madrid Agreement or Madrid Protocol are commonly referred to as “International Registrations,” this term may be misleading in that the result of filing through the Madrid System is the grant of a bundle of national registrations reflected in a single certificate of registration. A Madrid System registration can reduce filing expenses and facilitate renewals, recordal of changes of ownership or the name or address of the holder, or a limitation of the goods or services, which may be done through a single procedural step. However, the rights obtained through Madrid System
registrations are no greater than the rights obtained through a national registration, given that the concept of territoriality of trademark registration rights still applies. Hence, the owner of an International Registration must go before the national courts to enforce its rights.

FURTHER READING: For a detailed summary of the International Registration system, see WIPO, The Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to That Agreement: Objectives, Main Features, Advantages.

1. Exceptions /Extraterritorial Protection
   
a. Sale of Counterfeit Goods

Under the principle of territoriality, each country or jurisdiction determines how trademark rights are established in that country or jurisdiction and which marks are protectable under its laws. However, there are exceptions to this principle, one of which is related to the sale of counterfeit goods online. Given the current levels of electronic commerce, a national registration may have extraterritorial effects as a result of a litigation regarding the enforcement of trademark rights. For example, in the United States, the U.S. federal courts have developed a three-factor test for such purpose: the defendant’s conduct must have a substantial effect on U.S. commerce; the defendant must be a U.S. citizen; and there must be no conflict with trademark rights under foreign law.

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b. Well-Known Marks

The well-known or famous marks doctrine is another exception to the territoriality principle. For a mark to be famous or well known, it must enjoy a high degree of consumer recognition. Most jurisdictions require famous marks to have a higher degree of reputation than well-known marks, which often are protected only for goods and services related to those with which the mark is already associated, whereas famous marks are protected from unauthorized use even in connection with non-competing goods and services. The effect of this doctrine is that the owner of a famous mark is able to claim rights in the mark within a country even though it is not actually used or registered in that country.

C. International Agreements

International treaties that affect trademarks may be divided into the following categories:

- Treaties on standards of protection
- Treaties establishing multilateral filing and registration systems
- Treaties on international classification
- Regional treaties

These agreements are discussed below.

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5 Examples of marks held to be famous include NIKE and GOOGLE.


7 For detailed information, see WIPO, *WIPO-Administered Treaties*; INTA, Fact Sheet, *International Treaties*.
1. Treaties on Standards of Protection

a. Paris Convention

The Paris Convention is one of the most important multilateral international treaties protecting intellectual property. The Convention secures the advantages of national treatment and priority rights. The right of priority, which is found in Article 4, provides that an applicant that files a first trademark application in any member country of the Paris Union can then file subsequent applications in other countries of the Union for a defined period (i.e., six months) and they will be accorded an effective filing date that is the same as the application filing date in the country of origin.

In addition, Article 6quinquies provides that trademarks duly registered in the country of origin must be accepted for filing and protected in the other countries of the Union. Another important provision—Article 6bis—protects marks, whether registered or unregistered, that qualify as well known in a member country. Other countries of the Paris Union are required to refuse registration of, or to cancel an existing registration for and prohibit the use of, a mark that is likely to create confusion with a trademark already well known in that country and used for identical or similar goods.

RESOURCE: For a detailed guide to the Convention, see WIPO, Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967.

b. Trademark Law Treaty

The Trademark Law Treaty (TLT) was adopted in 1994 at a WIPO conference in Geneva, with the goal of harmonizing administrative procedures for trademark applications, powers of attorney, assignments, changes of name and address,
changes in ownership, and renewals, including liberalizing requirements for legalization and certification of signatures.

The TLT applies to trademarks consisting of “visible signs.” The major provisions of the treaty include the acceptance of multiclass applications and the issuance of a single certificate of registration for the classes of goods and services under the Nice Classification. The TLT provides rules that are flexible enough for individual nations to adapt provisions to the demand of local issues while affording the maximum possible protection for trademarks.9


### c. Singapore Treaty

The Singapore Treaty on the Law of Trademarks, adopted by WIPO in 2006, introduces important changes to the TLT, such as the provisions related to recordal of trademark licenses, relief for missed time limits, and nonconventional marks.10


### d. Nairobi Treaty

The Nairobi Treaty on the Protection of the Olympic Symbol, which entered into force in 1982, obliges all the contracting parties to prevent use of the Olympic

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9 For the text of the treaty and the associated regulations, model international forms, and a list of the contracting parties, see WIPO, *Trademark Law Treaty (TLT)*.

10 For the text of the treaty and a list of the contracting parties, see WIPO, *Singapore Treaty on the Law of Trademarks*.
symbol (five interlaced rings) for commercial purposes or the registration thereof without the authorization of the International Olympic Committee.11

e. TRIPS Agreement

The TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights) is a commercial international agreement administered by the World Trade Organization (WTO). It has three main features: standards; civil and criminal enforcement, including border measures; and dispute settlement. The Agreement sets out the minimum standards of protection to be provided by each member and adds a substantial number of additional obligations on matters where existing conventions are silent or seen as being inadequate.

RESOURCE: For a more detailed synopsis of the TRIPS Agreement, see WIPO, Overview: The TRIPS Agreement.

2. Treaties Establishing Multilateral Filing and Registration Systems

a. Madrid Agreement and Madrid Protocol

The Madrid Agreement Concerning the International Registration of Marks (1891) and the Protocol Relating to the Madrid Agreement (1989) govern the system of the international registration of trademarks. The Madrid System, which is administered by the WIPO International Bureau in Geneva, provides for a centralized filing system that allows trademark owners in member countries to register their trademarks in multiple jurisdictions by filing a single application with their national trademark office, for a single fee and in a single language.12

11 For the text of the treaty and a list of the contracting parties, see WIPO, Nairobi Treaty on the Protection of the Olympic Symbol.

12 For the text of each treaty and the associated common regulations, and a list of the contracting parties, see WIPO, Madrid Agreement Concerning the International
3. Treaties on International Classification

a. Nice Agreement

The Nice Agreement (1957) establishes a classification of goods and services for the purpose of registering trademarks. The classification system consists of a list of classes, 34 for goods and 11 for services, as well as an alphabetical list of the goods and services that fall under these respective classes. In a significant number of those countries that allow applications for multiple classes of goods and services, official fees are applied to each class included in the application.

The Nice Classification has been adopted by more than 80 countries.\(^{13}\) Notably, Canada does not follow the Nice Classification; however, it has adopted legislation to adopt the classification system in the near future.\(^{14}\)

b. Vienna Agreement

The Vienna Agreement, signed in 1973, is a WIPO-administered multilateral treaty that establishes the Vienna Classification, which is used to classify the
figurative elements of marks. This procedure facilitates trademark anticipation searches and obviates the need for substantial reclassification.15

**FAQ:** See WIPO, *Frequently Asked Questions: Vienna Classification.*

4. Regional Treaties

a. European Union

The free flow of goods and services between member states is one of the fundamental freedoms set out in the Treaty of Rome (1957) (now, formally, the Treaty on the Functioning of the European Union). The European Union (EU) itself was created by the Maastricht Treaty (formally, the Treaty on European Union), which was signed in 1992.16

Steps taken to ensure the free flow of goods and services between the member states of the EU included (1) harmonization of the national trademark laws of the member states and (2) creation of a unified trademark registration system in Europe through the Community Trade Mark (CTM).


15 For the text of the Agreement and a list of the contracting parties, see WIPO, *Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks.*

16 For a list of current and prospective member states of the EU, see the [European Union website](https://europa.eu).
The CTM system is unitary in character. Thus, through a single filing, a trademark owner can secure protection in all member states of the EU; on the other hand, an opposition lodged in any member state can defeat an application. CTM registrations provide an alternative to national trademark registrations and exist alongside them. The system is governed by the CTM Regulation (CTMR) (Council Regulation (EC) No. 40/94 of Dec. 20, 1993, codified as Counsel Regulation (EC) No. 207/2009 of Feb. 26, 2009). It is administered by the Office for Harmonization in the Internal Market (Trade Marks and Designs), in Alicante, Spain. A CTM application is filed directly with OHIM or as a designation through the Madrid System.

If a company trades exclusively in one European country, a national trademark registration may be preferred over a CTM registration, for the following reasons: (1) the costs associated with the filing and prosecution of a CTM application are usually higher than those for a single national filing; (2) a CTM application is an “all or nothing” proposition in that the applicant cannot choose the EU member states in which to register its mark; and, consequently, (3) there may be more challenges (oppositions) in respect of a CTM application than in respect of an application for registration in one European country.

Conversely, where a company does business in more than one European country, a CTM application usually is the preferred option. An assessment regarding costs and countries of interest in the EU is advisable before a trademark owner commits itself to a CTM filing.

FURTHER READING: OHIM, FAQ – Community Trade Marks.

b. Benelux Convention

The Benelux Convention on Intellectual Property (BCIP), signed in 2005, establishes the Benelux Office for Intellectual Property (BOIP), with jurisdiction over the economic union of Belgium, Luxembourg, and the Netherlands. The BOIP has also acted as the registration office for trademarks of the Caribbean
c. **Africa: Bangui Agreement and Lusaka Agreement**

The Bangui Agreement, adopted in 1977 by certain French-speaking African nations, created the African Intellectual Property Organization (Organisation Africaine de la Propriété Intellectuelle (OAPI)). Under the Agreement, a trademark application covering the 17 OAPI member states may be filed in the OAPI Central Office in Yaoundé, Republic of Cameroon.

In 1976, certain English-speaking African countries entered into the Lusaka Agreement, which created the African Regional Intellectual Property Organization (ARIPO). To give ARIPO specific intellectual property functions to perform on behalf of member states, the Banjul Protocol on Marks was adopted in 1993. Under the trademark registration system established by the Protocol, a trademark owner may file a single application either in one of the 19 ARIPO member states or directly with the ARIPO Office and designate states where it wishes its mark to be protected.

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17 For the text of the BCIP and more information, see the BOIP website.

18 For the texts of the Agreements and lists of the contracting parties, see WIPO, *Bangui Agreement Relating to the Creation of an African Intellectual Property Organization*; WIPO, *Lusaka Agreement on the Creation of the African Regional Intellectual Property Organization (ARIPO).*
or should have known of the existence and continuous use of the senior mark. This treaty protects well-known marks without the need for proving bad faith.19

e. North American Free Trade Agreement

The North American Free Trade Agreement (NAFTA) was entered into in 1992 by the United States, Canada, and Mexico. Chapter 17 of the Agreement provides basic standards for the protection of trademarks and other intellectual property rights.20

f. South America: Andean Pact and MERCOSUR

The Andean Pact was initially intended as a customs union among the member states of the Andean Community, which currently are Bolivia, Colombia, Ecuador, and Peru.

A common intellectual property regime for the Andean Pact countries was established by Decision 486 of the Commission of the Andean Community (Common Provisions on Industrial Property), in force since December 1, 2000.21

Together with the Andean Pact, MERCOSUR (Mercado Común del Sur) is the other major trading block in South America. It was created in 1991 by the Treaty of Asunción, which was subscribed to by Argentina, Brazil, Paraguay, and Uruguay. Venezuela adhered in 2012, and Bolivia has been in the process of adherence since 2012. The scope of the protection of trademarks, source indications, and denominations of origin within this union are contained in the Protocol of Harmonization of Rules Regarding Intellectual Property

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19 For the text of the Convention and a list of the contracting parties, see WIPO, *General Inter-American Convention for Trade Mark and Commercial Protection*.

20 More information on the Agreement can be found on the NAFTA website.

21 For the text of Decision 486, see WIPO, *Andean Community: Decision No. 486 Establishing the Common Industrial Property Regime*. More information on the Andean Pact can be found on the Andean Community website (in Spanish). More information on Andean Community Decision 486 can be found on the Organization of American States (OAS) website.
(MERCOSUR Decision No. 008 of 1995). To date, only Paraguay and Uruguay have ratified the Protocol.22

D. Acquisition of Trademark Rights

1. Common-Law vs. Civil Law Countries

The trademark world is roughly divided into common-law and civil law systems. There are significant differences between the two in terms of the acquisition of trademark rights.

Both in civil law countries and in most common-law countries, a trademark can be registered without prior use. In civil law countries, use without a registration provides the trademark owner with only limited rights. For example, if a mark is used in Japan but not registered there, the owner must show that a significant portion of the Japanese public is aware of the brand, not just a sector limited to customers for the product bearing the mark. Consequently, in civil law countries, ownership of a registration generally is a prerequisite for enforcement of trademark rights.

In the United States, before November 16, 1988, an applicant for registration of a mark had to either prove use of the mark in commerce in or with the United States or, in the case of a foreign applicant, provide a corresponding foreign registration. A federal registration was said to merely confirm the rights acquired through use. The United States was at the time the only country that required domestic trademark applicants to use their mark in interstate commerce as a condition to obtaining a federal registration.

Since November 16, 1988, when the Trademark Law Revision Act of 1988 came into force, it has been possible to apply to register a mark in the United States based on a bona fide intent to use the mark in the country followed by proof of use in commerce as a condition to the grant of registration.

22 More information on MERCOSUR can be found on the MERCOSUR website (in Spanish and Portuguese).
2. **First-to-File Countries**

In so-called first-to-file countries (e.g., China, France, Germany, Japan, and Spain), rights in a trademark generally are acquired only through registration. In these countries, a trademark owner can apply to register a mark without having used it anywhere at any time.\(^{23}\)

3. **First-to-Use Countries**

In first-to-use countries (e.g., the United States, the Philippines, Australia, and New Zealand), trademark rights generally are acquired through use. Australia and New Zealand, however, do not require supporting documents to prove use, as is required in the United States and the Philippines. While registration in first-to-use countries provides trademark owners with significant benefits, it is not essential for the establishment of trademark rights.

**RESOURCE:** For more information related to the trademark law of both first-to-file and first-to-use countries, see the [Country Index](#) website.

4. **Combination of Use and Registration**

Other countries have developed a hybrid of a first-to-file and a first-to-use system. For example, in Mexico, exclusivity is acquired through registration, but prior use may create superior rights. Thus, while an applicant may obtain a registration without proving use, the registration will be vulnerable to a cancellation action (referred to in Mexico as a nullity action) brought by a prior user.

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E. Justification for Filing

1. Defensive and Offensive Protection

Trademark owners may question the need to incur costs for protecting trademarks outside their home country; however, registering a mark in other countries can be justified by the “defensive” and “offensive” protection registration provides.

Defensive protection refers to a strategy that trademark owners implement to prevent others from adopting confusingly similar trademarks, by registering their trademark in a country where they have not chosen to enter the market. In countries with a first-to-file approach and no requirement of use preceding registration, it is legal to register trademarks that belong to foreign companies outside the jurisdiction. By undertaking a trademark registration program in such a country, the non-local trademark owner preserves the freedom to market goods under its own mark.

In the case of a house mark (i.e., a trademark that a company uses on all of its products), it may be advantageous to own multiple registrations for related or unrelated classes in an attempt to obtain broad rights, while taking into account, however, the fact that in some countries, such as the United States, registration requires commercial use for acquisition and maintenance. Other jurisdictions, such as Japan, have specific provisions for defensive trademark registrations of well-known marks, typically for goods or services that are not intended to be used by the owner.

Offensive protection creates a basis for asserting rights against third parties that use or seek to register the same or a similar mark. A trademark owner can use the registration to pursue both infringements and counterfeits in the country of origin of the objectionable products. Without registrations, the legitimate owner is in a weak position to take any action in many foreign countries.

Such registration also establishes a basis for royalties. Royalty payments generate income based on a registered mark. In many countries, without a registration, the
trademark owner does not have any rights to license the mark and receive royalties.\textsuperscript{24}

2. Preparing a Worldwide Filing Program

Once a trademark has been selected and cleared for adoption,\textsuperscript{25} a trademark owner must decide where to seek registration.

As previously noted, trademark rights are determined by the filing date (first-to-file system) in most jurisdictions, regardless of commercial use in any country. The Paris Convention plays an important role for this purpose in that trademark owners can file applications up to six months after the first filing in a Paris Convention jurisdiction for the same mark in connection with the same goods and services, and may claim the first filing date in that country as the effective date of the new application. It is important to distinguish between a first filing in one’s country of origin and a first filing in another jurisdiction.\textsuperscript{26}

3. “Key Country Program”

Some companies have a policy of protecting a trademark in a fixed number of countries as soon as the mark is adopted in one country. This is known as a “key country program.” Once the trademark is selected, the trademark owner might consider the priorities in the following checklist in seeking to expand protection for its mark:

\textsuperscript{24} For a brief synopsis of what is needed to license a trademark, see INTA, Fact Sheet, 
\textit{Trademark Licensing}; INTA, \textit{Country Guides: Essential Information on Trademark Registration Worldwide}.

\textsuperscript{25} See “Trademark Searching and Clearance.”

\textsuperscript{26} For more, see Article 4 of the Paris Convention.
## Checklist: Filing Priorities

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<th>Priority</th>
<th>Filing in Countries Where:</th>
<th>Comments</th>
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<tbody>
<tr>
<td>1.</td>
<td>The mark is in current use.</td>
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<tr>
<td>2.</td>
<td>The trademark owner expects to use the mark within the next five years.</td>
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<tr>
<td>3.</td>
<td>Similar goods are being manufactured by others, even if the trademark owner is not selling there.</td>
<td>A television manufacturer may never sell a TV set in Japan or Korea, but there is a thriving electronic industry in both countries. Therefore, for defensive purposes, the trademark owner is well advised to protect its mark in countries where competitors are located.</td>
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<td>4.</td>
<td>The trademark owner’s goods are being manufactured by a subcontractor.</td>
<td>A company might be subcontracting the manufacture of its trademarked goods to a supplier in Taiwan, although it may not be selling in Taiwan. The company should consider registering its mark in Taiwan to control diversion of the goods into the home market.</td>
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| 5.       | The country is notorious for trademark piracy. | If activities related to counterfeiting of trademarks are a concern, the trademark owner might consider registering its marks in such countries (frequently, counterfeiting appears during the economic development of a country).

In this sense, the six-month period granted by the Paris Convention usually is seen as giving the legitimate owner of the mark time to complete its filing program ahead of trademark pirates, who watch the registries and then try to register interesting or famous marks in other jurisdictions. |

F. Costs

1. Dividing Costs by Program

The total cost of obtaining multinational trademark protection may be divided by the programs involved:

- Searching and Clearance
- Filing
- Prosecution
- Maintenance and Renewal

Given the costs involved, it is vital for a trademark owner to set priorities. Conducting a search to clear a mark might cost, on average, US $500 per mark,
per country. Typically, filing for a trademark registration costs a few thousand dollars per application.

Prosecution costs vary greatly, depending on the type of mark. Generally, the cost of prosecution will be approximately the same as the cost of the filing program. Thus, for a $100,000 filing program, the trademark applicant should be prepared to incur an additional 50–100 percent of the cost of the filing program in prosecution costs, spread over three to five years. Such costs are incurred in dealing with objections raised by the trademark office, oppositions, and acquisition of the rights of third parties.

There are also post-registration costs. Once a mark is registered, it must be maintained. Renewal costs are spread out over a period of from 5 to 20 years, depending on the jurisdiction. Assuming that the average term of a trademark registration is 10 years, approximately one-tenth of the registrant’s portfolio will come up for renewal every year.


### 2. Justification for Costs

Trademark filing, prosecution, maintenance, and enforcement costs can account for a significant percentage of a corporate IP legal budget, even though that expense would likely be dwarfed by the cost of one minute of television advertising.

In most companies, the costs of filing trademarks are borne by the business unit. The legal department therefore must justify the need for conducting searching and clearance of marks and filing applications in all applicable classes and jurisdictions. The cost of a worldwide trademark filing program can be justified by the fact that adopting one mark suitable for use and registration worldwide
can help avoid the need to adopt different marks in different countries. That situation creates a host of problems, among them the need for different advertising and packaging, split production runs, and the need to build consumer awareness (i.e., to create awareness in the consumer’s mind in those countries in respect of the newly adopted brand).

G. Trademark Marking

Trademark marking is the use of a commonly accepted or legally prescribed designation to identify an indicator of source as a trademark or to describe some aspect of the mark, such as its ownership or registration status. In some countries, especially the United States, the name of a registered trademark should be followed by the registration symbol ®, which provides notice to the public that the mark is registered and facilitates the obtaining of monetary damages in an infringement action. In many jurisdictions, marks that are not registered may be followed by the symbol TM (trademark) or SM (service mark) to indicate that the owner claims rights in the mark.27

In most countries, trademark notices are not required. Even where such notices are required or suggested, however, they usually do not take the form of the ®, ™, or SM symbol. Instead, other forms of notice are more common: the term “Registered Trademark” or its equivalent in the official language of the jurisdiction (e.g., “Marca Registrada,” or “MR,” in Spanish-speaking countries, and “Marque Déposée,” “Marque de Commerce,” or their respective abbreviations, “MD” and “MC,” in French-speaking nations).

The ® symbol or “Registered Trademark” notice is not formally recognized in all countries. Therefore, the trademark owner should consider the marking rules of each country where the mark is to be used. Where the ® symbol is used and recognized, in an appropriate place on the trademark owner’s packaging or advertising, repeat the ® and either repeat the trademark or simply use one of the following forms:

27 See INTA, Fact Sheet, Trademark Symbols.
A few countries (e.g., Chile, Mexico, Peru, and the Philippines) require a form of notice of the mark’s status, and failure to adhere to marking requirements may prevent the trademark owner from asserting his or her rights against third parties. In the United States, failure to use a registration notice limits the remedies available to a trademark owner in a lawsuit.

False or misleading marking with the ® symbol on international packaging can result in unfair competition claims, fines, and other liability. In fact, in certain jurisdictions it is a criminal offense to falsely indicate that a trademark is registered when it is not. This is the case in Brunei, Germany, India, Japan, and South Korea. In China, such an offense may lead to a circulation of a notice of criticism or a monetary fine. ²⁸

II. Use of Local Agents

While some countries allow foreign applicants to file trademark applications directly, most national and regional trademark offices require that a local agent within the jurisdiction handle the filing and prosecution of the application. Local trademark attorneys and agents can offer valuable insight into the processes and procedures of their trademark office. Where language is an issue, the critical importance of a local agent versed in the local language is obvious (see Section IV.A, below). Local attorneys and agents are also valuable resources for performing clearance searches and providing opinions regarding availability and registrability.

Trademark owners that intend to develop a significant international trademark portfolio are well advised to develop relationships with one or more agents or firms in all jurisdictions of interest and to keep those relationships current.

²⁸ See INTA, Fact Sheet, Marking Requirements.
through regular correspondence. The INTA Membership Directory is a good resource for locating listings of trademark practitioners around the world.

III. Searches

A. Types of Search

An initial clearance search is commonly referred to as a “preliminary” search (also known as a “screening” or “knockout” search). The purpose of a preliminary search is to spot obvious conflicts, as this avoids the expense required for a more extensive search. If a mark survives an initial screening, the next step is to retain a professional search firm or a local agent to conduct a more extensive search, known as a comprehensive or full search, which would cover common-law references.29

Searching strategies depend on the nature of the trademark owner’s business and portfolio; thus, there is no standard procedure for every trademark owner to follow. For example, the searching strategy for a pharmaceutical company is likely to be very different from that of a telecommunications company.

B. Evaluating the Need to Search

A trademark search is a critical step in the process of selecting a new mark. A search enables a trademark attorney to determine whether a mark is available for use and likely to be registrable. Before a new brand is launched, the trademark owner searches the mark to make certain that no one else has registered or used the same or a confusingly similar trademark. Does the trademark owner planning multinational expansion have to search in each of nearly 200 jurisdictions? This is a relevant question because of the accompanying costs.

Applicable questions are:

29 See INTA, Practitioners’ Checklists, Trademark Clearance Search; INTA, Fact Sheet, Trademark Searching.
• What is the business commitment to the mark? Is the mark a tagline for short-term promotional use (e.g., McDonald’s “I’M LOVIN’ IT”), or will it be used to launch a new product or service (e.g., Apple’s “iPhone”)?

• Is this mark already launched and used in the market in the home country?

• Is the owner certain that the mark will be used in other countries?

If a trademark owner is strongly committed to a mark and the mark is in use in the home country, it may be appropriate to assume a business risk and proceed to filing without a search. Instead, the owner should proceed to filing directly with use and the filing program and deal with problems as they arise. If the trademark owner is considering choosing one of four or five marks, searches should be conducted for all of them in order to choose the mark least likely, from a legal perspective, to encounter a serious obstacle.

If the search shows that there are many potential problems, the trademark owner must then consider the alternatives: either adopt an alternative mark or use the proposed mark anyway. If the owner chooses to deal with problems as they come up, it may consider proceeding without searching and save money for litigation. This approach, however, involves risks.

Consider the nature of the product, the size of the launch, and the market. A national television campaign to roll out a new toothpaste may warrant different handling than a new industrial hand cleaner that has applications only in automobile garages.

How much time exists before the launch? If the trademark owner is preparing to roll out a product in six months, it might take almost that long to clear a mark if a search reveals complications. To minimize this risk, the owner should consider searching in stages: search one or two countries first, check the results, and then move on to a second tier of searches.
### Checklist: Evaluating the Need to Search

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Assess level of business commitment to the mark.</td>
</tr>
<tr>
<td>2.</td>
<td>Weigh options between the certain costs of searching in multiple jurisdictions versus the costs of dealing with possible problems in litigation.</td>
</tr>
<tr>
<td>3.</td>
<td>Analyze the product and the market: consumer or trade product, time before launch, size of overall budget.</td>
</tr>
</tbody>
</table>

### C. Different Search Channels/Platforms

Trademark owners often conduct multiple levels of searches through different channels. For example, in the United States, a search can be made of the U.S. federal and state registers and company name databases (such as Dun & Bradstreet), and a common-law search made of various databases. In Europe, owners may conduct CTM and national trademark database searches. Social media platforms, domain names, and global business name platforms (e.g., Global New Products Database (GNPD)) are useful international platforms. The searchable resources vary from country to country.

### D. Searching Services

Some searches are conducted via the trademark office or at the request of a local trademark practitioner. A local agent can conduct a search of the trademark office and its online databases.

Unless the trademark owner directly requests it, the search results may not be analyzed by the local practitioner or, at best, may be given only a cursory review. A trademark owner must request a local agent’s review and analysis of the results. Frequently, it is necessary to provide the agent with background information regarding the mark and its proposed use.
Databases are available for online searching. Specialty trade directories, product directories, and other types of common-law resources may also be searched. These types of searches are especially useful for so-called knockout searches.

**E. Interpretation of Search Results**

Beyond identifying identical marks and goods, search analysis is a subjective comparison of the marks and the goods and of related factors such as the size of the competitor, whether it is selling its product, or whether the mark located may be subject to cancellation on the ground of non-use. Further investigation may be required to determine if the prior mark is in use or how commercially committed the owner is to the mark. A mark may have a broad specification of goods, and research could be needed to learn the nature of the goods being sold under the mark.

**F. Limits of a Search**

Although the search process is intended to reduce risks associated with availability or infringement of a mark, the risk of challenge is never completely eliminated. Even an especially thorough search may not uncover every potentially conflicting mark. While the situation has improved in recent years, there are no guarantees regarding the reliability or exhaustiveness of a search. The trademark owner may receive search results showing the mark is available, file an application, and within six months or a year receive a citation, a notice of opposition, or a demand letter from the owner of a prior mark that did not show up in the search. There is always a certain level of risk that has to be recognized and assumed when conducting clearance searches.

Searching worldwide raises similar complexities. Countries based on British common law (e.g., the United Kingdom, Canada, and Australia) recognize common-law rights; therefore, a search of the federal or national trademark register may be insufficient to determine the availability of a mark. In the United States, for example, one cannot rely solely on a search of the federal trademark

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**Practice Tip**

*Assess the level of risk. A trademark professional must diligently evaluate a search in order to eliminate as much risk as possible. The trademark attorney or agent can accomplish this evaluation by understanding the deficiencies present in any search, by considering them based on prior experience, and by advising the owner of any uncertainties.*
register, as such a search does not cover state registrations or common-law marks in which rights may have been obtained through commercial use without being registered. Some civil law countries also afford protection for corporate names or other marks that are not present on the trademark register. In the European Union, moreover, a trademark owner cannot rely on a search of the OHIM trademark database for CTMs but instead must conduct a search of each national trademark database, as a national trademark may serve as the basis to oppose the owner.

There is also a problem of database currency, which varies from a few days in some countries to many months in others.30

IV. Special Considerations Before Filing Applications

A. Translation Issues

One issue for a trademark holder to consider before filing in other countries is whether to translate a word mark from the language of the home country to the language of the filing country and to register the translation as a trademark.

Usually, the application should be filed to reflect the way the mark is used. If a company from an English-speaking country owns an English word mark and it is going to use only Roman letters for the mark in a country such as China, generally there is no need to translate the mark into the equivalent Chinese characters and file a second application. If, however, both the English mark and the Chinese translation of the mark are to be used, applications for both should be filed.

Translated Versions of a Mark. In some jurisdictions, such as the European Union, it might be preferable to file separate applications for different translations based on the targeted European countries. There are no grounds to oppose a CTM application in instances when its translation into a different language is identical or confusingly similar to an earlier mark. The comparison of

30 For a detailed discussion of searches, see “Trademark Searching and Clearance.”
signs during opposition proceedings involves the assessment of any conceptual similarity between the marks in question. However, such analysis relies not on literal translations but, rather, on the concept that the relevant consumer has in mind when perceiving the marks, which requires a case-by-case evaluation.\textsuperscript{31}

B. Cultural and Transliteration Issues

Marks comprising words that have a positive connotation or have no meaning in English may translate into a term that has a negative connotation in another language. Before an application is filed, the applicant should inquire of the local agent whether the mark has an absurd meaning or any negative connotations in that country. For example, the brand CONTINENTAL TYRES was translated as “Ta Lu Luen Tai,” that is, Continent Tyres, which was close to Da Lu, the colloquial term for China/mainland. In earlier times, there was a perception that Chinese goods were not of high quality. As a result, the company spent a large amount of money on unintended and harmful advertising, which resulted in difficulties in entering the market.

If a mark will be used only in the trademark owner’s home language, the owner must consider how the mark will be pronounced. For a word mark in English, there may be no need to translate the word into another language, but there will be a need to protect the pronunciation of the mark. Typically, a trademark owner will determine the appropriate transliteration of the English mark and consider filing an application for that transliteration in the language of the filing country.

For example, a trademark owner doing business in China should consider creating a Chinese equivalent of its mark to avoid mischaracterization in translation. There are three strategies for choosing appropriate Chinese-language trademarks:

Transliteration
  - **Caution**: A transliteration into Chinese may be pronounced differently in Mandarin and Cantonese

Translation
  - **Caution**: A translation may reflect other connotations apart from the original name

Development of a distinctive Chinese trademark

Transliteration is the most commonly used method by foreign companies to develop trademarks in the Chinese language. It is generally used for words with no meaning (e.g., surnames or invented terms) and is created by using characters in Chinese that are close to the pronunciation of the English name.

A translation of a mark is intended to convey the closest meaning. This is more common in the case of descriptive trademarks.

Developing a distinctive trademark in Chinese means adopting a completely new trademark not related to the equivalent mark protected elsewhere for the same goods or services. The equivalent should be carefully developed with supervision from trademark and marketing professionals, translators, and native language speakers.

Similar options should be explored when a trademark owner is considering filing applications in other non-English-speaking countries.

**C. Creation of a Brand**

Establishing a strong brand is critical to business success. Brand positioning in the relevant market plays an essential role in the development of a brand. A brand will ensure that a consumer identifies, selects, and associates the product or service with the brand owner. A strong brand gives an organization and its products or services a distinct and unique position in the market. A good brand
solidifies the brand owner's reputation, encourages consistency, and delivers a sense of uniqueness to the targeted consumers.\textsuperscript{32}

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
</table>
| 1.    | Assemble the Branding and Trademark Clearance Team  
• Marketing, Advertising, Legal In-House and Outside, among others |
| 2.    | Determine the Scope of the Brand  
• Intended purposes of the trademark:  
  o Company name  
  o House mark  
  o Lead product  
  o Secondary product  
  o Product feature/ingredient |
| 3.    | Consider Positioning  
• Target consumers  
• Channels of trade  
• Consumer needs and preferences  
• Unique/better characteristics of the brand  
• Product/service expansion of the brand |

D. **Selection of Appropriate Mark/Distinctiveness Assessment**

Selecting a trademark may not be an easy task. The more distinctive a mark is and the more well known the mark becomes, the wider the mark’s scope of

\textsuperscript{32} See INTA, Practitioners’ Checklists, *Trademark Creation*. 
protection will be. The strongest marks typically have no meaning in relation to the goods or services for which they are used, although marks that suggest positive qualities of the goods or services can become strong marks over time.

1. Spectrum of Distinctiveness

Trademarks can be categorized along the following spectrum of distinctiveness:

- **Fanciful Marks**: A coined or invented word that has no meaning other than as a trademark is the strongest type of mark. Examples include EXXON, for petroleum products, and KODAK, for cameras. Neither trademark has any dictionary meaning. Because of this, fanciful or coined marks generally are afforded the broadest scope of protection.

- **Arbitrary Marks**: Marks that are composed of words that have a dictionary definition that is completely unrelated to the goods or services in connection with which the mark is used. A well-known example of an arbitrary mark is APPLE, for computers. Like fanciful or coined marks, arbitrary marks are afforded a broad scope of protection against third-party uses.

- **Suggestive Marks**: Marks that suggest some attribute or benefit of the goods or services but that stop short of merely describing them. Examples of suggestive marks are AIRBUS, for airplanes, and VOLKSWAGEN, for automobiles.

- **Merely Descriptive Marks**: These are marks that merely describe a good or service and therefore provide only limited rights. For example, COLD AND CREAMY, for ice cream, is unlikely to be deemed inherently registrable, as the words merely describe an attribute of the product. Words that merely describe an attribute, feature, end result, or use of the good or service or that are merely laudatory (“best,” etc.) generally are not granted trademark protection.

- **Generic Terms**: A generic term is a word or phrase that is or has become the common term associated with a particular category of goods or services to which it relates, thereby ceasing to function as an indicator of origin. For example, “watch” is a generic term for timepieces. Generic designations are not registrable or protectable.
Terms that fall into protectable categories can become generic through inappropriate or insufficient use as a trademark. Examples are aspirin, escalator, and cellophane.33

<table>
<thead>
<tr>
<th>Distinctiveness Level</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong</td>
<td>Fanciful marks</td>
</tr>
<tr>
<td></td>
<td>Arbitrary marks</td>
</tr>
<tr>
<td></td>
<td>Suggestive marks</td>
</tr>
<tr>
<td>Weak</td>
<td>Merely descriptive marks</td>
</tr>
<tr>
<td></td>
<td>Geographical names</td>
</tr>
<tr>
<td></td>
<td>Personal names</td>
</tr>
<tr>
<td></td>
<td>Misdescriptive marks</td>
</tr>
<tr>
<td>Not Registrable</td>
<td>Functional marks</td>
</tr>
<tr>
<td></td>
<td>Generic terms</td>
</tr>
</tbody>
</table>

It may be tempting to choose a word that seems “catchy” or describes a feature or characteristic of the goods or services; however, terms that are merely descriptive cannot be protected as marks, and the more descriptive the mark is in respect of the goods or services, the more complicated it is to register or to stop competitors from using it. Choosing a descriptive term also tends to increase the cost of registration because the applicant probably will have to respond to official objections.34

33 See INTA, Fact Sheet, *Trademarks vs. Generic Terms*.
34 See INTA, Fact Sheet, *Considerations for Selecting a Trademark*. 
### Spectrum of Distinctiveness

<table>
<thead>
<tr>
<th>More</th>
<th>Less</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fanciful</strong></td>
<td><strong>Arbitrary</strong></td>
</tr>
<tr>
<td>Wholly invented</td>
<td>A common word used in an unrelated context</td>
</tr>
<tr>
<td></td>
<td>A word that hints at an attribute of the good or service</td>
</tr>
<tr>
<td></td>
<td>A word that reflects the nature or quality of the good or service</td>
</tr>
<tr>
<td></td>
<td>A common word that identifies the class of goods or services to which it is applied</td>
</tr>
<tr>
<td>KODAK for cameras</td>
<td>CAMEL for cigarettes</td>
</tr>
<tr>
<td></td>
<td>COPPERTONE for suntan lotion</td>
</tr>
<tr>
<td></td>
<td>PM for analgesic sleep aid</td>
</tr>
<tr>
<td></td>
<td>CAR for cars</td>
</tr>
</tbody>
</table>

Between inherently distinctive marks and unprotectable generic terms lies the middle area of descriptive marks. A mark is merely descriptive if it immediately conveys to the relevant purchasing public information concerning a quality or a characteristic of the product or service with which the mark is used or intended to be used.

### 2. Acquired Distinctiveness

Descriptive marks may be protected only if, through use, they acquire in the minds of a substantial number of members of the relevant class of purchasers a new source-identifying meaning beyond the mere descriptiveness of the words.

The more descriptive the term, the greater the level of proof that will be required in order to show acquired distinctiveness, also known as “secondary meaning.” It should be noted that some countries do consider evidence of acquired
distinctiveness to establish eligibility for registration. Acquired distinctiveness can take years of extensive use, advertising, and sales expenditures to achieve.

V. Filing Applications

A. Prerequisites

There are generally four bases on which to file a trademark application, depending on the country:

1. Prior use;
2. Intent to use;
3. No use required; or
3. Foreign use or registration/application.

In a first-to-use country, such as the United States, where a mark is already in use, the date of first use should be set forth in the application. Otherwise, the application can be filed on the basis of intent to use; however, proof of use will be required before registration is granted. In light of the first-to-use rule in the United States, it is a common misconception among U.S. business people that a mark must be used in a foreign country before it can be registered in that country. However, in many jurisdictions (i.e., first-to file countries), a trademark owner can file a trademark application and obtain a registration before making any use either in that country or in any country of the world.

It is also possible to file an application in the United States based on either a foreign application or a foreign registration. In some countries (e.g., Canada), an application may be also based on use and registration abroad.

36 For information regarding which countries do not require use, see INTA, Country Guides: Essential Information on Trademark Registration Worldwide.
B. Identification of the Proper Applicant

Corporate trademark applicants fall in one of the following four groups:

- The Parent Company
- A Subsidiary
- A Licensee
- A Holding Company

Ideally, a parent company should hold trademarks that relate to its subsidiaries, because centralized ownership enhances uniform management of a trademark portfolio and avoids the situation where a mark owned by a subsidiary might be cited against the parent company’s application for an available mark. Where there is a threat of nationalization, there may be an elevated risk of having ownership by foreign subsidiaries. Relatedly, some countries—for example, India, Fiji, and Thailand—require that similar marks owned by different companies of the same economic group be transferred together to the same legal entity owner if an assignment of title occurs, in order to avoid consumer confusion. This concept is known as “association” of trademarks.

A different problem may arise when defending a trademark registration that, for example, is owned by a parent company but is used by a subsidiary or third party without a proper license’s being in place, because the license may have to be recorded in order for the licensee’s use of the mark to inure to the benefit of the licensor.

The greatest risk to the trademark owner and to the continued validity of a mark is having the mark held in the name of a licensee, distributor, or contract manufacturer.

Practice Tip

An applicant should consider filing on behalf of the holding company in the countries of interest and then executing and recording, in certain jurisdictions, license agreements individually and by country to properly authorize licensees to use the mark.
The question of whether a holding company is a proper applicant may arise in some jurisdictions. In some European countries (e.g., Switzerland, Germany, and Austria), ownership of trademarks by a holding company used to be a problem because a holding company does not have any business activity itself and consequently does not use the mark directly. However, based on the European Trademarks Directive (see Section I.C.4.a., above) and changes in national law, a holding company can now validly own trademark registrations in these countries.

The application should properly identify which company among a group of companies has used or will use the mark and what licenses, if any, exist. Determining the proper owner can be a complicated process because of the complexity of corporate structures, especially those of international companies.

Large companies often create holding companies solely for the purpose of consolidating ownership of trademark rights in a favorable tax jurisdiction. An intellectual property holding company allows for efficient management and monetization of intellectual property rights.

The location of a holding company can be crucial. For example, the following factors should be taken into account in deciding where to locate a CTM holding company in the European Union:

- A CTM-owning subsidiary should be based in a jurisdiction that has a legal system similar to that of the jurisdiction where the parent is based.

• The availability and efficiency of an intellectual property–friendly legal system, and the availability of friendly provisional and protective measures.

• Some member states offer significant tax advantages to companies that own and manage IP rights. Examples are Ireland, Belgium, Luxembourg, and the Netherlands.

C. Form of the Mark

1. Block Letters or Stylized Type

Word marks can be shown in plain block letters or in stylized type. The general rule is that a registration for a mark in plain, block type will provide protection for the mark in any stylized manner in which it might be used. If, however, there is a very distinctive style to the mark, an additional registration for the stylized form may be advisable. Another option is to combine the block-letter and fanciful forms in one composite mark.37

Practice Tip
If a mark is used in a variety of different stylized formats, applying for the mark in block-letter form may be preferable, since protection generally would extend to all similar configurations of the mark.

2. Logo/Device Marks

Trademarks consisting of or containing a graphic representation, a symbol, or a color combination, with some stylization or design elements, are called “logos,” “devices,” or “designs.” These types of marks may include words (i.e., a word mark and a device) or may be composed solely of artwork, a picture, or a symbol (i.e., the logo or device itself).

37 On the form of the mark generally, see “U.S. Trademark Registration.”
3. Colors vs. Black-and-White Marks

What should be done when the mark is used in various colors? Should the trademark owner file an application for each variation, or would a black-and-white version be sufficient? The best option, budget permitting, is to file for all color variations as well as for the black-and-white version. Otherwise, filing for the black-and-white version of the mark would be a good starting point.

In some countries (e.g., Denmark, Sweden, and Mexico), a black-and-white device mark registration will provide protection for all colors. On the other hand, in the European Union, for example, a device registered in black and white will not necessarily provide protection against unauthorized use of the same or a similar mark in color.38

4. Nontraditional Marks

In many countries, one or more of the following have been held to qualify as an indication of source for goods and services (i.e., as a protectable nontraditional mark):39

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5. Trade Dress

Increasingly, protection is being recognized for the design or configuration of a product, the labeling and packaging of goods, and even the décor or environment in which goods or services are provided. Collectively, these are referred to as trade dress.

Trade dress is the overall commercial image of a product or service that indicates or identifies the source of the product or service and distinguishes it from those of others. In some countries, trade dress is referred to as “get-up” or “product design.”

Generally, trade dress protection results from building familiarity with consumers over time. Traditionally recognized trade dress includes distinctive packaging, color “combinations, store designs, container shapes, and even product shapes. Trade dress can consist of such elements as size, shape, color, and texture, to the extent that the elements are not functional. These categories

• Colors
• Scents
• Sounds
• Tastes
• Touch
• Motion

In some countries (e.g., Australia and Canada), rights in moving images—called motion marks—are considered registrable nontraditional marks.40

40 For more information, see Susan J. Keri, Jonathan Burkinshaw & Elisabeth A. Langworthy, “Moving with the Times: Motion Marks in Canada and the United States,” INTA Bulletin, Vol. 66 No. 10 (June 1, 2011).

of trade dress may be protected where they have achieved source-identification significance.\footnote{\textsuperscript{42} For information on trade dress in Mexico, for example, see Carolina Ponce, “A Design for Protection,” \textit{World Trademark Review}, No. 38, at 102–103 (August/September 2012).}

**EXAMPLES:** A pattern of stitching on clothing, a combination of stripes on shoes, and the layout of a store have been considered as trade dress. See “Trademark Administration: The Who, What, How, and Why.”

### D. Disclaimers

A disclaimer endorsed on a trademark registration indicates that the registrant is not claiming exclusive rights in the disclaimed element of the mark.

Disclaimers permit the registration of a mark that is registrable as a whole but contains matter that by itself would not be registrable. A disclaimer usually is enforced as a condition of registration if a portion of a mark is descriptive or generic for the products or services covered by the registration.

Not all countries require disclaimers. It is simply left up to the owner to defend the distinctiveness of the disputed element.

E. Classification

A “single class” country (e.g., Brazil, Argentina, and South Africa) requires the filing of separate applications for each class of goods or services. A “multi-class” country (e.g., Australia, China, Denmark, the United States, and Singapore) allows a single application to cover multiple classes. The former regime obviously results in higher costs, both for registration and for maintenance. It should be noted, however, that some multi-class countries charge additional fees based on the number of classes covered.

Most countries follow the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification). The latest edition of the Nice Classification contains 34 classes for goods and 11 classes for services. Most countries that follow the Nice Classification require the description of the goods and services to conform to the general headings of the class. In China, applicants are required to choose among the specific terms set out in the Chinese version of the subclasses of the Nice Classification.

Some countries use the Nice Classification as a general guideline because the descriptions of goods and services under the Nice Classification do not always satisfy the level of specificity they require. The United States, for example, has developed a detailed identification manual intended to reduce problems arising from indefinite descriptions of goods or services. The same is true of China.

A minority of countries have their own classification system or no classification system at all. For example, Canada, although in the process of implementing the Nice Classification, currently does not use any classification system.

43 For the most recent version of the latest edition of the Nice Classification, see WIPO, Nice Classification.

44 To verify a country’s classification system, see INTA, Country Guides: Essential Information on Trademark Protection Worldwide.
F. Specification of Goods and Services

When filing a trademark application, the goods or services to be protected by the registration must be specified. The allowable goods and services vary from country to country and include the possibility of claiming all goods or services in the class, the class heading, or detailed specification of goods or services.

In some countries, examiners and judges rely exclusively on the classification system to decide whether goods or services are related. The nature of the goods or services themselves is not considered, only their classification. If the goods or services fall in the same class, the assumption is that they must be related. It is sometimes an uphill battle to convince the authorities to look beyond the classification issue and to consider how the goods at issue are sold or distributed.

As for the treatment of a class heading, the approach varies by country.

<table>
<thead>
<tr>
<th>Class Heading Treatment/Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>• “Class heading covers all” approach</td>
</tr>
<tr>
<td>• “Means what it says” approach</td>
</tr>
<tr>
<td>• Specific goods or services must be listed</td>
</tr>
<tr>
<td>• Class heading or specific goods/services listed in Nice Classification required</td>
</tr>
</tbody>
</table>

Generally, claiming the entire class heading or seeking to cover all goods or services in the class will not be acceptable (some exceptions are discussed below). Australia and Mexico, for example, have clarified that the class heading must be interpreted as being limited in scope to the goods or services covered by the generic descriptions included in the class heading.


The European Union and Serbia take the view that listing class headings will result in coverage only for those goods or services that explicitly fall under the class heading, whereas some of the general designations under these headings will have to be specified or risk being refused. Saudi Arabia and the United Arab Emirates require the use of a class heading or the specific goods/services exactly as listed in the Nice Classification.

The current trend, therefore, is to require that the goods or services to be covered by an application be specifically listed in order to avoid unduly broad specifications that unnecessarily clog the register.

G. Filing Documents

1. Powers of Attorney

Local agents usually require a power of attorney from the applicant in order to file an application at the national trademark office. The forms are sent to the trademark owner by the foreign attorney. Often, powers of attorney may be provided after the application is filed. The trademark owner may provide an agent with a general power of attorney that can then be used for all of the actions undertaken on its behalf in order to avoid repeated requests for powers. In some countries (e.g., India and Taiwan), powers of attorney are invalid after a defined period of time. In addition, some companies have a policy of requiring powers to be effective for a specified and limited term, such as three years.

2. Legalization/Apostille

Legalization is the process whereby signatories of documents in the chain of authority (up until the consulate or embassy of the country in which the documents are to be filed) verify the signature of the prior signatory. The signature of the officer who signs on behalf of the company is notarized, and thereafter, the officer’s signature is authenticated by the country clerk. The country’s consul, who has the county clerk’s signature on record, attests to the authenticity thereof. Some registrations also have an additional legalization step at the foreign ministry in the jurisdiction where the application is being filed.
This cumbersome and costly procedure is eliminated in countries that are party to the Trademark Law Treaty (see Section I.C.1.b, above).

As an alternative to legalization, many countries have adhered to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents (1961), which permits an Apostille in place of legalization. An Apostille is a document obtained from the secretary of state where the signed document was notarized.

**RESOURCE:** For more information on legalization and the full text of the Hague Convention, see the website of the [Hague Conference on Private International Law](http://www.hcplexiconline.org/).

### 3. Design—Electronic File/Electrotypes/Prints

If a trademark is composed of a fanciful form or includes design features, such as font stylization, an image thereof must be supplied. Usually, an electronic file (e.g., a .jpg file) with a highly defined image of the device or logo is sufficient. If a description of the mark is also needed, these electronic files can be easily manipulated and uploaded electronically.

Some countries (e.g., Bangladesh, Pakistan, and Sri Lanka) still require prints or electrotypes (i.e., printing blocks) at the time of filing or upon publication of the application for opposition purposes. If the design is subject to more than one interpretation, it is advisable to indicate “top” and “bottom” on the print to avoid the prints’ being incorrectly published. Once an application has been published, making corrections is time-consuming and expensive. For countries that still require prints, there are different ways to claim colors: (1) specifying through words, for example, “a red shield and a gold border on a green background”; (2) having the print show the colors; and (3) preparing a line drawing with an indication of the colors.
H. Boycotts and Embargos

As a result of embargos and trade sanctions imposed by some countries (e.g., those imposed by the United States on such countries as Iran, Iraq, Lebanon, Libya, Sudan, and Syria), trademark owners may not be in position to be commercially active in the sanctioned or embargoed countries.

Arab League boycott declarations concerning a trademark owner’s business relationship with Israel were allegedly phased out, but some U.S. trademark owners may still receive a request for a declaration (e.g., in Iraq), which is a violation of U.S. antiboycott laws and regulations.

In the boycott declaration, there is a series of questions concerning the applicant’s ties with Israel. It is unclear whether these countries have denied trademark protection on the basis of these ties. Completing these questionnaires or disclosures violates U.S. sanctions law, and the mere request to provide such a document must be reported to the U.S. Department of Commerce’s Office of Antiboycott Compliance to avoid a possible fine or sanction.


See, for example, the *U.S. Commercial Service Iraq business outreach website* and the *U.S. Department of State Bureau of Economic and Business Affairs Iraq reconstruction website*. 
I. Other Considerations

- **Specimens of Use.** For example, the U.S. Patent and Trademark Office (USPTO) may require additional use specimens per class for trademark applications, including those filed in Puerto Rico.48

- **Date of First Use.** It is important to be able to establish the date of first use of a trademark if claiming a prior right in other countries.

- **Factory Address.** In Mexico, when a date of first use is indicated in the application, the address of the premises (factory, office, etc.) where the use occurred must be included.

- **Paris Convention Priority.** The priority date of the first application filed by a trademark owner in any Convention country may be claimed for up to six months when filing in another Convention country. Often it is necessary to submit a certified copy of the basic application.

- **Publication Countries.** Some countries—for example, Myanmar—do not provide for the registration of trademarks. As an alternative, a trademark owner may publish a claim of ownership in a local newspaper. The efficacy of such notices is uncertain. In some instances, the trademark owner can group together several marks in one publication and cover a broad list of goods. The trademark owner must decide where to publish (e.g., whether to publish in English-language newspapers, in non-English-language newspapers, or in both) and how often (e.g., every five years or every ten years).

### Checklist: Filing

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Determine proper applicant (e.g., parent company, subsidiary, licensee, holding company).</td>
</tr>
<tr>
<td>2.</td>
<td>Determine correct form of mark.</td>
</tr>
</tbody>
</table>

### Checklist: Filing

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td>Clarify scope of goods or services.</td>
</tr>
<tr>
<td>4.</td>
<td>Ascertain whether it is necessary to file a separate application for each class covered.</td>
</tr>
<tr>
<td>5.</td>
<td>If a general power of attorney is not already on file, determine number of powers required.</td>
</tr>
<tr>
<td>6.</td>
<td>Determine whether legalization or Apostille requirement applies.</td>
</tr>
<tr>
<td>7.</td>
<td>Clarify the need for a color print or shaded drawing.</td>
</tr>
<tr>
<td>8.</td>
<td>Clarify the need for any special documents.</td>
</tr>
<tr>
<td>9.</td>
<td>Determine specimens required.</td>
</tr>
<tr>
<td>10.</td>
<td>Determine other filing requirements (e.g., date of first use, factory address, Paris Convention priority, certified copy of basic registration).</td>
</tr>
<tr>
<td>11.</td>
<td>Monitor the filing priorities (see Section I.E.3, above).</td>
</tr>
</tbody>
</table>

### VI. Trademark Examination

#### A. Prosecution

The criteria by which a trademark office will conduct an examination of a trademark application are determined by the substantive law and regulations of each country and vary widely from country to country. Examination can be formal or substantive, as discussed below.

<table>
<thead>
<tr>
<th>Trademark Examination</th>
<th>Description</th>
</tr>
</thead>
</table>
| Formal                | • Applicant details and filing documents  
                        | • Representation of the mark  
                        | • Specification of goods and/or services and classification |
Trademark Examination

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inherent registrability of the mark (absolute</td>
</tr>
<tr>
<td>grounds)</td>
</tr>
<tr>
<td>Conflict with prior trademark rights (relative</td>
</tr>
<tr>
<td>grounds)</td>
</tr>
</tbody>
</table>

1. **Formal Examination**

Prior to registration, all countries conduct an examination as to form to make certain that all filing documents are in order and that the proper fees have been paid. The trademark office will also confirm that the application contains the required minimum data—for example, applicant information, acceptable representation of the mark, description of the goods/services, and classification.

**RESOURCE:** See INTA, Board Resolution, *Revision of Guidelines for Trademark Examination*.

2. **Substantive Examination**

The extent of substantive examination of an application varies widely among jurisdictions throughout the world. A number of countries search their databases for conflicting prior rights (i.e., relative grounds). These include Australia, Brazil, Canada, China, India, Norway, Singapore, Spain, the United Kingdom, and the United States.

In other jurisdictions, however (e.g., Hungary), there is no examination on relative grounds, though frequently a search is carried out to make the applicant aware of possible third-party objections. Similarly, in the European Union, OHIM does not conduct examination on relative grounds, but it does carry out a search for prior-registered trademarks in order to notify a prior owner of the application.
As an alternative or in addition to examination on relative grounds, some countries provide for an opposition procedure in which the trademark office will examine relative grounds raised by third parties. See below.

Most jurisdictions conduct a substantive examination for inherent registrability (i.e., on absolute grounds), including potential objections to marks that are generic, descriptive, deceptive, or laudatory or are composed of a surname or a geographical name.

B. Publication for Opposition

Following examination and acceptance, an application may be subject to an administrative opposition procedure whereby the application is published in an official gazette and open for opposition by interested third parties for a limited period of time, ranging from 15 days to several months.49

An opposition procedure provides an opportunity to review decisions made during examination, introducing the possibility of internal checks and balances. Further, it enables third parties and industry members to provide a trademark office with additional information and evidence, which the office may not have had at its disposal and which could prevent the registration of an objectionable mark, such as a term that is considered descriptive in the industry and should therefore be kept freely available for use in the trade.

The sequence of events varies by country. Publication for opposition purposes may be pre-registration (before, after, or during examination) or post-registration. In some countries, the application is published for opposition before it is examined. In this way, the examiner has information about an opposition as well as the results of an internal search, if there is one.

49 The opposition procedure is described in detail in Section X.A, below.
The procedure may be limited to relative grounds (e.g., in Austria, France, Germany, and Italy) or be open to additional grounds (e.g., absolute grounds, bad faith, conflicting copyright or design rights), or both (e.g., in Bosnia and Herzegovina and in Brazil). In some countries—for example, Bahrain, Germany, Japan, Russia, and Sweden—applications are open to opposition only after they are registered, which allows applicants to obtain conditional registration rights pending the outcome of the publication period.\textsuperscript{50}

Some countries may conduct an examination as to form and for inherent registrability, but leave it to a party asserting conflicting rights to file an opposition.\textsuperscript{51}

C. Objections by Trademark Office

Upon objection by the examiner on the basis of either absolute or relative grounds, an applicant is given the opportunity to submit arguments or evidence in an attempt to overcome the objection.

To overcome a surname, geographical name, or descriptiveness objection, most countries allow the applicant to submit proof of acquired distinctiveness as a result of long and extensive use of the mark in the jurisdiction and elsewhere. The acceptable length of use and its extent vary from country to country. Acquired distinctiveness is proved through the owner’s declaration or by otherwise setting forth the extent of the use in the form of sales figures, advertising and promotional expenditures, etc. Affidavits from customers, trade associations, and independent organizations can also be submitted.\textsuperscript{52}

\begin{center}
\textbf{Practice Tip}
\end{center}

Submitting documentary evidence, along with arguments, is suggested in order to demonstrate that, under a fair evaluation of the factors to be considered, deception or confusion is not likely to occur.

---

\textsuperscript{50} See INTA, \textit{International Opposition Guide: Comparative Practice and Procedures}, a searchable database of practical information regarding trademark opposition and related procedures in numerous jurisdictions. For more information on the opposition system in Japan, see WIPO, \textit{Japanese Opposition System}.

\textsuperscript{51} For an analysis of settlement negotiations in oppositions, see Section X.A.6, below.
D. Dealing with Prior Marks

1. Overcome a Refusal with Arguments

Once a prior application or registration is cited against an application, the applicant may consider submitting evidence to overcome the refusal. Factors that play a part in determining the chances of success include: (1) the overall differences between the marks in sight, sound, and meaning; (2) the differences in the goods or services; (3) coexistence of similar marks in the relevant jurisdiction on the register and in the marketplace; and (4) differences in trade channels and consumers.

2. Letter of Consent

Submitting a letter of consent from the owner of a cited mark is common practice in many countries as a way of overcoming a citation. Some countries, however (e.g., Colombia, Japan, Kazakhstan, Malaysia, Mexico, the Philippines, and South Korea), do not accept letters of consent, taking the position that it should not be left up to the parties to decide that there is no likelihood of confusion.

A letter of consent is addressed to the trademark office and contains a statement such as the following:

Practice Tip

In jurisdictions where consent letters may not be accepted, a trademark owner may consider approaching the cited registrant to agree to an “assign-back” procedure, whereby the owner assigns its application to the cited registrant and once the trademark is registered it is assigned back to the owner. This procedure entails a few thousand dollars in costs and risks alerting the cited owner to the applicant’s activities.

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52 See also Section IV.D.2, above.

53 For more information on letters of consent, coexistence agreements, and cancellation actions, see Section X, below.

54 For further reading, see WIPO, Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, *Summary of Replies to the Questionnaire on Letters of Consent* (Feb. 2, 2010).
Where required by local practice (e.g., in the United States), the consent should include an explanation as to why the parties do not believe their confusion is likely.

Public policy plays a role when the trademark owner submits a letter of consent. The Registrar, acting as “the guardian of the public interest,” is not required to accept it. Even though two competitors have agreed, their interest lies not in protection of the consumer but rather in protection of their own mark and business.

**Counter-declaration.** The requesting party may be asked to provide a counter-declaration in exchange for the letter of consent wherein the requesting party acknowledges the existing rights of the consenting party in certain goods and may also agree not to use the mark on the goods covered by the senior registration. The following is an example of a counter-declaration:

---

**Practice Tip**

When applicable, the consent should state that confusion is not likely to occur because, for example:

- a significant period of concurrent use has passed with no evidence of confusion;
- the goods/services are dissimilar;
- the trade channels and/or consumers are different; or
- if confusion occurs, the applicant and the registrant will take reasonable action to mitigate future confusion.

---

**Letter of Consent**

*[On ABC Company Letterhead]*

ABC Company, [address and state or country of incorporation], owner of the trademark ABC, Registration No. 123456, in [country X], hereby consents to the use and registration of the mark ABCD by ABCD Company in [country X] for the goods [a, b, and c], as applied for under Application Number 654321 filed by ABCD Company.
Counter-declaration

In consideration of ABC Company, owner of the trademark ABC, Registration No. 123456, in Class 3 in [country X], consenting to the use, registration, re-registration, and renewal by ABCD Company in [country X] of the trademark ABCD, ABCD Company hereby gives the following undertaking:

1. The trademark ABCD will be registered and used by ABCD Company in [country X] only for “toilet soaps, perfumes, essential oils, cosmetics, and hair lotions.”
2. The trademark ABCD will not be registered or used by ABCD Company on products other than those indicated above.
3. These stipulations are valid for [country X] and binding also upon the successors in law, assigns, and licensees of our company, and shall operate for the benefit of ABC Company and its successors in law, assigns, licensees, and affiliated companies.
4. Each party will respect the rights of the other party as delineated by this agreement.

Theoretically, the terms of a counter-declaration can apply worldwide, although it should be noted, for example, that a clause whereby one party agrees never to challenge the trademark rights of another party likely violates European Union antitrust law (point 4 in the above example should be acceptable). Outside the European Union, a “no challenge” clause generally is acceptable.

3. Coexistence Agreement

In the case of a worldwide coexistence agreement, the parties agree that the respective marks can coexist under certain circumstances.

4. Cancellation of Prior Registration

A cited registration may be vulnerable to cancellation on the ground of non-use, a potentially valuable weapon in negotiations with the prior registrant.

Some countries allow an applicant to threaten cancellation of a registration on the ground of non-use unless the registrant provides evidence of use within a
fixed period of time prior to the commencement of an action. This prevents the registrant from claiming use during this period.

5. Acquisition of Prior Rights

Another tactic to overcome a cited mark is to acquire it. The purchase usually is made through a local agent, who will contact the cited registrant’s representative.

The cost of acquiring a mark is unpredictable, but a typical opening offer might be to propose reimbursement of the other side for its costs to obtain and maintain the registration or its out-of-pocket expenses, but not for the goodwill purportedly associated with the mark.

6. Notice Condition

In common-law countries, the applicant may suggest to the Registrar that the application should be published on condition that the applicant give notice of such publication to the cited registrant to provide an opportunity to oppose.

E. Hearings and Interviews with Examiners

If possible, a telephone or personal interview with the examiner should be scheduled in order to present oral arguments and negotiate for acceptance.

Examiners have different perceptions when it comes to the matters brought to their attention (and therefore different results on similar factors can occur even within the same trademark office in a particular jurisdiction). Consequently, informal communications may or may not be effective; however, such communication may give the applicant some direction.

F. Time Frame to Registration

There can be a significant span of time between filing and grant of a registration, ranging from a few months to a number of years, even if the application does not encounter official objections or oppositions. In the United States, if an application does not encounter objections, a registration usually will issue within 18 months of filing. In Germany it might take a few months, and in Brazil it might
take five to nine years because of the backlog of pending cases caused by a lack of resources. The time frame issue is important because a trademark owner is not entitled to sue for infringement until the registration is granted.55

VII. Maintenance

A. Renewal

Trademark registrations can theoretically remain in effect indefinitely. The term of registration varies from 7 years to 15 years, although most countries require a registration to be renewed every ten years.56 A number of countries provide for grace periods in which a registration can be renewed after it has expired; others do not. Some countries (e.g., New Zealand)57 also have provisions for restoration. In a worldwide trademark portfolio, it is imperative that deadlines be tracked and docketed.

A growing number of countries permit direct renewal within the local trademark office. A few countries require payment of a periodic tax in order to maintain a registration. In a few others, a trademark renewal is considered equivalent to a new application, which may be reexamined and subject to opposition. A mark that might have been used and registered for years may be rejected on the ground that it is descriptive under current regulations, as compared to those in effect at the time the original registration was granted.58

Some countries require that the original certificate of registration be submitted for endorsement of the renewal therein; others simply issue a new certificate. The

55 See Section X.C.1, below.
56 The Trademark Law Treaty calls for a uniform ten-year term.
57 See New Zealand Intellectual Property Office, Trade Marks, Practice Guidelines, Restoration of a Trade Mark.
58 The Trademark Law Treaty prohibits this practice.
renewal endorsement is one of the few functions of a certificate of registration. If the original cannot be located, it is usually possible to obtain a certified copy.\(^{59}\)

**B. Amendment of Registration**

If the registrant should wish to amend the goods or services at the time of renewal, this would be permitted only if the result would be a narrowing of the goods or services. If the registrant should seek amendment of the mark, this would be accepted only if the amendment would not significantly alter the mark.

**C. Re-registration vs. Renewal**

When a mark has changed significantly, the owner must consider whether to renew the original registration or file an application for the new mark. One option is to renew the original registration and simultaneously file a new application, then drop the earlier version at the time of renewal. In such case, a search should be made to ensure that there are now no intervening rights.

**D. Proof of Use**

Some countries—for example, the United States—require affidavits of use in commerce, or a reason that would support excusable non-use. There may be required periodic submission of proof that there has been ongoing use of a registered trademark or acceptable evidence of excusable non-use. Failure to comply with those requirements will result in cancellation of the registration. In most countries, however, inexcusable non-use for a period of three to five years marks the point where a third party can attempt to cancel a registration on the ground of non-use.

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\(^{59}\) The Trademark Law Treaty prohibits a national requirement to submit the original certificate and generally streamlines the renewal process.
Checklist: Maintenance and Renewals

1. Track deadlines.
2. Determine whether registration is dependent on foreign registration.
3. Find out what information is required to renew registration.
4. Determine need for proof of use.
5. Determine which documents need to be notarized or legalized.
6. Confirm whether reclassification and/or multiple applications in separate classes are needed.
7. Determine whether submission of the original certificate of registration is required.
8. Evaluate benefits of re-registration of a significantly changed mark and/or goods/services versus renewal and attempt to amend.
9. Estimate renewal cost for pre-need budgeting.
10. Report to appropriate authority need for renewal and cost. Determine business need to renew.

E. Internal Matters

1. Recordkeeping

Having in place an organized recordkeeping and docketing system, usually through an Internet or intranet database management system, is essential to proper maintenance of a worldwide trademark portfolio.

It is also possible to incorporate conflict matters in an electronic recordkeeping system.

2. File Keeping

Rather than maintaining multiple applications in a single country/jurisdiction file, a separate file should be maintained for each application. Renewals can also be handled out of such files or a separate file opened. The same holds true for
conflict matters and for license or assignment files. Modern electronic archiving programs have eliminated the need for hard copy files.

Filing System Steps. All pertinent information, including correspondence, official documents, arguments, etc., should be uploaded. Following are a few suggestions concerning the establishment and maintenance of a proper recordkeeping system.

<table>
<thead>
<tr>
<th>Step</th>
<th>Hard Copy Files</th>
<th>Electronic Filing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Open New File</td>
<td>Open a separate hard copy file for each matter (each with a new reference number).</td>
<td>Open a separate electronic file for each matter (each with a new reference number).</td>
</tr>
<tr>
<td>2. Separation</td>
<td>Use different-colored files for different types of matters. This can make it easier to locate a particular file in a drawer or stack of files.</td>
<td>Create separate webpages or tabs for Applications/Renewals/Marks Placed on Record, Conflicts, Agreements, Other Matters (for general client files or search files).</td>
</tr>
<tr>
<td>3. Labeling</td>
<td>Precise labeling makes it easier to match correspondence and files. ABC Company Trademark: ABC In Class 9 In Spain Internal Docket No. 900</td>
<td>Include in electronic file a page that includes all information about the mark (applicant/registrant name, address, client, client contact), link to trademark office website, trademark status, etc. Also include separate pages or tabs for documents/correspondence and docket deadlines.</td>
</tr>
<tr>
<td>Step</td>
<td>Hard Copy Files</td>
<td>Electronic Filing</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>4. Storage</td>
<td>Although this may vary depending on the nature of the business, one suggestion is to store files alphabetically by applicant/registrant, then country, then type of file, then mark, then class number.</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>5. Important Documents</td>
<td>Attach specimens of the mark to the inside flap of the file cover for easy access. Also keep documents to be executed on the inside flap. For example, if a power of attorney for a renewal is being legalized but the registration certificate is not, keep the certificate safely on the inside flap of the file until the legalization of the power is completed and dispatched to the foreign associate.</td>
<td>This information would be saved in the system.</td>
</tr>
</tbody>
</table>
### 6. Close File

When a matter is concluded other than by issuance of the certificate of registration (e.g., the application is abandoned or the parties in a conflict have settled), close the file and archive it separately from the active files. Archive either in the same order as active files or by a pass-away or closed file-numbering system. The certificate of registration may be stored in the file. If the original certificate is needed but has been lost, a certified copy or replacement usually can be obtained for a nominal fee.

In the case of an application, if the matter is concluded other than by issuance of the certificate of registration, close the file by changing the status from “Active” to “Inactive” and include a short narrative explaining how the matter ended.

### 3. Bills and Billing

Associates worldwide bill for their services and disbursements.

- If using a hard copy file system, place a copy of each bill in the file for cost tracking and comparison purposes.
- Check each bill for accuracy and reasonableness.
- Convert foreign currencies to local currency using a current conversion rate available online or elsewhere.

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60 When a certificate of registration issues, it depends on the business practice whether to close the file and open a new renewal matter or to keep the same file from filing, to prosecution, to renewal.
4. **Docketing Deadlines**

When filing an application or placing a matter on records, docket all relevant deadlines for follow-up. Deadlines are frequently after, short, and critical. Check the docket daily or weekly.

5. **Setting Priorities**

Set priorities based on a rational order. The timely filing of applications should be high on the list of priorities, given the need to establish the earliest possible filing date. Prompt reporting of office actions with approaching deadlines should also be given priority.

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### Checklist: Recordkeeping

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Weigh benefits of software systems versus manual systems.</td>
</tr>
<tr>
<td>2.</td>
<td>Create separate files for each matter for each mark and consider color-coding hard copy files—for example, applications, renewals, contested matters, assignments, licenses, etc.</td>
</tr>
<tr>
<td>3.</td>
<td>Archive closed files separately from active files (excluding cases that were completed by issuance of a certificate of registration).</td>
</tr>
<tr>
<td>4.</td>
<td>Check bills for accuracy and reasonableness.</td>
</tr>
<tr>
<td>5.</td>
<td>Docket deadlines and correspondence.</td>
</tr>
<tr>
<td>6.</td>
<td>Set priorities in attending to matters based on importance and logical order.</td>
</tr>
</tbody>
</table>

---

**FURTHER READING:** For more on maintenance requirements, see INTA, Fact Sheet, *Maintenance and Renewal*. See generally “*Trademark Administration and Maintenance*.”
VIII. Loss of Trademark Rights

A. Non-use

At one time, only a few countries required that marks be used in order to be maintained. Most countries now recognize the need to clear out “dead wood” that is clogging the register and preventing legitimate trademark owners from being able to find an available mark.

A trademark registration may be subject to cancellation on the ground of non-use. The period of non-use that makes a mark susceptible to cancellation differs from country to country, but is generally between three and five years. This can arise by a demand made by the trademark office or, more likely, by a third party seeking to remove an obstacle to the use or registration of its own mark.

A frequent response to an opposition or a cancellation action is a counterattack asserting that the complainant’s registration should be cancelled on the ground of non-use. This approach can also be employed in seeking to remove a registration for a potentially similar mark revealed by a search.

In some countries (e.g., Canada and Denmark), a registered trademark will not automatically become voided (i.e., immediately nullified, with no legal effect) through non-use, but will become voidable (i.e., valid until either nullified or affirmed by one of the parties or a third party). Other countries, however (e.g., Jamaica, Indonesia, Fiji, Puerto Rico, and China), have stricter use requirements where non-use of the registered trademark may result in automatic cancellation.61

B. Evidence of Use: Quality or Quantity

Submission of minimal proof of use (e.g., a single shipment made in the ordinary course of trade) at the time of renewal may be sufficient to avoid a non-use cancellation action. In a contested proceeding, however, more substantial evidence is needed.

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61 For use requirements by country, see INTA, Country Guides: Essential Information on Trademark Registration Worldwide.
evidence is likely to be required. In any case, token use, that is, on its face merely a sale for the purpose of maintaining the validity of the trademark registration, will not be acceptable.

C. Excusable Non-use

In many countries, a non-use cancellation action may be defeated by the defense of force majeure, an event beyond the control of the trademark owner, such as a natural disaster, that prevented use from taking place.

Another basis for excusable non-use is lack of government approval. This is usually a factor in the use of pharmaceutical trademarks.

Failure to develop a mark for a product would not constitute excusable non-use. However, an untested theory holds that a legitimate excuse would apply if the trademark owner can demonstrate timely progressive expansion of markets for its products or services, despite its not having yet entered the country where the question of use or non-use arises. This would be relevant in, for example, the restaurant industry.

D. Misuse

Trademark rights may also be lost by improper licensing (also known as “naked licensing”), misuse, genericide, and failure to police.62

IX. Policing

Policing tools, such as watching services, marketplace surveillance programs, and investigations, allow trademark owners to monitor the unauthorized use of conflicting trademarks that could harm their rights.

62 For more information, see INTA, Fact Sheet, *Loss of Trademark Rights*. 
A. Trademark Watching Services

A trademark watching service monitors the publication of potentially conflicting trademarks (and trade dress and domain names) on a worldwide basis for potential trademark conflicts. While reviewing the official trademark gazette in one jurisdiction may be a fairly simple task, doing so in nearly 200 jurisdictions where trademarks are published, in different languages, is a major undertaking. Watching services monitor the official gazettes in countries around the world as they are published and released to the public, and screen them against the trademarks that are entered on the service by trademark owners. When potentially conflicting third-party applications are found, the watching service subscriber is notified through a watch notice that provides all the relevant information the subscriber will require if it chooses to take action. The service generally covers trademark filings, applications, and registrations that are published for either opposition or cancellation purposes.

Most watching services notify the trademark owner of what action is available and the appropriate time frames to do so. For example, if a country has an opposition procedure, the service will advise the trademark owner that an opposition can be filed against an application before a given deadline. Although the service generally does not include a thorough analysis of the trademark owner’s legal position, if the reported mark is of particular concern, the owner can contact a local trademark attorney for further advice or analysis.

Following is an example of a watch notice:
A trademark owner can tailor the watching service subscription to the owner’s particular needs. For example, a global company with a worldwide trademark portfolio may have a subscription for international trademarks. In contrast, a national company may wish to limit the subscription to its own national trademark watching services. It is possible also to limit coverage to a particular jurisdiction or jurisdictions, or a region, such as Asia or Europe. Both types of companies may also choose to use a broad frame of reference for their house marks while using a narrower scope of reference for their product marks.

1. Monitoring for Content, Social Media Handles, Company Names, and Domain Names

With the growth of the Internet and social media, trademark owners should also monitor domain names or social media handles for potentially infringing uses.
Watching services are also able to monitor company names, domain names, and social media handles as they are used or registered throughout the world.

Below are the types of trademark and non-trademark watching services.

<table>
<thead>
<tr>
<th>Trademark Watching Services</th>
<th>Other Watching Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• International Trademarks</td>
<td>• Company Names</td>
</tr>
<tr>
<td>• One-Country-Only Trademarks</td>
<td>• Domain Names</td>
</tr>
<tr>
<td>• U.S. State Trademarks</td>
<td>• Internet Watch</td>
</tr>
<tr>
<td>• Non-Latin-Character Trademarks</td>
<td>• Social Media Watch</td>
</tr>
<tr>
<td>• Trademarks by a Specific Applicant</td>
<td></td>
</tr>
<tr>
<td>• Color Marks</td>
<td></td>
</tr>
</tbody>
</table>

2. **Evaluating Watch Notices**

Most watching services generally establish broad criteria, preferring to raise notice of a broad scope of potentially infringing marks. Therefore, only a relatively small percentage of watch notices require action. Following is a summary of relevant considerations.

**Checklist: Evaluating Watch Notices**

- Are the marks *identical* or *similar*—*in sight, sound, and meaning*? If so, is marketplace confusion likely?
- Are the goods and/or services *related*?
- Can the owner claim registration in the relevant jurisdiction?
- Is the owner's mark in use? If so, what is the extent and geographical scope of the use?
- How important is the mark to the company in that country? How extensive are the sales and advertising expenditures?
- Is the owner's mark vulnerable to a non-use cancellation action?
- Where else is the mark filed? Is there coexistence in other markets?
Checklist: Evaluating Watch Notices

- In countries where local script versions exist (China, South Korea, Taiwan, etc.), it is advisable to ask local agents whether the marks are actually similar in local pronunciation. Another option is to contact local business people for their opinion.
- Third-party business area evaluation.

3. **Missing a Watch Notice**

Despite the effectiveness of watching services, there may be times that the service misses a reference. This is even more likely in an international setting as opposed to only a national setting, given the complexities of working through non-Latin-character filings and potential issues securing the data. On occasion, it may also be the case that although the watching service issued a watch notice the trademark owner failed a timely review of it and was prevented from taking action before the opposition period expired. In such scenarios, the trademark owner is not completely at a loss. The owner can still consider taking action by sending a demand letter or filing a cancellation action based on a likelihood of confusion or non-use, if applicable.

B. **Surveillance by Owner**

A trademark owner can call upon its resources in the marketplace, such as sales people, distributors, and traveling executives, to identify infringement and thus help police its rights.

Monitoring the Internet, news sources, and social media is another way to police trademark use for cybersquatting and infringing posts on third-party websites. Some companies maintain a clipping service (most of these are now electronic), which monitors commercial references to the owner’s mark.

**Practice Tip**

While watching services are important, monitoring the marketplace is also an essential part of an effective and comprehensive maintenance and enforcement program.
Field investigators can also be retained to watch auction websites, flea markets, discount stores, and the like.

**C. Investigation**

Before taking action, it is highly advisable to investigate a potential adversary’s possible prior rights through online marketplace, trademark, or third-party company name database or similar search report. While the investigation entails some expense and delay, it is well worth the additional time and cost involved.63

**X. Enforcement**

**A. Oppositions**

1. **Term**

In countries that publish applications for opposition purposes in an official gazette or otherwise, an opposition may be filed within a certain period of time, usually from 30 to 90 days.64

Publication usually takes place after examination, but some countries, such as Germany, Japan, and Taiwan, publish granted registrations for opposition purposes.65

Some jurisdictions permit obtaining an extension of time within which to oppose, e.g., Canada, Kenya, and Puerto Rico. An extension of time to file an opposition may be useful in order to contact the applicant to work out a settlement.


64 For a general overview of opposition proceedings, see INTA, Fact Sheet, *Opposing a Trademark Application*. INTA’s *International Opposition Guide: Comparative Practice and Procedures* provides an overview of opposition practice in more than 100 jurisdictions.

65 For more on the distinctions between different countries’ opposition proceedings, see INTA, *International Opposition Guide: Comparative Practice and Procedures*. 
An opposition proceeding in the United States is similar to a court proceeding in many aspects, and may be relatively costly, lengthy, and complex. In other countries, however, such proceedings may not be as costly.

- Among the applicant’s options are to negotiate for a coexistence agreement or simply withdraw the application.
- If negotiations fail, the applicant must balance the costs of defending an opposition against the value of the mark in the jurisdiction.

2. **Grounds**

To oppose a trademark application (or a registration in those countries with post-grant opposition practice), one must have grounds to oppose. Although the specific grounds vary by jurisdiction, a party that believes it will be damaged by a resulting registration has standing to oppose an application.

An opposition may be based on absolute grounds, which relate to the mark’s intrinsic qualities, and relative grounds, which refer to third-party earlier rights. The most frequently raised grounds for opposition are:

<table>
<thead>
<tr>
<th>Absolute Grounds</th>
<th>Relative Grounds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptiveness/Geographic Descriptiveness</td>
<td>Prior Use/Likelihood of Confusion</td>
</tr>
<tr>
<td>Genericness/Functionality</td>
<td>Bad Faith</td>
</tr>
<tr>
<td>Bad Faith/Fraud</td>
<td>Business Name/Domain Name/Trade Name Use</td>
</tr>
<tr>
<td></td>
<td>Well-Known/Famous Mark</td>
</tr>
</tbody>
</table>

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67 See LexisNexis, *Absolute and Relative Grounds for Refusal to Register a Trade Mark.*
68 Although most jurisdictions provide similar grounds for opposition, there are important exceptions. To seek specific information on a particular jurisdiction, visit INTA, *International Opposition Guide: Comparative Practice and Procedures.*
A prior registration generally is the most reliable basis for filing an opposition. In countries where trademark rights are based on registration (i.e., first-to-file jurisdictions), a prior registration may not have to be in use (although in most countries non-use may serve as a basis to attack a registration; see Section X.B, below). Ideally, a trademark owner would have a prior registration for the identical goods or services and the identical mark; however, oppositions can still be brought against similar marks covering related goods or services.

A few international treaties provide a basis for opposition-based rights in another country. For example, under the General Inter-American Convention (see Section I.C.4.d, above), which extends to the United States and a number of Central and South American countries, including Cuba, Chile, Brazil, Mexico, and Panama, the fact that the trademark owner has registered its mark in the United States can provide a basis for an opposition in Panama.

Finally, in some jurisdictions, local or international reputation without commercial use of the mark in a particular jurisdiction can also be grounds for an opposition under the well-known or famous marks doctrine (discussed in Section 1.B.2, above).

3. Defenses

Common defenses to an opposition based on likelihood of confusion include priority of use and no likelihood of confusion, although in some countries (e.g., China) prior use is not a defense. Defenses to an opposition based on other grounds depend on the evidence submitted by the parties and the law of the
applicable tribunal. Equitable defenses, such as laches, estoppel, and acquiescence, may also be available in some jurisdictions.

4. Remedies

In a majority of jurisdictions, the only remedy available to the reviewing body in an opposition proceeding is the refusal or partial refusal to register a mark. In the United States, the USPTO cannot enjoin the use of a mark, nor can it award attorney’s fees or costs. In some jurisdictions, however, such as the European Union, the prevailing party may be awarded costs.73

5. Chances of Success

A subjective decision and evaluation of likelihood of confusion must be made whenever trademarks are applied to goods or services that are not identical.

If the potential opponent’s mark does not fall in the same class as the applied-for mark, absent proof of notoriety, this may be enough to prevent confusion. Classification of goods and services was originally established solely for administrative purposes, to simplify the task of searching and to determine the availability of a mark. Some trademark offices use the classification system to aid in decision making.74 The Trademark Law Treaty prohibits this practice and requires trademark offices to consider the likelihood of consumer confusion, not classification. Therefore, under the TLT, the fact that certain goods or services fall under the same class of the Nice Classification does not, in itself, prove that the goods and services are similar.

73 For the text of OHIM’s opposition guidelines, see OHIM, Current Trade Mark Practice.

74 “The fact that the respective goods or services are listed in the same class of the Nice Classification is not, in itself, an indication of similarity.” OHIM, Guidelines for Examination...on Community Trade Marks, Part C—Opposition, Section 2—Identity and Likelihood of Confusion, Chapter 2—Comparison of Goods and Services.
Factors in Determining Likelihood of Confusion

- Differences or similarity of the marks (in sight, sound, and meaning)
- Differences or similarity of the goods and or services
- Differences or similarity in trade channels
- Differences or similarity of consumers

6. Negotiations

Many oppositions are settled through negotiation. Faced with the threat of an opposition, a trademark applicant may be more amenable to entering into an agreement that defines the scope of use of the parties’ respective marks. Most commonly, the applicant will agree to limit its goods or services, and thereafter the parties can enter into a coexistence and consent agreement if such agreements are permitted in the relevant jurisdiction. While most countries accept consent agreements, some, including currently Argentina, Colombia, Venezuela, France, Italy, Thailand, Japan, and South Korea, do not. For example, the applicant can agree to use the trademark only (a) in combination with another distinctive mark; (b) in combination with the opponent’s house mark; (c) on goods that are sold through certain channels of trade; or (d) on goods that are sold in containers or packages of a certain size or on whatever else the parties agree would distinguish the two products that are marketed under similar marks.

The applicant may also use its registration in other countries as leverage to negotiate with the opponent, offering to enter into an agreement whereby it will not object to the opponent’s future registrations of its mark in countries where the applicant has prior rights.

For a more expansive list of countries that do or do not accept letters of consent, see Hogan Lovells, *Trademarks 101: The Trademark Application Process in 101 Countries Around the World*. 

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75 For a more expansive list of countries that do or do not accept letters of consent, see Hogan Lovells, *Trademarks 101: The Trademark Application Process in 101 Countries Around the World*. 

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Negotiating Points

- Does the trademark applicant have prior rights in the jurisdiction?
- Have the marks coexisted in other jurisdictions?
- If the mark’s goods or services are not identical, the parties should consider a coexistence agreement or consent agreement (discussed below).
- If the marks and the goods or services are identical, a coexistence agreement in some jurisdictions may not be upheld; but the applicant must consider ways to differentiate the marks and goods/services.

The issue of compensation also routinely arises in negotiations, including payment of reasonable attorney’s fees and possible additional payments when one party has the advantage.

7. Coexistence vs. Consent Agreements

Typically, settlement terms are set forth in a written agreement, referred to as a coexistence agreement or pre-right declaration, in which the junior party recognizes the senior party’s rights on certain specified terms.

Coexistence and consent agreements can be effective options for resolving trademark disputes. Although related, these agreements differ in their terms and complexity, and therefore it is important to consider which one should be used.76

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Factors to Consider When Deciding Which Agreement Is Appropriate

1. **Timing and Budget:** A consent agreement may be quicker to negotiate and may be more attractive if a matter is time sensitive. Also, since consents are generally less comprehensive than coexistence agreements, it may be more cost-effective to reach such an agreement.

2. **Leverage:** A junior user or a party without a prior registration in the relevant jurisdiction may have some leverage if its mark is famous. If the mark does not qualify as famous and the opponent is the junior user or does not have a prior registration, a consent agreement may be the better alternative. However, the opponent should consider a provision consenting to the other party’s use and registration of the mark in those jurisdictions where it has senior rights.

2. **Potential Growth and Expansion:** If a trademark owner is considering expansion of its goods or services to other jurisdictions or online, a coexistence agreement may be more helpful to address future potential risks by including certain provisions that would protect an owner in the event of such expansion and define the scope of each party’s rights in certain territories to prevent future conflict.

**a. Consent Agreements**

Where consent agreements are accepted, often they are no more than a succinct statement of one party’s consent to the registration of the applicant’s mark. Trademark offices, acting in the public interest, accept such consents, if at all, at their discretion in order to allow one party to overcome a citation of the other party’s mark. Once a consent agreement is accepted, its useful life can come to an abrupt end. For example, an acceptable consent agreement between two parties in some jurisdictions may state only that a party agrees to the use and registration of another party’s mark, without mentioning how the parties will work together to prevent consumer confusion.

In the United States, on the other hand, consent agreements must do more than simply state the agreement of one party to registration of another party’s mark to be accepted by the USPTO. The agreement must also set out reasons why the parties believe no likelihood of confusion exists and/or state measures the parties
will take to avoid consumer confusion, as otherwise it would be a prohibited “naked agreement.”

b. **Coexistence Agreements**

In contrast to consents, a coexistence agreement is more comprehensive. Although it includes consent agreement language, generally it also sets out each of the parties’ rights, limitations, and obligations involving coexistence in the marketplace and can address future conflicts by setting out the rights of parties in other geographic territories or product lines or services. The substance of a coexistence agreement will vary depending on the relationship between the parties, the goods and services covered in the registrations/applications, and the jurisdiction of the agreement.

**B. Cancellation Actions**

If an opposition fails or is not timely filed, it may be possible to file a cancellation action.\(^77\) A cancellation action is a proceeding in which a party seeks to remove an existing registration from the register. A partial cancellation seeks to delete certain goods or services from a registration, which may be related to those of the applicant for cancellation and therefore pose an obstacle. Such proceedings can be costly. One benefit is that often the parties will appear before a tribunal, which may make a more knowledgeable decision than would an administrative body within the trademark office for an opposition. In a majority of jurisdictions, a cancellation action must be filed directly with the trademark office or registry that granted the registration.

1. **Grounds and Timing**

A party that believes it is being damaged by a registration may file a petition to cancel the registration. Grounds for a cancellation are similar to those for an

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\(^77\) Some jurisdictions refer to cancellation proceedings as invalidation, nullity, rectification, or revocation actions.
opposition. However, there are important exceptions.\textsuperscript{78} Generally, grounds for cancellation fall into three categories: (1) claim of prior rights based on prior use or registration; (2) a claim that the trademark office erred in granting the registration because, for example, the mark is considered generic or highly descriptive in the relevant industry; and (3) non-use, as discussed below.

The timing of when a cancellation can be filed is significant. A cancellation action should be commenced promptly, as at some point it may be time barred based on the relevant jurisdiction’s statutory rules, or precluded based on the doctrine of laches. In some countries, the timing depends on the grounds for cancellation. After a mark has been registered for more than a certain time (in the United States, for five years and provided the owner has submitted an acceptable declaration under Section 15 of the Lanham Act,\textsuperscript{79} a third party cannot bring a cancellation action on certain grounds—that is, the registration is said to have become “incontestable”), there are some limitations to the challenges that third parties can bring.\textsuperscript{80}

\textbf{2. Non-use Cancellation Actions}

A petition to cancel a registration on the ground of non-use is based on a claim that there has been an uninterrupted, non-excusable period of non-use of a registered mark during the statutory term. Often the burden of proof is on the registrant, allowing the petitioner to file his action and immediately shift the

\textsuperscript{78} For specific information on a particular jurisdiction, visit INTA, *Trademark Cancellations: international Practice and Procedures*.


burden to the registrant to prove use. The petition can claim partial cancellation or cancellation of the entire registration.81

In China, a registration is vulnerable to cancellation after non-use for three years. In the European Union, a registration is subject to cancellation after a period of five years of non-use. In the United States, non-use of a mark for three consecutive years creates a rebuttable presumption of abandonment of the mark.82

3. **Defenses**

Defenses in a cancellation action are similar to those in an opposition—for example, priority of use and no likelihood of confusion. Defenses based on other grounds depend on the evidence submitted by the parties and the nature of the tribunal.

4. **Remedies**

The result of a successful non-use cancellation action is the cancellation of the registration in whole or in part. In the United States, for example, the USPTO cannot enjoin use of a mark or award attorney’s fees or costs as a result of a successful cancellation; however, the European Union’s practice allows for an award of costs to the prevailing party. Any other remedies, such as an injunction, may be sought through a civil or criminal proceeding.

5. **Negotiations**

Commencing a non-use cancellation action can provide leverage in negotiations, as discussed above in the context of oppositions (see Section X.A.6).

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C. Infringement and Passing-Off Actions

1. Infringement

Typically, registration of a mark is a prerequisite to bringing an infringement action. Absent a registration, in certain countries (e.g., Canada, the United Kingdom, and the United States) there is the possibility of enforcing trademark rights through use or reputation. While the legal definition of infringement varies in different countries, the most common standards for trademark infringement are (1) close similarity of a mark and its associated goods and/or services to a prior mark and its associated goods and/or services, and (2) use of a mark that creates a likelihood of confusion with a prior mark among the relevant consumers.83

In certain jurisdictions, including the European Union and Australia, a trademark owner is not required to prove a likelihood of confusion to establish infringement. Instead, the trademark owner must show that its prior mark is reputable (i.e., well known) and recognized and that an unauthorized third party is using an identical or similar mark in a manner that unfairly takes advantage of, or is harmful to, the trademark’s distinctive character or reputation.84 An infringer does not need to be a competitor, although it may help to prove that the infringer’s products or services compete with those associated with the owner’s mark.85

2. Counterfeiting

Whereas trademark infringement involves the use of confusingly similar trademarks in association with similar goods, counterfeiting involves use of an identical mark or substantially indistinguishable mark from the owner’s mark for identical goods or services, without the owner’s authorization. In most countries, 

83 For more on trademark infringement in the United States, see “U.S. Trademark and Unfair Competition Litigation.”
84 See Article 5(2) of the European Trademarks Directive.
85 See INTA, Fact Sheet, Trademark Infringement.
counterfeiting is punishable under criminal laws, and penalties can range from damages to injunctions or even to imprisonment.

3. Unfair Competition and Passing-Off Actions

In some jurisdictions, in addition to trademark-based claims, a trademark owner may also assert claims of unfair competition and passing off. Unfair competition laws generally focus on consumer deception or harm to commercial interests. Passing-off actions protect goodwill. Claims of trademark infringement and unfair competition may be handled in the same action. The United States and the European Union also provide for actions based on false or misleading advertising. When the plaintiff is unable to refer to a prior trademark registration in the territory, these claims may be a good alternative.

4. Dilution

Most countries, including the United States, the European Union, several countries in Central and South America, South Africa, India, and Japan, recognize some form of trademark dilution. A dilution claim generally is defined as the lessening of the capacity of a famous mark to identify and distinguish goods or services, regardless of the presence or absence of competition between the owner of the famous mark and other parties or of likelihood of confusion. Dilution claims generally require a mark to be famous and typically occur in the form of (a) blurring, where a third party uses an identical or nearly identical mark on goods or services that are completely unrelated to the plaintiff’s goods or services, or (b) tarnishment, where the mark is used to create inappropriate or unflattering associations with the plaintiff’s mark.

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86 For more on potential claims under U.S. federal, state, and common law, see Section III.A, above.
87 For more on trademark dilution and which jurisdictions recognize the claim, see INTA, Fact Sheet, Trademark Dilution.
5. **Whom Does the Trademark Owner Sue?**

Suing a retailer often can be unproductive unless the retailer reveals the next-higher level in the distribution chain, which generally is the preferred target, along with the manufacturer. However, locating the manufacturer can be challenging. If a retailer is not willing to disclose its source, an investigation may be undertaken to find the source.

6. **Grounds and Defenses**

The grounds for bringing infringement, counterfeiting, passing-off, or unfair competition actions are similar to those discussed for oppositions and cancellations: a prior registration and/or prior use. Similar defenses are also available. A defendant may attack the validity of a plaintiff’s mark, including claims of non-use, fraud, or that the defendant is actually the prior user. Also, depending on the jurisdiction, the defendant may be able to assert laches, estoppel, unclean hands, or fair use.

A trademark owner must be diligent in pursuing infringers. If the trademark owner ignores an infringer and allows the infringement to continue, the infringer may rely upon the trademark owner’s inaction under the doctrine of laches or estoppel. Under these doctrines, if the trademark owner decides to sue only after the defendant has established a thriving, profit-making business, the courts may decide that the delay precludes action.

7. **Remedies**

Remedies for infringement typically include damages and injunctive relief. In some countries, attorney’s fees may also be awarded. In certain cases where the goods are ruled to be counterfeit, a court may allow for seizure, a total recall of the products, or destruction of the goods.

Often, in an action for preliminary injunction, the plaintiff must issue a bond in an amount equal to the approximate profit the infringer would make if it continued its activities. Occasionally the plaintiff is required to post a bond to cover the
eventuality that it will not succeed at trial. After the grant of a preliminary injunction, there sometimes will be no need for a full trial. While many countries have a policy of not granting preliminary injunctions in trademark cases, the TRIPS Agreement, which is in force in about 160 countries, requires them to provide for that remedy.88

8. Settlement

Because of the high cost of civil infringement actions, and the uncertainties and possible delays in some countries, trademark owners should consider negotiating a settlement. The trademark owner should seek to obtain a written agreement where the infringer agrees not to infringe on the owner’s rights in the future. Such an agreement would facilitate an action for trademark infringement and breach of contract. The trademark owner should also ensure that the settlement agreement is part of the record in the court so that in the event the infringement continues, the owner can reopen the previous case.

D. Anti-counterfeiting Programs

Anti-counterfeiting programs consisting of business, legal, and technological elements should be adopted. Legal tactics include proactive enforcement of trademarks by filing infringement actions in jurisdictions where the offending goods are being sold and where they are being manufactured. Registered trademarks should also be recorded with local customs offices, whose personnel can be trained to identify counterfeit products.89 Local law enforcement may also be available to conduct seizures of infringing goods.

88 For more information on the TRIPS Agreement, see Section I.C.1.e, above. For a complete list of TRIPS Agreement signatories and observing governments, see WTO, Understanding the WTO: The Organization—Members and Observers.

89 Some countries, including Canada, China, the United States, and Mexico, permit owners to register their trademarks with customs. For a comparative guide summarizing anti-counterfeiting procedures in 26 jurisdictions, including border measures and civil and criminal enforcement, see World Trademark Review, Anti-counterfeiting 2015—A Global Guide.
Business tactics may include public relations campaigns to educate the public regarding the dangers of buying counterfeit goods, how to identify fakes, and that the true trademark owner’s warranty would not apply. Trademark owners also should work closely with their retailers to prevent inadvertent sales of counterfeit products.

With the rise of e-commerce, anti-counterfeiting programs should target counterfeit sales on the Internet.90 Some businesses will have entire legal staff dedicated to the surveillance of the Internet for fake goods. Trademark owners can demand that an Internet service provider (ISP) take down infringing content or infringing domain names.91

<table>
<thead>
<tr>
<th>Anti-Counterfeiting Tactics</th>
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<tbody>
<tr>
<td><strong>BUSINESS</strong></td>
</tr>
<tr>
<td>Public Relations campaigns to educate consumer</td>
</tr>
<tr>
<td><strong>LEGAL</strong></td>
</tr>
<tr>
<td>Cease and desist letters</td>
</tr>
<tr>
<td>Infringement actions</td>
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<tr>
<td>Criminal prosecution if available</td>
</tr>
<tr>
<td>Customs recordal</td>
</tr>
<tr>
<td>Police raids</td>
</tr>
<tr>
<td><strong>TECHNOLOGICAL</strong></td>
</tr>
<tr>
<td>Target counterfeiters online</td>
</tr>
</tbody>
</table>

91 For more on take-down procedures, see “Brand Protection on the Internet: Domain Names, Social Media, and Beyond.”
XI. International Domain Name Registration and Protection

A. Registration

In addition to trademark registration, brand owners should also register their trademarks (and variations) as domain names in the jurisdictions where they use the mark or goods offered under the marks are produced or distributed.92

B. Monitoring

Brand owners should also monitor their domain names through a watching service (see Section IX.A, above). Once a potentially infringing domain name is discovered or cited by the watching service, the WHOIS93 record can be searched to determine the owner of the domain name, the registrar, the current status of the domain name, and the ISP.

C. Enforcement

The Uniform Domain-Name Dispute Resolution Policy (UDRP) establishes a legal framework for resolving domain name disputes.94 Some countries—for example, Chile—have adopted the UDRP. Other countries have their own national proceedings that may be similar to a UDRP proceeding; examples are Indonesia and Switzerland.95

92 For more information about how to register domain names, see “Brand Protection on the Internet: Domain Names, Social Media, and Beyond.”

93 For example, ICANN, WHOIS Lookup.

94 For more on UDRP proceedings, see “Brand Protection on the Internet: Domain Names, Social Media, and Beyond.” See also WIPO, Domain Name Dispute Resolution.

95 For more on enforcement of brands online, see “Brand Protection on the Internet: Domain Names, Social Media, and Beyond.”
XII. Licensing

It is common practice for trademark owners to license the use of a trademark to a third party. The trademark law and relevant statutes of most jurisdictions govern the manner in which trademark licensing may occur.96

A. Recordal at the Trademark Office

The requirements for recording a license agreement vary from country to country. In some countries (e.g., Denmark, the United States, and Canada), it is possible to record a license at the trademark office but there is no legal requirement to do so. In many countries, recordal is not mandatory, but it may be highly recommended. For example, in Argentina and India, recordal is not required but it could provide certain commercial and legal benefits, such as demonstrating use of the mark, facilitating the remittance of royalties outside the country, or being effective against third parties. In many countries, including China and Russia, recordal is mandatory. Be sure to inquire as to what should be done in the way of recordal with regard to each jurisdiction of interest.

Requirements for recordal may also vary depending on whether an application or a registration is being licensed. In certain civil law jurisdictions (e.g., Aruba, China, Costa Rica, and Taiwan), a license cannot be recorded against a pending application. However, most jurisdictions provide that licenses can be recorded against granted registrations. In a few countries—for example, Kuwait—there is no mechanism in place to record a license agreement.

An unrecorded license agreement between two parties generally is still enforceable between the parties to the license. In many jurisdictions, however, even where recordal is not required, the license will not be effective against third

96 For more on the individual licensing requirements in specific countries, visit INTA, Country Guides: Essential Information on Trademark Protection Worldwide. For more on licensing in general, see “Trademarks in Business Transactions.”
parties unless it is recorded. Recordal acts as constructive notice to third parties of the existence of the license agreement.97

XIII. Chain of Title

A trademark owner has an affirmative obligation to keep the chain of title up to date with regard to its trademark registrations. If, for example, a registration is assigned to a third party or the trademark owner’s company undergoes a merger or change of name, the new name or owner must be recorded with the local trademark office. Even when the trademark owner changes its location or address, many countries will require the owner to update this information. Failure to record promptly a change of name or ownership can lead to a misconception in the marketplace as to the identity of the actual owner, leading to a loss of rights where a trademark no longer functions as a true indication of origin.

A. Assignment

1. Applications/Registrations

In some jurisdictions (e.g., Argentina, Australia, the European Union, China, and Japan), applications can be assigned. In others (e.g., Aruba, Bahamas, Kenya, Kuwait, and Saudi Arabia), applications cannot be assigned. Registrations are assignable in most countries.98

2. Goodwill

Depending on the country, an assignment can be with or without goodwill, which can be defined generally as the business associated with a particular trademark. In certain countries, such as the United States, the line of business and related

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97 For the recordal requirements of specific jurisdictions, see INTA, Country Guides: Essential Information on Trademark Protection Worldwide.

98 For country-specific information, see INTA, Country Guides: Essential Information on Trademark Protection Worldwide.
assets attributable to the mark must be transferred together with the mark. If the mark is assigned without goodwill, which is commonly referred to in the United States as an “assignment in gross,” some countries will require publication of a notice to the public. In other countries, attempted assignments in gross are ineffective, and the trademark owner must include goodwill at the time the mark is assigned.  

B. Mergers and Other Business Transactions

Trademarks may be transferred as part of a larger business transaction, such as a merger, an asset acquisition, or a stock purchase. Regardless of the nature of the transaction, all trademark rights subject to the transaction should be scheduled and the new owner or company name recorded at the relevant national trademark offices. As with the failure to record an assignment, the failure to record a merger can cause a misconception to arise in the marketplace, leading to a loss of rights. Furthermore, failure to record a merger within a reasonable time after the transaction closes could complicate or even prevent subsequent acts of recordal if a previous rights holder has been merged out of existence.

99 For country-specific information, see INTA, Country Guides: Essential Information on Trademark Protection Worldwide.

100 For more information about chain of title, see “Trademarks in Business Transactions.”