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SEPTEMBER 2002

**R**OGER ZISSU, CRAIG MENDE and TAMAR NIV BESSINGER successfully represented Field & Stream Licenses Co. ("FSLC") before the Second Circuit Court of Appeals. The court affirmed the summary judgment dismissal of the complaint by Times Mirror Magazines, owner of *Field & Stream* magazine, against FSLC for trademark infringement and breach of contract arising out of FSLC's continued use of its mark FIELD & STREAM for apparel and additional items, and affirmed the damages award to FSLC of over \$1 million in legal fees arising from the plaintiff's breach of a covenant not to sue. This case is further detailed in the U.S. Section of this INFORMATION LETTER.

**R**ICHARD LEHV, LISA PEARSON, BARBARA SOLOMON, ZOE HILDEN and MICHAEL CHIAPPETTA represented Stride Rite, Inc. in the US District Court for Massachusetts in successfully defeating a motion for a preliminary injunction filed by Converse, Inc. against Stride Rite relating to the trade dress of a line of athletic shoes. This case is further detailed in the U.S. Section of this INFORMATION LETTER.

**R**ICHARD LEHV, JOHN MARGIOTTA, ZOE HILDEN and JAMES WEINBERGER successfully represented Sony Corporation and Sony Electronics in defeating a motion for a preliminary injunction, based on reverse confusion, brought by M&G Electronics Sales Corp. in the United States District Court for the Eastern District of New York. This case is further detailed in the U.S. Section of this INFORMATION LETTER.

**M**ARIE DRISCOLL and TAMAR BESSINGER successfully represented Thermoscan, Inc., the maker of THERMOSCAN ear thermometers, in an appeal before the U.S. Court of Appeals for the Sixth Circuit. The Sixth Circuit affirmed the lower court's entry of summary judgment in favor of Thermoscan, Inc., dismissing the claims of trademark infringement and unfair competition brought by the plaintiff Therma-Scan, Inc., user of the THERMA-SCAN mark for thermal medical imaging services.

**D**AVID EHRLICH has persuaded the Trademark Trial and Appeal Board to designate for publication the LEGO® v. MEGO opposition proceeding summarized on page 1 of the June 2002 issue of our information letter, Opposition No. 103,612. The opinion should appear soon in the United States Patent Quarterly. The TTAB had originally designated the opinion not for publication and not citable as precedent.

**P**ATRICK T. PERKINS and EVAN GOURVITZ represented DC Comics in the U.S. District Court for the Western District of Pennsylvania in successfully dismissing a copyright infringement case brought against DC by an individual who claimed that one of DC's comic books recasting Superman in a different time and place infringed the plaintiff's copyright.

**O**N MAY 22, JANET L. HOFFMAN moderated a panel presentation on developments in Eastern Europe and the former U.S.S.R. at the Annual Meeting of the International Trademark Association in Washington, D.C. The program was entitled, "Getting a Grip on TRIPs: Eastern Europe/Baltic States/CIS Over a Decade Later."

**W**E ARE VERY PLEASED TO WELCOME VEJAY LALLA who joins us as an Associate in the International group. Vejay comes to us from Cowan, Liebowitz & Latman. While in law school Vejay was a Law Clerk/Summer Associate for The Estee Lauder Companies Legal Department, a Legal Intern for the Authors Guild, an Assistant to the General Counsel of Red Apple Corporation and Legal Intern for the Music Library, Publishing and Licensing Department at ABC Television Network, Inc. Vejay is a 2000 graduate of Benjamin N. Cardozo School of Law. He was a Dean's Scholarship recipient and was Notes and Comments Editor on the Cardozo Journal of International and Corporate Law. He received his Bachelor's Degree in Political Science in 1997 from Boston University, College of Arts and Sciences.

**FROSS ZELNICK LEHRMAN & ZISSU, P.C.**

# Information Letter

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## UNITED STATES

### TRADE DRESS:

- No Likelihood of Confusion

### TRADEMARK DECISION:

- Claim of Reverse Confusion Defeated

### TRADEMARK INFRINGEMENT:

- Co-existence Agreements

### TRADEMARK RIGHTS:

- First Amendment-Based Limits
- First Amendment Defense Rejected

### Trade Dress: NO LIKELIHOOD OF CONFUSION

Since 1935, Plaintiff Converse, Inc. and its predecessors have been manufacturing a line of athletic shoes that feature a toe design that Converse refers to as its "Toe Smile" mark. Converse owns an incontestable trademark registration for the "Toe Smile" mark, which consists of a rounded rubber toe bumper with a horizontal semicircular bar running along the front of the toe (resembling a smile). From 1976 to 1978 and 1989 to 1993, defendant Stride Rite Corp had marketed similar footwear that also featured a solid semicircular bar along the front of the toe. There was some dispute over the parties' rights in the design during Stride Rite's second launch. Stride Rite discontinued the line in 1993, however, and the issue was never addressed by a tribunal.

In 2002, Stride Rite resumed use of the design on its "Court King" model, advertising the shoe only on its website and marketing the product only to high-end retail outlets. The Court King sneaker also featured stripes along the side of the shoes and a Keds label on the heel of the shoe. After Converse filed its claims, Stride Rite decided to discontinue the Court King model once current orders had been filled. However, Converse pursued the preliminary

injunction with the aim of forcing Stride Rite to recall all product already shipped to retailers.

While the court did not accept Stride Rite's arguments that the "Toe Smile" design was practically or aesthetically functional (as opposed to serving as a source-identifying trademark), or that the "Toe Smile" mark was generic, it held that Converse was not likely to succeed on the merits of its case given that consumer confusion between the parties' goods is unlikely. In applying the likelihood of confusion test, the court found that the marks were not sufficiently similar when considering the effect of the "Toe Smile" design on Stride Rite's Court King shoe in the context of the overall product, which includes several distinguishing features on both the product itself and its packaging. Further, the court found that Stride Rite had narrowed its market for the Court King sneaker such that the parties' channels of trade, advertising and prospective purchasers are unrelated. Finally, the fact that Converse was unable to show any consumer confusion, notwithstanding years of simultaneous production by the parties, undermines its claim that confusion is likely to occur in the future. In view of its finding that Converse was not likely to prevail on the merits, the court denied its motion for a preliminary injunction.

This Information Letter is provided as a public service to interested persons and its receipt does not imply an attorney-client relationship, even with our firm's former clients. It is designed to highlight items of current interest and is not intended to be a full review of any subject matter, for which specific legal advice should always be obtained.

## Trademark Decision: CLAIM OF REVERSE CONFUSION DEFEATED

RICHARD LEHV, JOHN MARGIOTTA, ZOE HILDEN and JAMES WEINBERGER successfully defeated the motion for a preliminary injunction brought by Plaintiff M&G Electronics Sales Corp. of Long Island, NY against Sony Kabushiki Kaisha, also trading as Sony Corporation and Sony Electronics, Inc. in *M&G Electronics Sales Corp. v. Sony Kabushiki Kaisha*, No. CV-01-7668 (ADS/ETB) (E.D.N.Y.) (Jun. 4, 2002).

M&G, a manufacturer and wholesaler of electronics, claimed that its stylized MG trademark was infringed by Sony's use of a design mark incorporating the letters MG (an abbreviation for "MagicGate") in connection with Sony's Memory Stick digital storage media. MagicGate is a copyright protection and management technology used to prevent the unauthorized reproduction of digital music files. M&G based its theory of infringement on reverse confusion. Plaintiff claimed that because its MG mark – and an incontestable registration with the U.S. Patent & Trademark Office – predated Sony's use of its MG mark, and because Sony is a large multinational corporation, consumers would think that Plaintiff's MG mark was actually an infringement of Sony's MG mark. Plaintiff alleged that Sony's use of the MG mark on MagicGate-compatible electronics devices (mp3 players, notebook and desktop computers) was at the early stages of a large scale consumer rollout, and that the resulting reverse confusion would increase over time as Sony's MG mark became more central to Sony's expansion plans. M&G also claimed that Sony had engaged in bad faith based on the conduct of its outside trademark counsel, who had requested a consent from M&G prior to the initiation of the lawsuit. M&G requested a preliminary injunction and a recall of Sony's MG products.

Sony disagreed on both factual and legal grounds. Sony first argued that there was no likelihood of reverse confusion between the marks, based on the weakness of Plaintiff's MG mark, the extensive third-party use of the term "mg" in the electronics industry, the fact that Sony used MG only as a secondary term on its WALKMAN (personal stereos), VIAO (computers) and CLIE (hand-held computers) products, and the substantial differences in Plaintiff's and Sony's products and the ultimate

purchasers of those products. Sony argued that the conduct of its outside trademark counsel was proper, and did not constitute bad faith for purposes of likelihood of confusion. Sony also noted that M&G had not demonstrated that Sony uses its MG mark in any consumer advertising. This is significant because Plaintiff had argued that saturation advertising by the junior user is the *sine qua non* of reverse confusion. Sony also submitted uncontroverted evidence that it was not planning a large-scale consumer rollout of MagicGate products featuring the MG mark. Finally, Sony provided evidence of the devastating effects of any injunction or recall if M&G's motion were granted.

Following briefing on the injunction motion, Judge Spatt of the United States District Court for the Eastern District of New York issued an order requiring an evidentiary hearing before Magistrate Judge Boyle. The hearing took place on May 21-22, 2002, and involved testimony of several witnesses from both M&G and Sony, as well as oral summations.

Magistrate Judge Boyle, in a report issued on June 4, 2002, recommended that the court deny the motion for a preliminary injunction. First, the court determined that there was no likelihood of reverse confusion between M&G's mark and Sony's mark: despite its incontestable status, M&G's MG mark was weak, based on third-party use and the lack of evidence that consumers recognized its association with M&G; the marks were not similar; the parties' products were different; M&G was not likely to enter the copyright protection technology market; there was no actual confusion; Sony's trademark counsel acted in good faith; Sony's products were of a high quality; and consumers of the parties' respective products were sophisticated. The court also found that M&G had failed to make a showing of irreparable harm. This finding, combined with evidence submitted by Sony concerning the damage it would suffer if an injunction was entered, tipped the balance of hardships in Sony's favor.

- JDW

## Trademark Infringement: Co-EXISTENCE AGREEMENTS

In *Times Mirror Magazines v. Field & Stream Licenses Co.*, on June 26, 2002 the U.S. Court of Appeals for the Second Circuit affirmed the grant of summary judgment in favor of defendants, Field & Stream Licenses Co. ("FSLC") and Jerome V. Lavin, dismissing in its entirety the complaint of by Times Mirror

Magazines (“Times Mirror”), owner of *Field & Stream* magazine. Times Mirror’s complaint alleged causes of action for breach of contract and trademark infringement, and sought rescission of the parties’ five trademark co-existence agreements with respect to the FIELD & STREAM trademark. ROGER ZISSU, CRAIG MENDE and TAMAR NIV BESSINGER represented the defendants.

FSLC and its predecessors have used the FIELD & STREAM mark on outdoor clothing and other products since 1915. Times Mirror has published *Field & Stream* magazine since 1895. The parties entered into the first of their five co-existence agreements in 1984 and the last in 1995.

The court held that a party seeking to rescind a trademark concurrent use agreement must show that “the public interest will be significantly injured if the contract is allowed to stand” which is more than the likelihood of confusion required in ordinary trademark infringement cases. It affirmed the District Court’s rulings that in this case, a reasonable finder of fact could only find that the degree and extent of possible harm to the consuming public shown by evidence of misdirected inquiries was “minimal” and that the level of injury did not outweigh the public interest in holding parties to their commitments, as (1) Times Mirror voluntarily agreed to contract terms that could result in confusion, (2) the parties (and their predecessors) have concurrently used the FIELD & STREAM mark “for nearly one hundred years,” undercutting any claim of significant public injury, (3) there is a strong public interest in protecting the reliance that such contracts induce, and (4) there is a strong public interest in encouraging extra-judicial settlement of trademark litigation.

The Court of Appeals rejected Times Mirror’s contentions that in 1984, when the parties’ co-existence agreements began, Times Mirror had possessed sufficiently broad rights as the senior user of the mark FIELD & STREAM to encompass the domain of outdoor products, holding that at that point each party held strong rights in the mark for its respective goods, and that “[u]nder the circumstances, neither party had an automatic entitlement to expand into the market for other hunting and fishing products to the exclusion of the other.”

The Court of Appeals ruled that Times Mirror was therefore bound by the co-existence agreements, including the provisions reserving to FSLC the FIELD & STREAM products it was licensing and prohibiting Times Mirror from

suing FSLC or making any other claim that would hinder FSLC’s use of the FIELD & STREAM trademark as permitted by the parties’ agreements. The District Court’s judgment awarded to FSLC, on its breach of contract counterclaim, damages of \$1,130,000 for its legal expenses incurred up to the trial, plus its further costs for the trial and appeal to be subsequently determined.

- CSM

## Trademark Rights: FIRST AMENDMENT-BASED LIMITS

In a case that Judge Alex Kozinski dubbed “Speech-Zilla meets Trademark Kong,” the Ninth Circuit Court of Appeals upheld a California district court’s rejection of all of toy company Mattel’s claims concerning a pop-music parody of its “Barbie” doll. *Mattel, Inc. v. MCA Records, Inc.*, No. 98-56453 (9th Cir. July 24, 2002). In a lengthy opinion, Judge Kozinski explored the line-drawing exercise courts must perform when Lanham Act rights come into conflict with the First Amendment, and came down strongly in support of the constitutionally protected right to use another’s trademark for expressive, as opposed to source-identifying, purposes.

Mattel brought claims for trademark infringement and dilution against MCA Records, its Scandinavian affiliate and three foreign affiliates of Universal Music Group arising out of the production, marketing and sale of the 1997 hit song “Barbie Girl,” by the Danish band Aqua. The song’s lyrics unmistakably reference Mattel’s doll and her male companion Ken through such lines as “I’m a Barbie girl, in my Barbie world/Life in plastic, it’s fantastic” and “I’m a blonde bimbo girl,” as well as other, racier lyrics playing off the theme of a dress-up doll. The court held that the song was a parody designed to poke fun at Barbie “and the values that Aqua contends she represents.”

Mattel’s infringement claim focused on the song title, “Barbie Girl.” In the context of an artistic work claimed to violate trademark rights, the court declined to apply the *Sleekcraft* likelihood of confusion analysis the Ninth Circuit follows in most trademark infringement cases, but rather followed the Second Circuit’s reasoning in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989), that artistic works “deserve[ ] to be treated differently.” Under the *Rogers* test, which the Ninth Circuit here expressly adopted, a literary title does not violate the Lanham Act unless it has no artistic relevance to the

underlying work whatsoever or it explicitly misleads as to the source or content of the work. Because “Barbie Girl” invoked Mattel’s Barbie mark neither gratuitously nor deceptively, it passed the *Rogers* test. Holding that there was therefore no infringement, the court did not reach the question whether the district court was correct in holding that “Barbie Girl” was a nominative fair use of Mattel’s mark under the Lanham Act (*i.e.*, a permissible use of a mark to refer to the trademark owner’s goods).

As for Mattel’s trademark dilution arguments, the court found that “Barbie Girl” did in fact dilute the “Barbie” mark by “blurring” the mark – that is, by causing some consumers to associate the mark with both the song and Mattel’s doll, or with the song only, when previously the mark was associated solely with the doll. (This finding of dilution by blurring obviated the need to reach Mattel’s arguments as to dilution by tarnishment.) However, the court further held that the use of the “Barbie” mark in the Aqua song was a “noncommercial use” expressly permitted by the dilution laws. *See* Lanham Act Section 43(c)(4)(B), 15 U.S.C. § 1125(c)(4)(B). Although “Barbie Girl” made commercial use of Mattel’s mark in the sense that the MCA defendants were selling the song and Aqua’s album in commerce, the Ninth Circuit held that the word “noncommercial” in the dilution statute referred to the distinction in constitutional law between commercial speech, which is entitled to limited First Amendment protection, and fully constitutionally protected speech. In First Amendment case law, commercial speech has been defined as speech that does no more than propose a commercial transaction. The court held that the song’s expressive, parodic element removed it from the realm of purely commercial speech, and made its use of Mattel’s “Barbie” mark a “noncommercial use” exempted from the dilution laws.

- ZH

## Trademark Rights: FIRST AMENDMENT DEFENSE REJECTED

An interesting counterpoint to the “Barbie” case is a case in the U.S. District Court for the Northern District of Illinois involving an alleged parody of the famous mark “Velveeta” for cheese products. *Kraft Foods Holding Inc. v. Helm*, 63 USPQ 2d 1353 (ND Ill. June 7, 2002). Kraft there won a preliminary injunction against the defendants’ use of the term “VelVeeda” and “King VelVeeda” on a website bearing the banner “King VelVeeda’s Cheesygraphics. com”

featuring photographs of nude women in sexual suggestive poses or engaging in sexual activities, in addition to various commentary. The court found that this usage was likely to tarnish the plaintiff’s famous mark in violation of the federal anti-dilution law, Section 43(c) of the Lanham Act and in violation of the similar provisions of Illinois state law. The court also rejected the defendant’s assertion that the First Amendment protected him from a preliminary injunction. The court found that the defendant’s copy of the plaintiff’s famous mark was not a parody or commentary on the plaintiff or the plaintiff’s Velveeta product. The court also rejected the defendant’s assertion that the use of the diluted mark was inextricably intertwined with protected, non-commercial expression. The website included original art work drawings by the defendant who testified that he used “King VelVeeda” as his nickname and as his professional name when he signs his art work. Mr. Helm also earned income by running paid advertising on the website. The case follows a long line of precedent which rejects First Amendment defenses when famous marks or trade dress are used in an offensive or pornographic context.

- DWE

**FROSS ZELNICK LEHRMAN & ZISSU, P.C.**

# Information Letter

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## INTERNATIONAL

### AUSTRALIA

- Look-alikes

### EGYPT

- New Intellectual Property Law

### EL SALVADOR

- New Trademark Law –  
Opposition upon Renewal

### EUROPEAN COURT OF JUSTICE

- CTM Trade Dress

### QATAR

- New Intellectual Property Law

### DEADLINES

Hong Kong

### Australia: LOOK-ALIKES

On June 4, 2002, the Full Federal Court of Australia dismissed the appeal of Sydneywide Distributors Pty Ltd. (“Sydneywide”) against the earlier trial court decision that Sydneywide’s adoption of a can, with a silver and blue background with the name of the product located in the center in red, violated section 52 of the *Trade Practices Act 1974* (*Sydneywide Distributors Pty Ltd. v. Red Bull Australia Pty Ltd* [2002 FCAFC 157] (4 June 2002)). Red Bull Australia Pty Ltd (“Red Bull”) claimed, among other things, that the LiveWire product was substantially identical and deceptively similar to its Red Bull product; that Sydneywide’s action violated sections 52 and 53 of the *Trade Practices Act 1974* and constituted passing off.

Plaintiff’s RED BULL energy drink had been promoted in Australia since 1997 and appeared on the market there in 1999. In 2001, defendant Sydneywide, a prior sub-distributor of the RED BULL product in Australia, began to import an

energy drink called LiveWire. Both the LiveWire and RED BULL cans utilized a blue-silver color combination as well as a right-to-left diagonal thrust design on the front panel. Both products sold in 250 ml slimline cans. The respective brand names of these products appeared in red on the front panel of the can.

In ruling for plaintiff, the trial judge determined that the overall look and feel of the parties’ trade dress (the “gestalt”) was such that the LiveWire design, in effect, “sailed too close to the wind.” In affirming the trial judge’s decision the Federal Court observed that “the identical shades of blue, silver and red and the diagonal thrust are striking features of each get-up,” and that “the LiveWire get-up was calculated to deceive.” The court noted also “that the appellants apparently considered that there was advantage in the marketplace in copying aspects of the Red Bull get-up. In those circumstances...[the court found itself] unable to say that his Honour erred in concluding that the LiveWire get-up constituted a misrepresentation of that product as one which either was the same

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as the Red Bull product or was produced by, or with the approval of Red Bull. The ultimate findings flowed inevitably from that conclusion.” The prior relationship of the parties, and Sydneywide’s involvement in the market, were highly relevant factors. This decision stands as a clear warning to those who might seek to adopt “look-alike” trade dress.

- LG

## Egypt: NEW INTELLECTUAL PROPERTY LAW

A new intellectual property law was enacted on June 2, 2002. Among the important trademark-related features of the new law are (1) increased protection for well known marks and (2) elimination of the requirement that assignment of a mark must include assignment of the business or good will.

- J LH

## El Salvador: NEW TRADEMARK LAW – OPPOSITION UPON RENEWAL

El Salvador has adopted its own Trademark Law (effective July 17, 2002), effectively withdrawing adherence to the Central American Convention for the Protection of Industrial Property. Among the salient features of the new law are protection of famous marks, recognition of consents (coexistence agreements), rules for the registration of appellations of origin, trade dress protection and introduction of an exhaustion of rights principle. Official fees were increased by 100%.

In addition, marks registered under prior laws will be subject to judicial objection (opposition) upon renewal, on the following grounds:

- (1) The mark (a) is contrary to moral or public order; (b) contains an element that offends or ridicules persons, ideas, religions or a national/international entity's symbols; (c) totally or partially reproduces or imitates the coat of arms, flag, emblem, abbreviation, denomination, abbreviation of a denomination of any state or international organization, without the express authorization of such state or organization; (d) totally or partially constitutes a reproduction, imitation, translation or transcription of a notoriously known mark belonging to a third party, provided that its use can cause likelihood of confusion or a risk of association with such third party or takes unfair advantage of the mark's notoriety with respect to goods of the same

class, (e) totally or partially constitutes a reproduction, imitation, translation or transcription of a famous mark belonging to a third party, provided that its use can cause likelihood of confusion or a risk of association with such third party, regardless of the goods or services such mark covers; (f) affects the personality rights of a third party or partially or totally consists of the name, signature, title, pseudonym, image or picture of a person other than the owner, without express authorization from the third party or the third party's heirs; or

- (2) The opponent previously applied for such mark prior to the owner's original application date in El Salvador, in any country in which the mark has become famous or notorious.

A renewed mark will be published three consecutive times in the Official Gazette. An opposition or objection can be filed within two months after the first publication. Certification of the judicial objection must be filed with the Trademark Office within 15 days. We are advised that this new procedure is intended to clear the Registry of lingering piratical marks. Trademark owners should be aware of the new opposition period upon renewal and may wish to take steps to secure their rights.

On the enforcement side, the new law increases the ability of trademark owners to secure preliminary injunctions (within 48 hours) against infringement and counterfeiting, both in the criminal and civil context.

- J LH

## European Court of Justice: CTM TRADE DRESS

In a recent European Court of Justice decision, the scope of protection given to product shapes was examined and protection was denied for shapes in which the essential functional features are attributable only to the technical result for which the product is intended, even if the product shape has developed secondary meaning.

The case, *Koninklijke Philips Electronics LV v. Remington Consumer Products Ltd.*, Case C-299/99 (2002), involved Philips' U.K. trademark registration no. 1,254,208 for an electric shaver design employing three circular rotary blades configured in an equilateral triangle. When Remington commenced sales of a competing shaver in the U.K. featuring a similar three-head configuration, Philips sued for infringement. In

response, Remington counterclaimed for revocation of Philips' registration.

The UK High Court of Justice granted Remington's counterclaim and invalidated the registration. On appeal, the UK Court of Appeal referred a number of questions to the ECJ for an interlocutory ruling, including i) whether the CTM Directive creates certain categories of marks, e.g. product shapes, that, as a matter of law, are incapable of distinguishing the user's goods or services, and therefore are unregistrable; ii) whether product shapes are only registrable if a "capricious addition," or non-functional element is shown; iii) whether longstanding exclusive use of a product shape, such that consumers associate the shape as signifying the products of the user, renders the shape sufficiently distinctive for registration; and iv) whether a product shape is unregistrable if the essential functional features of the shape are solely attributable to the technical result, and whether such outcome can be overcome by showing that the technical result can be obtained using other shapes.

The ECJ, in considering the first question, noted that Article 2 of the CTM Directive provides that "a trade mark may consist of any sign capable of being represented graphically, . . . including . . . the shape of goods . . . provided that such signs are capable of distinguishing the goods or services." Accordingly, the ECJ held that there is no class or category of marks which is per se disqualified from registration. Thus, product shapes are generally registrable, provided that they are capable of distinguishing the goods. Moreover, product shapes are not held to a different standard from other categories of marks and, therefore, in answer to the second question, the ECJ held that no capricious non-functional addition must be shown to obtain registration of a shape.

With respect to the third question, the ECJ noted that under Article 3(1)(b), (c) and (d) of the CTM Directive, marks that are non-distinctive, descriptive, geographically descriptive or that have become customary are denied registration. Nevertheless, under Article 3(3), such marks can be registered if they have acquired a distinctive character through use. Accordingly, the longstanding exclusive use of a product shape, which establishes an association in the eyes of customers between the shape and the source of the products, could render the shape sufficiently distinctive for registration.

However, and most problematic for Philips, the ECJ further noted that under Article 3(1)(e)

registration is denied to "signs which consist exclusively of: the shape which results from the nature of the goods themselves; or the shape of goods which is necessary to obtain a technical result; or the shape which gives substantial value to the goods." Moreover, Article 3(3), by its terms, is inapplicable to Article 3(1)(e). Accordingly, functional shapes falling within the prohibition of 3(1)(e) are nonregistrable, regardless of any secondary meaning they have achieved through customer recognition. Thus, in answer to question four, the ECJ held that product shapes, the functional features of which are attributable only to the technical result sought, cannot be registered. Moreover, the court held that this provision cannot be overcome by showing that the desired result can be obtained by alternative product configurations, nor with a showing of secondary meaning.

As a result, product shapes, particularly those that are arguably functional, are likely to encounter increased scrutiny in the CTM Office and in national trademark offices in the EU. As for Philips, to avoid cancellation of its registration, it will need to establish to the UK court that its product shape is not solely derived from the technical result for which its product is intended.

- JMV

## Qatar: NEW INTELLECTUAL PROPERTY LAW

A new Law on Trademarks, Business Names and Data, Geographical Indications and Industrial Models and Designs was passed on June 15, 2001. The law should be implemented within two months of that date.

- JLH

## Deadlines

A new trademark law has been passed in HONG KONG. Applications pending at the time the law goes into effect, **sometime in 2003**, will be examined under the provisions of the old law. However, applications not advertised on the date of commencement of the new law may, upon request of the applicant, be considered under the new law. Such requests will have to be made within six months of commencement of the new law.

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