INTA's latest effort to strengthen ties with international IP offices culminated in the signing of a MoU with the IP Office of Singapore (IPOS) in late August. The MOU, the Association's first in Southeast Asia, commits INTA and IPOS to collaborating on educational efforts such as roundtables, symposia and training, as well as sharing information and publications to support the advancement of IP awareness for the general public, examiners and government officials. This is INTA's seventh MOU. Other MOUs have been signed with China’s State Administration for Industry and Commerce (SAIC), China’s General Administration of Customs (GAC), the Mexican Institute of Industrial Property (IMPI), Brazil’s National Institute of Industrial Property (INPI), the Organisation Africaine de la Propriété Intellectuelle (OAPI) and the African Regional Industrial Property Organization (ARIPO).

INTA President Toe Su Aung traveled to Singapore to sign the MOU with IPOS Chief Executive Tan Yih San, and also delivered a keynote address at IPOS’s Global Forum on Intellectual Property, which drew 600 attendees. Ms. Aung was impressed by the warm reception at both events and thanked her hosts.

INTA Welcomes New China Trademark Law

Following several years of study and revision, China’s Standing Committee of the National People’s Congress has passed new trademark law provisions that should improve trademark owners’ ability to enforce their rights and deter infringers. The statute aligns with many of the proposals submitted by INTA throughout the legislative process.

The Association is particularly pleased by an increase in statutory damages from RMB 500,000 (US $82,000) in the old law to RMB 3 million (US $500,000) in the amended law—nearly six times the maximum award. In cases where an infringer is determined to have acted in bad faith, courts may also enforce treble damages, which allows for an increase of up to three times the maximum award. These improvements will act as a major deterrent to infringers, and send a strong message that China will not tolerate violation of trademark rights.

Administrative penalties were also increased, including maximum fines of up to 500% of profits from illegal use of a trademark. Previously, the maximum was set at three times the illegal profit, or, in cases where it was not possible to determine the illegal profits, a maximum of RMB 100,000 (US $12,000).

The new law also includes a general provision stating that trademark applications should be submitted in good faith, and expands upon several provisions relating to bad-faith registration. These include provisions targeting trademark agents who act in bad faith and applicants for marks that are identical or similar to an existing trademark when the applicant has had a “prior relationship” to the trademark owner. INTA looks forward to seeing the Implementing Regulations, which will help to clarify these provisions and how they will be enforced.

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INTA President Signs First MOU in Southeast Asia

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at IPOS for their efforts to strengthen IP awareness and protection through partnerships such as this one.

In her keynote speech at the Global Forum, Ms. Aung asserted that Asian companies have an important role to play in the policy formation process at ICANN. She noted that, while 16% of the 1,920 applications for new gTLDs are from Asian entities, none of the organizations or individual companies involved in ICANN’s Intellectual Property Constituency come from Asia. “Clearly, more participation from trademark owners from Asia is necessary if the interests of all IP owners are to be heard,” said Ms. Aung. The involvement of Asian business is especially crucial in light of recent reports indicating that 44% of Internet users are from Asia, and that online business-to-consumer sales in 2013 in the Asia-Pacific region will surpass sales in North America for the first time and will continue to grow.

INTA Welcomes New China Trademark Law

Continued from page 1

While INTA advocated against a provision eliminating appeals of oppositions in the first instance, the Association recognizes the China Trademark Office (CTMO) as being one of the largest and most important trademark offices in the world, and is hopeful that improved examination of oppositions in the coming years will help to eliminate much of the need for judicial appeals.

China’s Supreme People’s Court also will be working on judicial interpretations of the new law in the coming months.

INTA has longstanding relationships with both the Supreme Court and the CTMO, and will continue to hold regular meetings with officials as the Implementing Regulations and interpretations are drafted in order to raise the concerns of industry. For more information, please contact INTA’s Manager for External Relations, Asia-Pacific, Seth Hays, at shays@inta.org.

INTA’s Practitioner’s Guide to the Madrid Agreement and Madrid Protocol

This searchable database offers practical information on member countries’ practices and procedure in obtaining, maintaining and enforcing registrations through the Madrid System.

Visit www.inta.org/MadridProtocol

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Branding in the Digital Age: An In-House Counsel Perspective

Michelle Landy is SVP, Legal & Business Affairs, at FremantleMedia North America, Inc. She will be speaking in Session II, Part I: “Branding and Monetization: The Strategic Art of Building Your Brand,” during INTA’s Branding and Social Media Conference, which will be held October 3–4 at the Hotel Sax Chicago.

INTA spoke with Ms. Landy about some of the key issues facing in-house trademark counsel in the age of social media.

**How has your role in branding, marketing and advertising changed over the course of your career?**

Advertising and branding are now explicitly linked, where brand equity is innately generated through creative and interactive campaigns. As consumers become savvier, non-interactive advertising has lost some value, with interactive and targeted advertising and marketing campaigns garnering much more success.

As in-house counsel, our role has shifted from pure legal solution (“How do we make this compliant?”) to business perspective, with strategic brand perspective consistently in the forefront. We’re now asked to look at a promotion from a brand equity perspective, evaluating brand value, new technologies and consumer interaction. We’re consistently involved in the brainstorming process with the creative and business teams to ensure a streamlined activation process. There’s been a movement from one-off, simple activations (e.g., at retail only) to multifaceted, multiplatform activations that ladder up into robust television integrations.

Our role is no longer simply about adding a trademark here or including a disclosure there. We are now at the forefront of creating best practices and strategies in the digital space, particularly when it comes to branded consumer promotions.

**What has been FremantleMedia’s experience with using social media and the Internet generally to promote and monetize its brands?**

FremantleMedia has been very proactive in the use of new media in brand building and monetization. The digital landscape has been an increasingly important driver of our brands and is integral to our business model and overall strategy.

For example:
- Fremantle introduced America to interactive voting via text message with American Idol’s digital voting mechanism. With the advent of emerging digital platforms, the company also was at the forefront of using Twitter, Facebook, second screen apps and more basic online voting.
- Online auditions for all major shows (American Idol, America’s Got Talent, The X Factor) have opened casting to a wider net of contestants than was previously possible with only city-to-city physical auditions.
- Fremantle also has over a hundred YouTube channels, many of which relate to our television shows globally and some that are original digital content. The latter are becoming more of a focus for the company moving forward.

**What are the key challenges you face with respect to branding in the age of social media?**

1. Brand protection in light of increasingly savvy consumers—policing the brand in an age where digital sprawl is rampant.

2. Creating a cohesive voice across digital platforms when messaging originates from a variety of sources (contestants, judges, sponsors, agents, etc.).

3. Quality control is not just a question of privacy and data protection, regulatory requirements, product liability; there is a whole range of laws and regulations to consider, including sweepstakes/contest requirements, privacy and data protection, regulatory requirements and third-party platform requirements and guidelines.

**What are some rules for lawyers working with marketing and branding teams in the age of social media?**

- Flexibility is key—this is a changing landscape and there are no “rules” to follow. Have a tempered appetite for risk, understanding that many of these platforms and technologies are only passing fads or trends.

- Each partner approaches social media uniquely and has a different end goal. Social media and digital are not “one size fits all” solutions that can be easily replicated across the board.

- Legal restrictions shouldn’t hamper creativity. Use practical business solutions to find a way to organically integrate legal requirements into the messaging.

- There are some instances where business risk—and PR repercussions—will simply outweigh the need for speed or early adaptation of a technology. Business and legal should hold firm in instances where brand equity or reputation will be at stake simply because there was a push to be first.

**How do you see social media changing the role of trademark and IP counsel even further in the next ten years?**

Lawyers will need to be much more well versed in technology and how it works, keeping current on emerging trends, platforms and technologies. Asking questions and getting involved are always appreciated. Participation in early phases of brainstorming and concepting is also key. An in-house counsel is particularly well situated for this, and should adapt with the changing needs of relevant business units.

**What do you hope attendees of your session at the Branding and Social Media Conference will take away with them?**

There seems to be a huge hunger out there for information and experiences in the digital space, so hopefully we will shed some light on some successful digital campaigns, key challenges and practical takeaways—and maybe some fun product giveaways!

Learn more about the Branding and Social Media Conference and also register for the conference. Members can also read more about these issues in “The Brand Evolution: How Social Media is Changing the Brand Conversation,” which was published in the September 1 issue of the INTA Bulletin.
In June 2013, practitioners from INTA’s corporate membership held two In-House Idea Exchanges on new gTLD strategies and ICANN’s Trademark Clearinghouse (TMCH). The participants represented a cross-section of INTA’s corporate members in different countries and across a wide range of industries. This article is not meant to identify the views of any particular individual, company or industry but is a general aggregate of the issues raised and the views expressed during the calls.

The TMCH, which is being monitored closely by INTA’s Internet Committee, is a one-stop solution for protecting your mark in the new gTLD era, according to ICANN. Participants in the two idea exchanges discussing the TMCH ranged from those whose company had applied for one or more gTLDs to those whose company had not applied for any. All of them were interested in the best way to protect their marks in what has the potential to be a veritable ocean of new domains. All on the calls were interested in using the TMCH to some extent. None of the participants reported that their company was not using or planning to use the TMCH.

The Key Questions
Themes running through both calls included the following:

- What will be the new gTLDs’ impact on business?
- Is domain name relevance diminishing as we use apps more and more?
- For now, .com seems to be the gold standard. Is this going to change with the new .brands?
- How will companies manage the cost?
- Will your company become antiquated if it made the decision not to invest in a new gTLD?

Participants indicated that to address these concerns, some companies studied young users and how they are using the Internet. It appears that more and more information is being embedded into links, metadata and other search tools, so increasingly users rely more on search engines than on domain names. However, in the event that domains remain relevant, brands that choose not to invest in new gTLDs could become obsolete right along with them.

It is important to be seen online in the right space at the right time. If .com becomes passé, and a brand only has a .com, it risks being perceived as behind the times. This thinking has brand owners the world over spending lots of money on the new gTLDs. But at this early stage, with none of the gTLDs having yet gone live, it’s difficult to know which of the new .brands will be successful. It was mentioned during the calls that there are already 22 TLDs in existence, but few could name all of them.

For those whose companies have already invested in new gTLDs, what to file in the TMCH was driven by what plans their company might want to make in the future. What to put into the TMCH for defensive purposes became an important consideration. Finance departments are starting to pay more attention to new gTLDs because of the potential impact on budgets.
It has been a lengthy campaign to educate stakeholders and senior management opportunity not just to stop infringers but also to monitor what others were doing and to flag unanticipated opportunities in a certain space.

Who’s in Charge?

Among the corporate members participating in the calls, the threshold question discussed was which area or areas were responsible for decisions regarding the TMCH. In some companies, responsibility rested within the IP group, while in others it lay elsewhere. In some cases, the online compliance group, the marketing group, the Web marketing group and/or the e-commerce group was heading up the effort. Some companies saw this matter as an opportunity to put together a cross-functional team from several areas. Although the degree of control varied within the companies concerned, generally it was reported that the IP department was laying out the strategy and then asking the business units for input. Even at companies where the IP group was not taking the lead or making decisions, the legal department usually was involved, at least in an advisory capacity.

A common problem in many companies was that it was unclear who was responsible for these issues internally. As a result, the IP departments appear to be driving the response. Interest and participation outside of the IP area seem to vary by brand. Finance departments are now starting to pay more attention to new gTLDs because of the potential impact on budgets. In the business community, if an issue is not communicated or explained at the senior level, it will be seen as a legal issue and not a business one. All agreed it has been a lengthy campaign to educate stakeholders and senior management.

Educational Efforts and the Role of IP Professionals

In most companies, the legal group—and in particular the IP group—is trying to educate in this new area. A common concern was that the business units tend to get confused with too much information. Legal teams like to give very concrete information and recommendations. Yet in this changing area, with so much of a “wait and see” mentality, the information isn’t always concrete. It can therefore be difficult to keep the attention of the business units or upper management during the decision-making process.

Another major concern was the challenge of getting business leaders engaged in something that hadn’t been widely discussed in the mainstream press and hadn’t yet happened. For companies that had applied for a .brand, engagement at the board level or senior management level was easier because there was already investment. Yet even at these companies, with the long ramp-up period for the gTLDs, it has been hard to keep the attention level high. The consensus was that it is hard to get top executives and marketing ready for changes in this area because they don’t see it as important and it’s not on the mainstream press’s radar. All this has left IP departments in the unenviable position of trying to educate and to keep this issue on the radar.

TMCH Strategy

Registering your mark(s) in the TMCH doesn’t purchase anything tangible. Rather, it purchases access to two different services provided through the TMCH: (1) the Trademark Claims Service, which provides a prospective domain name registrant with notice that it is seeking to register a domain name that corresponds to one already existing in the TMCH, and also notifies the trademark owner if the registrant proceeds; and (2) the Sunrise Period, an initial period of at least 30 days before domain names are offered to the general public, during which trademark owners can safeguard the domain name that matches their trademark. Callers agreed that the benefits of the Sunrise Period seemed the most pertinent.

According to the TMCH website, if you deposit tomorrow for a one-year period, even though the site will show your time as running, your TMCH registration will not expire until one year from the opening of the Sunrise Period for the first new gTLD. Everyone’s time in the Clearinghouse will start running at the same time, as long as you apply before the first Sunrise Period starts. The general recommendation was to submit early.

The biggest reason for this recommendation was that the TMCH registration process can take longer than you might expect. You may have to produce assignments to show that the chain of title for your marks is legitimate. Even if the holding company name is just slightly different, for instance, the TMCH won’t accept your deposit and you should be ready to produce other documents to verify the current owner. You may also be asked to provide other addi-
In-House Counsel Discuss New gTLDs

If you are interested in participating in the Sun- rise Periods, you will need to submit specimens of use. Many companies are doing this process in-house to save costs, while others are engaging outside counsel or using the companies that manage their domain names to assist in the TMCH effort. Many had engaged outside counsel at least for some advice, even if they were doing the filings in-house.

Some of the gTLD registries have indicated they may offer a blocking mechanism, which will be offered only to those marks that are in the TMCH. This factor alone could make it worth depositing your marks in the TMCH.

The Changing Domain Name Space and Budgets

Participants in the idea exchanges were asked whether they thought the new gTLDs would have a significant impact on their budget and resources, and then how they planned to get ahead of this issue. Additionally, apart from the cost implications, participants were asked to share their thoughts about placing this additional burden on brand owners seeking to protect their marks in the Internet space in the areas of resources and administration.

Some on the call felt that all the buzz surrounding the TMCH, and even gTLDs generally, was fear-driven. Questions included: “Are we buying more things we don’t need just because we don’t want others to have them?” “And why should we have to?” “As brand owners, we’ve already paid to register our marks; why should we now have to pay to register them again in the TMCH?”

It was agreed that decisions must constantly be made about the benefit and opportunity cost of doing defensive registrations. One suggestion was to use the .biz and .info TLDs as examples. The reality is that, despite the rush to buy these domains, few of them are used as compared with the .com domains. Such an example could, perhaps, be used to calm the marketing departments, which often prefer to err on the side of buying.

Participants were already starting to worry about the potential for an increased scope of policing after the launch of the gTLDs. Internationalized Domain Names (IDNs) will launch first, but companies are bracing for the reality that the floodgates will soon open. Current policing practices and current watching services could start to produce exponentially greater results. There is an expectation that the number of cases will rise dramatically. Reviewing the search results could be burdensome and could potentially require additional personnel. In many companies, this may not be realistic.

Companies will have to transition from watching 22 TLDs to watching 600 or more. If things go as predicted, they could receive hundreds of watch notices per day.

Some gTLDs might not be successful. Not all will launch in the first 18 months. But the volume of work and budgets will go up. In most cases, such predictions were being balanced against corporate pressures for greater efficiency.

Faced with this reality, some expressed the view that it might be more prudent to handle this as a business problem on a case-by-case basis. Some hoped to counter this by training customers to recognize the genuine websites.

Still Unsure?

INTA is providing a number of resources to the trademark community to help manage the launch of new gTLDs. These include educational programming, publications, participation in the policy formation process at ICANN and an upcoming searchable policy database of TLDs.

You can listen to an archived version of INTA’s latest webinar, “Protecting Your Trademark in Internationalized Domain Names (IDNs) and New gTLDs”.

You can also find out more about new gTLD developments and how to use the TMCH at INTA’s 2013 Leadership Meeting in Miami, during General Session VI—“Faster than the Speed of Light: Keeping Up with Internet Developments,” Saturday, November 16, 2013, 10:15 am–11:15 am.


For more information on the TMCH and INTA’s advocacy efforts with ICANN, visit INTA’s dedicated page on New gTLDs, or contact INTA’s Manager, External Relations, Internet & the Judiciary, Claudio DiGangi, at cdigangi@inta.org.

In-House Practitioners Committee Idea Exchange Team

INTA’s In-House Practitioners Committee (IHPC) consists of in-house attorneys and IP professionals who concentrate on bringing and enhancing benefits to corporate members. Currently the IHPC has four areas of focus: (1) In-House Idea Exchange; (2) In-House Counsel Luncheon and Workshop (presented annually at the Annual Meeting); (3) Corporate Benefits; and (4) Corporate Recruitment.

The In-House Idea Exchange team develops topic outlines to facilitate conference calls that bring in-house practitioners together to share ideas, concerns and resources. Participation is free, but registration is required in order to keep participants to a manageable number. Idea exchanges generally occur quarterly, but if registration is high enough, an idea exchange may be repeated in order to keep exchanges to a manageable size. Only in-house practitioners are permitted on the calls, to encourage candid participation.


Care was taken in the drafting of this article not to identify any individual, company, industry or situation. The views presented in this article are aggregates of many views presented across a wide section of industries, companies and participants combined from the idea exchanges conducted in June 2013, along with the author’s own input. Corporate members interested in joining the IHPC should apply to INTA during the next committee selection process, in June 2015.
Michael Andrew Enache is partner at Ratza & Ratza, one of the leading IP firms in Romania, which provides services in trademark, patent, industrial design, copyright and domain name matters. Michael’s practice focuses on trademark prosecution, oppositions and, in particular, anticounterfeiting matters.

After graduating from law school in 2002, Michael spent four years working as a banking legal advisor for two major Romanian banks. He earned an LL.M. in banking law, and studied IP law as well. “Obviously I enjoyed the banking law practice, but my great passion has always been intellectual property, which I studied more or less as a hobby,” Michael says. “When the opportunity arose I left the banking career aside.” He qualified as a certified IP attorney in 2006.

Michael has a very keen interest in raising the bar in anticounterfeiting issues and is involved in training with law enforcement, lecturing in various anticounterfeiting seminars with the Romanian police, border police and customs. He is a regular speaker at roundtable seminars and conferences and a regular contributor of articles both on anticounterfeiting and on general IP topics.

Involvement in committee work has been what Michael enjoys most about INTA. Having been involved with the Association since 2006, he is currently a member of the INTA Anticounterfeiting Committee’s European Union Subcommittee. In 2010 he organized the “Government Roundtable on Synergies and Developments in the Process of Implementing Anticounterfeiting Measures in Romania.” Michael also played a key role in INTA’s “Advanced Anticounterfeiting Strategies Conference,” which took place in Istanbul, Turkey, in December 2012 and in which he moderated a session on the developing markets of China and Africa.

A lover of technical gadgetry, Michael readily acknowledges that one of his favorite brands is APPLE, followed by CANON, which reflects his passion for photography.

When not engaged in his practice, Michael enjoys his spare time with his young family. He is an avid cyclist and a certified scuba diver. He is also an experienced sailor, being part of the International II team that finished first in the 2008 Patent Cup Sailing Regatta. Fifteen teams, representing several countries of the European Union as well as the United States, Canada and Brazil, participated in that friendly sailing competition.

That global perspective bolsters Dixon’s strong support for ensuring clear, consistent and effective protection for trademark rights in developing markets. Sensible and practical protection is essential, both for international business and for the long-term economic development of those countries.

Outside the office, the father of two daughters (13 and 11) concedes that he and his wife spend much of their time “running after the girls.” But he also likes the challenge of—literally—running. “I particularly enjoy marathons and other long-distance races,” Dixon says. “I may not be fast, but I am persistent!”

Dixon is a fan of longstanding and “classic” trademarks, such as Bass Ale’s red triangle. And the one he says best describes him? Quite aptly: Timex’s IT TAKES A LICKING AND KEEPS ON TICKING.

Terry Dixon enjoys a good challenge. That is one reason why he loves his job as Assistant General Counsel for trademarks at GlaxoSmithKline in Philadelphia, Pennsylvania, USA.

“My trademark colleagues and I have a portfolio of more than 100,000 marks, so we are all kept pretty busy,” says Dixon, who personally handles a number of consumer healthcare brands globally and has general responsibility for the company’s corporate, consumer healthcare and vaccine marks in the United States. He also has legal responsibility for GSK’s U.S. anticounterfeiting activities and the development and implementation of its copyright policies and procedures.

“My daily work involves clearing, prosecuting and maintaining marks on a global basis; supervising litigation, oppositions and other actions around the world; negotiating and drafting licenses and other agreements; handling the trademark and copyright aspects of M&A transactions; and, most importantly, counseling the commercial teams and local operating companies on myriad issues,” Dixon says. “Of course, this is only possible through close collaboration with my GSK legal colleagues and our worldwide network of external counsel.”

The prospect of a good challenge also drew Dixon to his favorite INTA committee project: analyzing and proposing protection for well-known U.S. marks in the absence of use. “It was exciting to work on such a challenging, high-profile issue—especially alongside such knowledgeable and fun people,” he says. “That’s a prime example of how INTA has given me a much greater appreciation for the complexities and intricacies of global trademark issues.”

Barbara Barron Kelly
Corsearch – Wolters Kluwer Corporate Legal Services, Chicago, Illinois, USA
INTA Bulletin Association News Subcommittee
Features

Litigating the First Amendment Defense in the Video Game Context

Meredith M. Wilkes
Jones Day, Cleveland, Ohio, USA

Jacqueline K. S. Lee
Jones Day, Palo Alto, California, USA

In an effort to make video games more and more “lifelike,” developers are including every type of reality component possible, from the images of famous people to the use of brand owners’ trademarks and trade dress. While some of the use is the product of negotiated licenses, product placement and in-game advertising arrangements, some is not. The results—trademark infringement and right-of-publicity lawsuits—are making their way through U.S. courts. The defense to such claims? The First Amendment to the U.S. Constitution, which protects the freedom of speech.

Developers are quick to assert that the First Amendment protects their use of others’ marks and to invoke the two-part test first articulated by the U.S. Court of Appeals for the Second Circuit in Rogers v. Grimaldi (875 F.2d 994 (2d Cir. 1989)). But the Rogers test has not been adopted by all courts. Indeed, recently, in Hart v. Electronic Arts, Inc., 717 F.3d 141 (3d Cir. 2013), the U.S. Court of Appeals for the Third Circuit rejected the Rogers test in favor of the “transformative use” test.

The court in Hart found that while the Rogers test might be appropriate in the trademark context, it was not appropriate for cases involving rights of publicity.

These cases continue to make their way through the courts. What is clear is that the type of intellectual property right claimed might determine the outcome of the litigation Moreover, while courts employing the Rogers test in the video game context have arrived at varying results over the years, several commonalities in courts’ application of this fact-intensive inquiry have emerged that provide guidance to litigants in these disputes.

The Rogers First Amendment Balancing Test

In Rogers v. Grimaldi, famed actress Ginger Rogers sued the producers of the film Ginger and Fred for various Lanham Act and state law violations, alleging that the title of the film was likely to confuse moviegoers into believing that Rogers sponsored, endorsed or was otherwise affiliated with the film. In reality, the film concerned two fictional Italian cabaret performers, nicknamed “Ginger” and “Fred” after the famous dancing duo, Rogers and Fred Astaire.

In evaluating the defendants’ First Amendment defense to Rogers’ Lanham Act claim, the court adopted a balancing test, determining that “the Act should be construed to apply to artistic works only where the public interest in avoiding consumer confusion outweighs the public interest in free expression.” Rogers, 875 F.2d at 999. Thus, at least in the context of allegedly misleading titles using a celebrity’s name, the Second Circuit held that a Lanham Act claim will be barred by the First Amendment unless the potentially confusing title (1) has no artistic relevance to the underlying work whatsoever or (2) explicitly misleads as to the source or content of the work. Id.

Applying this test to the facts before it, the court found that the title “Ginger and Fred” was artistically relevant to the work and did not contain any explicit indication that Rogers endorsed the film or had a role in producing it. Accordingly, the Second Circuit granted summary judgment dismissing Rogers’ claim.

Applying the Rogers Test in the Video Game Context

Since Rogers, courts in a number of jurisdictions around the United States have adopted the Second Circuit’s two-part test to assess whether the First Amendment will bar a plaintiff from pursuing a Lanham Act claim against use of its trademark or trade dress in the body—not just the title—of an expressive work. Specifically, the Fifth, Sixth, Ninth and Eleventh Circuits, along with district courts in the Seventh Circuit, have adopted...
Features

the Rogers test to evaluate First Amendment defenses to claims of infringement asserted against expressive works.

As it is now well accepted that video games qualify as expressive works entitled to First Amendment protection, video game developers defending against infringement claims routinely invoke a First Amendment defense. Although evaluating whether use of a mark (1) bears some artistic relevance to the underlying work and (2) explicitly misleads as to source or content of the work requires a case-by-case approach, similarities in the ways federal courts have applied the Rogers test, including in the video game context, provide some insight as to how to effectively litigate a First Amendment defense.

Other courts, such as in Hart, have found that the Rogers two-part test is too restrictive, at least when rights of publicity are at issue. The rationale is that the Rogers test looks at the relationship between the image and the work as a whole, and while the First Amendment does balance rights of free expression and intellectual property, publicity rights are not constrained by proof of likelihood of confusion, so a broader interpretation of the individual’s property rights is appropriate. Accordingly, the question is whether the identity is sufficiently transformed in the video game so as to become a separately protected expression. In Hart, the court found that it had not because Hart was a football player both in real life and in the game.

Whether Use of the Mark Has Any Artistic Relevance

As a general matter, showing that use of a mark has more than “no artistic relevance to the underlying work whatsoever” is a fairly low standard, and most defendants easily are able to satisfy this first part of the Rogers test.

Courts have made clear that, to establish artistic relevance, the work need not be “about” the product or service signified by the mark; it is enough that that “the level of relevance merely … be above zero.” E.S.S. Entertainment 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095, 1100 (9th Cir. 2008). In that case, the U.S. Court of Appeals for the Ninth Circuit held that an alleged depiction of the plaintiff’s Los Angeles strip club as one element in a video game styled after various American cities had “some artistic relevance” to the underlying game, which sought to capture the “look and feel” of East Los Angeles.

Another court found that in the “Godfather” series of video games, reference to “Dillinger Tommy Gun” had “above-zero relevance to a game whose premise enables players to act like members of the mafia and spray Tommy Guns,” and that even a “superficial and attenuated” link between the use of the mark and the video game would have sufficed. Dillinger, LLC v. Electronic Arts Inc., 101 U.S.P.Q.2d 1612, 1616 (S.D. Ind. 2011).

Notwithstanding the above, at least one district court addressing the First Amendment defense outside of the video game context has interpreted the first part of the Rogers test as requiring that the work bear some relevance to the meaning of the plaintiff’s mark—that is, that the work invoke the mark to refer to the plaintiff’s product or service and that the reference relate to the underlying work. Rebelution, LLC v. Perez, 732 F. Supp. 2d 883 (N.D. Cal. 2010). In Rebelution, the U.S. District Court for the Northern District of California held that rapper Pit Bull’s use of the album title “Rebelution” was not entitled to First Amendment protection against the band Rebelution’s claim of infringement because, inter alia, the album title was not intended to refer in any way to the plaintiff’s band. Id. at 888-89. While other courts have yet to impose this more stringent interpretation, applying the Rogers test in this way may present challenges for the game developer defendant accused of using a protected mark in a way not intended to reference the plaintiff’s product or service.

Whether Use of the Mark Is Explicitly Misleading

Assuming a defendant’s use of a mark has even minimal artistic relevance to the underlying expressive work, courts applying the Rogers test next consider whether use of the mark “explicitly misleads” as to the source or content of the work. Courts have made

See “First Amendment” on page 10
clear that use of the mark alone does not explicitly mislead. Rather, there must be some evidence, such as relatedness of the parties’ respective businesses or express statement of endorsement, that would lead consumers to believe the plaintiff endorsed or otherwise was affiliated with the defendant’s work. See, e.g., E.S.S., 547 F.3d at 1100 (holding that defendant’s use of mark was not explicitly misleading where parties ran unrelated strip club and video game businesses); Dillinger, 101 U.S.P.Q.2d at 1619 (“To be ‘explicitly misleading,’ the defendant’s work must make some affirmative statement of the plaintiff’s sponsorship or endorsement.”).

To determine whether use of a mark within a video game is explicitly misleading, courts have considered evidence of actual confusion, which tends to show such a misleading use. Prominent use of a third party’s mark—including in marketing and advertising—also weighs in favor of finding that the use was explicitly misleading. Electronic Arts Inc. v. Textron Innovations Inc., No. C 12-00118 WHA, 2012 U.S. Dist. LEXIS 103914 (N.D. Cal. July 25, 2012) (determining that allegation that Bell helicopters were “given particular prominence” in defendant’s war-themed video game and in related advertising and marketing efforts supported inference that game explicitly led consumers to believe that plaintiff was “somehow behind” or “sponsor[ed]” game).

In contrast, use of a plaintiff’s mark as one of many features in a video game weighs against a finding that a defendant’s use explicitly misleads. Dillinger, 101 U.S.P.Q.2d at 1619 (finding use of “Dillinger” gun in game did not explicitly mislead, despite the fact that gun was one of more powerful weapons available to players and mentioned in press release, as mention of “Dillinger” mark consisted of “a single text-line used to identify one of many weapons within a visually complex video game comprised of countless artistic elements”). Finally, at least one court has commented that although a defendant’s use of a disclaimer denying endorsement by the plaintiff may weigh against a finding that use of the mark is explicitly misleading, employing such disclaimers is not dispositive. Textron, 2012 U.S. Dist. LEXIS 103914.

**Whether the Rogers Test Applies Only to Certain Marks**

Within the Ninth Circuit, two views appear to have emerged as to whether the Rogers test should apply in considering whether use of a mark in an expressive work constitutes actionable infringement.

On the one hand, some district courts have held that Rogers applies only to marks that are “of such cultural significance that they have become an integral part of the public’s vocabulary.” Rebelution, 732 F. Supp. 2d at 887 (holding that no First Amendment rights were implicated and Rogers test should not apply where word “Rebelution,” used in defendant’s album title, lacked larger “cultural significance”).

On the other hand, the Ninth Circuit applied Rogers to determine whether use of a non-famous mark in a video game was protected by the First Amendment. E.S.S., 547 F.3d at 1099-1100 (applying Rogers test to claim that defendants infringed “Play Pen” strip club’s mark, but noting that plaintiff conceded that Rogers governs); see also Stewart Surfboards, Inc. v. Disney Book Group, LLC, No. 10-cv-2982 GAF (SSx), 2011 U.S. Dist. LEXIS 155444 (C.D. Cal. May 11, 2011) (rejecting restriction of Rogers test to “culturally significant” marks, noting “test should apply equally to all marks”). Finally, if rights of publicity are at issue, it is possible Rogers will not apply.

**Strategies for Litigating the First Amendment Defense in Video Game Cases**

In light of the above, litigants asserting or disputing that use of a mark within a video game is entitled to First Amendment protection should be guided by the following considerations:

- **Does use of the mark have at least minimal artistic relevance to the video game?** Specifically, litigants should consider: (a) the role that the mark plays in the game; and (b) whether the mark is used to refer to the mark owner’s brand, thereby providing a stronger case of relevance for some courts.

- **Is use of the mark explicitly misleading?** Specifically, litigants should consider: (a) whether the work itself and/or in promotional materials is prominent (suggesting that the use explicitly misleads) or incidental (suggesting that the use does not explicitly mislead); (b) whether the parties are involved in related businesses, such that use of the mark is more likely to mislead consumers; (c) whether there is evidence of actual confusion, again tending to show that use of the mark explicitly misleads; and (d) whether the defendant has used a disclaimer, which may weigh against a finding that use of the mark is explicitly misleading.

- **Are rights of publicity at issue?** If so, litigants need to consider whether the work as a whole, including the images at issue, has been sufficiently transformed.

Additionally, it is important to note that because application of the First Amendment defense in the video game context is an evolving issue, careful and ongoing review of the trends in different jurisdictions around the United States is critical for both plaintiffs and defendants litigating in this area.

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Google Not Liable Under Standard of Fault in ISP Liability Case

Last month, the INTA Bulletin reported that a draft bill addressing Internet service provider (ISP) liability had been submitted to the Argentine Congress. If passed, the bill would consider ISP liability under the standard of fault instead of the standard of strict liability, meaning that ISPs would be held liable for infringing third-party content only if they have effective knowledge that such content is infringing and they fail to remove or block access to it.

In a recent decision, L., B. v. Google, Inc. – Damages (Docket No. 82198/2009, July 2, 2013), Division I of the National Court of Appeals in Civil Matters reversed the first instance court’s ruling finding Google liable for third-party infringing content under the standard of strict liability.

Photographs of the plaintiff (an Argentine model) were posted in bad faith on several third-party pornographic websites. When executing a search on the GOOGLE search engine under the name of the plaintiff, Internet users retrieved these pornographic websites as search results. The plaintiff did not have any relationship to or association with these websites.

The plaintiff sued Google for moral and actual damages and requested that Google be ordered to remove all search results containing photographs and references to her name in connection with pornographic websites to which, erroneously and in bad faith, the plaintiff’s name and image were linked.

The first instance court, under the standard of strict liability, partially accepted the plaintiff’s claim. The court concluded that Google’s search engine service was an activity that posed a risk of infringing the plaintiff’s rights. It ordered Google to pay ARS 35,000 (approx. USD 6,144) in damages and to remove from the search results any links to pornographic websites including the plaintiff’s name and image. Both parties appealed.

The Court of Appeals reversed the lower court’s decision and rejected the claim. It is worth noting that even though all three justices of Division I agreed on the merits, they delivered separate opinions, which highlights the importance of the subject matter under analysis.

First, the Court of Appeals concluded that Google’s services could not be characterized as posing a risk. Rejecting the application of the standard of strict liability, the court held that the operators of the pornographic websites were the ones infringing the plaintiff’s rights and were in turn responsible. The court added that these website operators were third parties for whose activities Google could not be held liable.

In particular, Justice Castro made it clear that search engines do not generate the content shown in the search results, but merely indicate by means of a link where the users can find such content. Therefore, search engines are not technically capable of altering on their own the content of the websites.

Second, in connection with the removal of the links from the search results, the court found that although search engines have in place tools that allow them to filter content, the burden of identifying infringing content and notifying the defendant should be placed on the plaintiff. It added that search engines should not have imposed on them a general obligation of monitoring.

More specifically, Justice Molteni stated that here the plaintiff had not proven that Google failed to remove or block the infringing content after having effective knowledge of it, and therefore, the plaintiff failed to prove Google’s negligence.

In summary, the Court of Appeals concluded that search engines are not liable for the content of the websites shown in their search results. At the same time, the court found that the activity of search engines does not pose a risk of infringement, and rejected the application of the standard of strict liability.

In the absence of specific legislation or a final decision from the Argentine Supreme Court on this issue, courts will continue to resort to general civil law damages principles to analyze ISP liability and apply either the standard of fault or the standard of strict liability. This lack of uniformity means continued uncertainty for ISPs.
Supreme Court Overturns Standard for Infringement Regarding Use of a Trademark in a Company Name

In a landmark decision, the Austrian Supreme Court ruled that use of a trademark as part of a company name no longer necessarily constitutes trademark infringement. The decision expressly departed from the standard that had been applied in Austrian case law. (Case 4 Ob 223/12s, GRUR Int. 7/2013, 651 (Supreme Ct. Mar. 19, 2013).)

The owner of Austrian trademark No. 135.825, resembling a seal with the image of a scorpion surrounded by the words SKORPION MOBILE EINSATZGRUPPE (“scorpion mobile special squad”) and registered with a priority date of September 11, 1990, for security services and detective agencies in Class 45 (formerly Class 42), sued Scorpio Security Bewachungen GmbH, founded in 1992 and offering the same services. The trademark owner petitioned for discontinuation of use of the designation “Scorpio” for the services mentioned by the defendant and deletion of the word “Scorpio” from the defendant’s company name.

The court of first instance granted both claims. The court of appeal, however, rejected the request to amend the company’s name and remanded the case to the court of first instance. It held that, under Articles 10 and 10a of the Trademarks Protection Act, an owner of a trademark can prohibit the use of a company name identical or similar to its own trademark only if that use constitutes use as a trademark, in accordance with the European Court of Justice’s (ECJ’s) decision in Céline (Céline SARL v. Céline SA, Case C-17/06 (ECJ Sept. 11, 2007)). The Austrian Supreme Court confirmed the appellate court’s decision and held that the rule that had been applied in the past—that use of a trademark (or part of it) in a company name justified, without any differentiation, an order for discontinuation and, as a consequence, a claim for amending the (junior) company name—could no longer be upheld.

The Supreme Court ruled that use of a word or words that are identical to the trademark of another party as part of a company name identical to that of the trademark owner does not, in view of the ECJ’s decision in Céline, in all cases constitute trademark infringement, because of the different functions of a company name and a trademark. The function of the trademark will be impaired only if the other company uses its company name on goods it distributes that fall within the scope of protection of the trademark, so that the use of the company name can be regarded as trademark use. This is similar to the protection afforded domain name owners with respect to the use of other parties’ trademarks in their domain names.

Absent such trademark use, a trademark owner is not entitled to claim for the amendment or cancellation of a company name.

Contributor: Peter Israiloff
Barger, Piso & Partner, Vienna
INTA Bulletin Law & Practice—Europe & Central Asia Subcommittee
Verifier: Barbara Kuchar
Gassauer-Fleissner Attorneys at Law, Vienna
BRAZIL INPI Enacts New Resolution Regarding Highly Renowned Marks

On August 20, 2013, Brazil’s National Institute of Industrial Property (INPI) published a new resolution that substantially modifies the procedure for obtaining a declaration on the “highly renowned” (famous) status of a mark. Highly renowned status, which is provided for under the Industrial Property Law (Law No. 9.279, May 14, 1996), affords protection in all fields of activity to marks that are formally recognized as famous.

The new rules, which are set forth in Resolution 107/2013, change the procedure that had been in place since 2004. The main changes are as follows:

1. It is now possible to request a declaration of fame of a mark through a stand-alone proceeding without having to file an opposition or administrative nullity request against a mark that is identical or similar to the mark considered to be famous, as required under the previous regulations.

2. The validity of the recordal of the highly renowned status of a mark (the INPI records such status in its database) was extended from five years to ten years.

The first change addresses a long-time concern of trademark owners, who, for the purpose of obtaining a declaration of fame, were required to challenge a trademark application or registration before the INPI in order to obtain the declaration. Thus, a mark could be recognized as highly renowned only in the context of an administrative trademark dispute. In the absence of an administrative challenge to another mark, it was not possible to obtain a declaration from the INPI that a mark was famous.

This change should provide the owners of famous marks with greater security and certainty. Under the new resolution, a trademark owner can obtain an official ruling from the INPI on the degree of consumer recognition (fame) of its mark before a dispute with another party arises.

The second change recognizes that the fame associated with a highly renowned mark tends to last more than five years. In view of the high degree of fame achieved by these marks, the INPI has decided that it would be more appropriate to grant them special protection (in all fields of activity) for ten years. At the end of the ten-year term, the trademark owner may maintain the highly renowned status of its mark by filing a new request for a declaration of fame before the INPI.

In addition to the above-mentioned changes, Resolution 107/2013 makes other important contributions, such as providing a clearer definition of highly renowned marks and establishing criteria to be used in determining whether a mark has achieved such status.

The criteria are:

- Recognition of the mark by a large portion of the general public.
- Quality, reputation and prestige of the mark (and of the products/services covered) before consumers.
- Degree of distinctiveness and exclusivity (uniqueness) of the mark.

A request for the declaration of fame of a mark will be analyzed by a Special Committee from the INPI, which will be created for this specific purpose. The decisions rendered by the Special Committee may be appealed to the president of the INPI.

Requests for a declaration of fame that are pending when Resolution 107/2013 comes into force must be brought into compliance with the new procedure within 90 days. The resolution will come into force on the date that the INPI fixes the amount of the official fees for the new procedure.

Contributor: Pedro Tavares
Barbosa, Müßnich & Aragão Advogados, Rio de Janeiro

Verifier: Leticia Provedel
Provedel Advogados, Rio de Janeiro

Colorful Choice or Headache?

A picture might indeed be worth a thousand words, but there could be times when opting to use a logo rather than referring to a brand by name just isn’t worth the possible fallout. James Trigg and Harris Henderson (respectively of Kilpatrick Townsend & Stockton LLP, Atlanta, Georgia, USA and Winston-Salem, North Carolina, USA) assess such risks in “Using Third-Party Logos in Downloadable Applications, Games, and Other Online Materials,” the newest entry in INTA’s exclusive member service Industry Perspective series. While there are not always clear rules, a developer can find guidance on where the proposed use of another party’s logo falls on the spectrum of risk.

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Federal Court: College of Traditional Chinese Medicine Can Keep Its Official Marks

In Council of Natural Medicine College of Canada v. College of Traditional Chinese Medicine Practitioners & Acupuncturists of British Columbia ((2013) FC 287 (Mar. 19, 2013)), the Council of Natural Medicine College of Canada (Council) sought judicial review to have 16 official marks of the College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia (College) set aside. The official marks in question included, for example, DOCTOR OF TRADITIONAL CHINESE MEDICINE.

The Council is a private, nonprofit corporation that creates educational programs in traditional Chinese medicine (TCM) and acupuncture. Affiliated private schools offer these programs under license from the Council. The Federal Court of Canada noted that "individuals enrolled in the Council’s program and paid tuition only to find that, upon graduation, they had no right to practice acupuncture and TCM in British Columbia."

The College was established pursuant to the relevant health care legislation that regulates and governs the practice of TCM and acupuncture in British Columbia.

“Official marks” are unique to Canada. Section 9(1)(n)(iii) of the Trade-marks Act (Act) provides that “no person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for, any badge, crest, emblem or mark adopted and used by any public authority in Canada as an official mark for wares or services, in respect of which the Registrar has … given public notice of its adoption and use.” This provision gives very broad privileges to public authorities that adopt and use official marks and can result in serious restrictions on a trademark owner’s ability to expand use of a trademark or obtain registration of a common law mark that it has not registered.

Once they are published in the Canadian Trade-marks Journal, official marks become prohibited marks under Section 9 of the Act and cannot be adopted by others in connection with a business, as trademarks or otherwise. Official mark applications are not examined by the Trade-marks Office as are regular trademark applications, and an official mark does not have to meet the same criteria in terms of distinctiveness, similarity to previously registered marks and descriptiveness. In addition, official marks are not restricted to any particular wares or services.

The Council sought judicial review of the Registrar of Trade-marks’ decision to give public notice that the College had adopted and used 16 official marks. The Council previously had registered trademarks, including D.T.C.M. (Doctor of Traditional Chinese Medicine), that were expunged or abandoned.

The basis on which the Council sought judicial review to have the official marks of the College set aside included the following arguments:

1. The College is not a public authority;
2. The College did not adopt or use the official marks; and
3. The official mark provisions of the Act must be read narrowly to ensure their constitutionality, as official marks, which result from federal legislation, could hinder the ability of the provinces to regulate health professions such as TCM and acupuncture.

The Court was not convinced on any of these grounds. It found that the official mark provisions of the Act do not restrict the ability of the provinces in Canada to regulate health care professionals. It further found that, “[r]ather than conflicting with it, the Trade-marks Act complements and reinforces the College’s authority by allowing it, through paragraph 9(1)(n), to prevent professional designations from becoming articles of trade and commerce.”

The Court dismissed the application for judicial review seeking to challenge the official marks of the College and the constitutional validity of Section 9(1)(n) of the Act, which allows for official marks in Canada.

Contributor: Catherine M. Dennis Brooks
Miller Thomson LLP, Toronto, Ontario
Verifier: Lorraine M. Fleck
Perry + Currier, Toronto, Ontario
Both are members of the INTA Bulletin Law & Practice—United States & Canada Subcommittee.

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COSTA RICA Regulatory Authority Approved for Certification Marks

Certification marks are not as well known as traditional trademarks, but they are gaining popularity among Costa Rican companies. In addition to the examination that all trademarks must go through—namely, an assessment of their distinctiveness, descriptiveness and likelihood of confusion with other trademarks—certification marks must also be examined by the applicable regulatory authorities. Such examination must include review of the regulations governing the standards that the mark certifies and of quality control measures required before and after such certifications are granted.

In Costa Rica, there was no designated authority for approving regulations for certification marks until July 31, 2013, when the Trademark Office (TMO) appointed the Costa Rican Entity for Accreditation (ECA) as the authority having jurisdiction to approve certification mark regulations. Until then, many certification marks were being rejected by the TMO on the ground that the regulations lacked the approval of a local competent authority.

Obtaining approval from a competent authority was straightforward when certification marks covered goods such as pharmaceuticals or fertilizers, as it was easy to obtain the approval of the Health Ministry or the Ministry of Agriculture. However, obtaining such marks posed a problem when it came to electronic devices and/or services, as there was no appropriate authority.

As a result, several discussions were held between the authority for technical regulations, ECA, and the TMO, which concluded in the issuance of an official guideline (DRPI-004-2013) appointing ECA as the responsible entity.

SWITZERLAND Use of Swedish Town Name Kalmar as Trademark Not Deceptive

The Swiss Federal Administrative Court recently overturned a decision of the Federal Institute of Intellectual Property (IGE), which had rejected the registration by Cargotec Patent AB of the trademark KALMAR for various goods and services in Classes 7 and 12. (Case No. B-550/2012 (Federal Administrative Ct. June 13, 2013).)

Cargotec sought protection in Switzerland for its international trademark KALMAR, to cover goods in Classes 7, 12 and 37. (IR No. 1019668, filed July 21, 2009, registered Aug. 18, 2009.) The IGE subsequently refused protection on the grounds that the word KALMAR belonged to the public domain and was, furthermore, deceptive as it was the name of a Swedish town.

Cargotec appealed to the Federal Administrative Court against the IGE’s final refusal.

The court analyzed the mark KALMAR and found that the town in Sweden had almost 63,000 inhabitants. It further found that Kalmar was the place where Volvo and railroad vehicles had been produced, but that the factories had closed by 2005, and consequently the town most likely was no longer known to the relevant trade circles. As there are no direct flights to Kalmar, the court concluded that the place had little impact on Swiss tourism. Even the fact that major important international soccer games took place in Kalmar did not change the court’s opinion that the town had little significance to Switzerland. As the town was not known, it was more likely, said the court, that KALMAR products would be bought because consumers made a connection with the sea creature squid (calmar), and therefore the mark was distinctive and not deceptive. Furthermore, as the trademark itself was registered in Sweden, the court held that there was no need to keep the mark free for use by local Swedish companies.

The decision is in line with the previous jurisprudence of the Federal Administrative Court. In a prior decision, the court held, contrary to the IGE, that the trademark GERRESHEIMER was not perceived as a geographical indication (namely, a district of the German city of Düsseldorf), (Case No. B-7256/2012 (Federal Administrative Ct. July 12, 2011).) The court generally affords protection, without any restriction or limitation, to geographical locations that are unknown to the Swiss consumer. The practice of the IGE, on the other hand, shows that the Institute generally assumes such locations are known to the Swiss public.

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The Trademark Trial and Appeal Board (TTAB or Board) held that a movie theater company did not acquire its transferor’s right to oppose an application because the transfer agreement did not transfer any trademark rights. Renaissance Rialto Inc. v. Ky Boyd, Opposition No. 91197602 (T.T.A.B. May 31, 2013) (precedential).

Opposer Renaissance Rialto Inc. sought to block applicant Ky Boyd from registering the mark RIALTO CINEMAS, as used in connection with “movie theaters” in Class 41. Renaissance pleaded several alternative grounds for the opposition, including prior use of the mark, descriptiveness of the mark, genericness of the mark and fraud (based on Mr. Boyd’s allegedly false claim of exclusive rights in the mark).

The TTAB did not have to rule on any of those grounds, however, because it found that Renaissance had no standing to oppose the RIALTO CINEMAS application. The USPTO published the application on September 7, 2010, meaning that the deadline to oppose was October 7, 2010, and Renaissance did not file its notice of opposition until November 23, 2010.

Renaissance claimed that a third party, Lakeside Cinema Partners LLC, had obtained an extension of time until January 5, 2011, to oppose the application and by an agreement dated November 1, 2010, transferred to Renaissance the right to oppose. The agreement also transferred to Renaissance the rights, if any, that Lakeside Cinema had in the mark RIALTO CINEMAS, rights that Lakeside Cinema would have acquired, if at all, from Mr. Boyd, who was the leaseholder of the Rialto Cinemas theaters before Lakeside Cinema acquired the lease. However, Renaissance submitted no evidence that Lakeside Cinema had ever used the mark RIALTO CINEMAS, and there was evidence of record that Lakeside Cinema had not, in fact, used that mark to brand its movie theaters and may not have had the right to do so.

The TTAB said that “[a] party which files an opposition during an extended opposition period must have obtained the extension in its own name or must be in privity with the party that filed the request for an extension of time to oppose.” This is so, the Board noted, because “an extension of time to oppose is a personal privilege” and therefore requires more than that two parties “share the same objection to the issuance of a registration to [the] applicant” (citing Cass Logistics Inc. v. McKesson Corp., 27 U.S.P.Q.2d 1075, 1077 (T.T.A.B. 1993)). The TTAB also noted that privity “generally includes, inter alia, the relationship of successive ownership of a mark (e.g., assignor, assignee)” (citing TTAB Manual of Procedure § 206.02).

After reviewing the evidence, the TTAB found that “there has been an insufficient showing of use by Lakeside Cinema of the mark that it purports to transfer in the Transfer Agreement” and that therefore “Lakeside Cinema transferred only the bare right to oppose applicant’s registration.” The Board held that “acquisition of another’s right to oppose, independent of a transfer of rights to a trademark and its associated goodwill, is an insufficient basis upon which to claim the benefit of the transferor’s personal privilege in an extension of time to oppose an application” (citation omitted). Accordingly, the TTAB ruled that it had no jurisdiction and dismissed the opposition “without prejudice to opposer’s right to file a petition for cancellation, if otherwise appropriate.”

Contributor: Timothy J. Lockhart
Willcox & Savage, P.C., Norfolk, Virginia

Verifier: Lisa A. Iverson
Neal & McDevitt, LLC, Northfield, Illinois
Chair of the INTA Bulletin Law & Practice—United States & Canada Subcommittee.

The Trademark Trial and Appeal Board (TTAB or Board) determined that the sale of products to a single international customer was sufficient to establish priority of use, rejecting the respondent’s argument that only sales made to customers within the United States were bona fide. Barnhardt Manufacturing Co. v. Wildwood Gin, Inc., Cancellation No. 92053237 (T.T.A.B. June 17, 2013) (non-precedential).

Barnhardt Manufacturing Company petitioned to cancel respondent Wildwood Gin, Inc.’s registration for ULTRACLEAN for “raw cotton” on various grounds, including priority and likelihood of confusion. Based on ownership of common law rights, Barnhardt alleged it had continuously used the mark ULTRACLEAN in commerce in connection with the same goods since March 2006, at least two years before Wildwood’s earliest first-use date.

On the issue of priority of use, Barnhardt submitted testimony and evidence establishing that in March 2006 it made a single shipment to a customer in Israel. Although Barnhardt pleaded rights in the mark ULTRACLEAN as a single term for its priority of use, the slight variation of the term, ULTRA-CLEAN with a hyphen, was tried by implied consent. The TTAB found this evidence sufficient to demonstrate Barnhardt’s use of the mark at least as early as December 2006. It rejected Wildwood’s argument that a sale to a single customer located outside the United States was a mere token use of the mark. Accordingly, the shipment of products to Israel was clearly a sale of the product in the ordinary course of trade, and thus a bona fide use of the mark in commerce.

On the issue of continuous use, there was no evidence of sales for Barnhardt’s mark from December 2006 to March 30, 2009. The TTAB pointed out, however, that a party has to show only prior use, not continuous use, of its mark unless there is a claim of abandonment.

While Wildwood made no such claim, the time period would have been insufficient to support a prima facie case of abandonment as it was less than three years.

The TTAB held that Barnhardt met its burden to show that it had priority of use. The Board further found a likelihood of confusion based in part on the parties’ highly similar products and near identity of marks. Therefore, the petition to cancel was granted.

Contributor: Catherine Hoffman
Mayback & Hoffman, P.A., Ft. Lauderdale, Florida

Verifier: Elizabeth K. Brock
Harness, Dickey & Pierce, P.L.C., Troy, Michigan
Both are members of the INTA Bulletin Law & Practice—United States & Canada Subcommittee.
# INTA 2013 Calendar of Events

Plan your calendar with these INTA events and stay up to date on issues that affect your trademarks—domestically, regionally and globally.

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