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SEPTEMBER 2004

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**PATRICK T. PERKINS** and **JAMES WEINBERGER** obtained summary judgment on June 16, 2004 in the U.S. District Court for the District of Georgia on behalf of Kensington Publishing Corp., its principals, and Jerry Speziale in an action brought by Paul Lir Alexander, a former cooperating witness for the DEA. Speziale, a New York police officer working with a narcotics task force, wrote an account "Without a Badge: Undercover in the World's Deadliest Criminal Organization" (published by Kensington) chronicling in part his involvement in undercover sting operations with Alexander's assistance. The book also describes how, without the government's knowledge, Alexander was simultaneously importing drugs to this country on the side, crimes to which he pled guilty in 1993 and for which he has been incarcerated since that time. Alexander filed suit in July 2003, alleging invasion of privacy torts, including publication of private facts. On Kensington and Speziale's motion for summary judgment, the court found that the publication at issue was protected as a matter of law under the First Amendment, as it concerned matters in the public interest and the subject of criminal investigation. Alexander has appealed the decision to the U.S. Court of Appeals for the Eleventh Circuit.

**ROGER ZISSU, PATRICK T. PERKINS, DAVID DONAHUE** and **LAURA POPP-ROSENBERG** successfully represented Stephen Slesinger, Inc. in obtaining leave to add counterclaims against Disney Enterprises, Inc., in a case involving an attempt under the copyright laws by the heirs of A. A. Milne and Ernest H. Shepard to terminate Slesinger's merchandising rights to the Winnie-the-Pooh characters and regrant such rights to Disney, Slesinger's licensee under a 1983 agreement. In a May 2003 ruling, the U. S. District Court for the Central District of California had held that the notice of termination served by the Milne heir purporting to terminate Slesinger's rights under a 1930 Agreement with A. A. Milne was not effective because, in 1983, all those involved had revoked the 1930 Agreement and replaced it with the 1983 Agreement. The court now has given Slesinger permission to plead breach of contract and unfair business practices claims against Disney for inducing the heirs' attempted termination of Slesinger's rights and to seek remedies from Disney that include termination of all of Disney's future rights

obtained from Slesinger in 1983 to exploit Winnie-the-Pooh characters. Slesinger also successfully blocked Disney's effort to stay discovery in the case.

**RICHARD LEHV** and **JESSICA MANN** won a decision in the U.S. District Court for the Southern District of New York dismissing a trade dress infringement claim brought against our firm's client, Babelito, an Argentine manufacturer of products for infants, on the ground that the defendant had not been properly served in the United States. This decision is described in greater detail in the U.S. section of this newsletter.

**ROGER ZISSU'S** ARTICLE "Funny Is Fair: The Case for According Increased Value to Humor in Copyright Fair Use Analysis," will be one of the contributions in the new anthology, "An Unhurried View of Copyright in a Hurried World" to be published this Fall by Mathew Bender in cooperation with Suffolk University School of Law. This book will honor Professor Benjamin Kaplan and reprint his classic three lectures, "An Unhurried View of Copyright," presented at Columbia University in 1967 when he was the Royall Professor of Law at Harvard. There will be an introduction by Professor Arthur Miller and articles from Jon Baumgarten, Professors Jane Ginsburg and Robert Gorman, Professor Paul Goldstein, Professor Lloyd Weinreb, David Nimmer, Roger Zissu and others.

**ON JUNE 13-15, 2004, DAVID DONAHUE** chaired the Annual Meeting Committee of the Copyright Society of the U.S.A., which held its annual meeting at the Sagamore Hotel in Bolton Landing, New York. Also at the meeting, **ROGER ZISSU** moderated a panel discussion titled "*Copyright Litigation: Working with Experts.*"

**WE ARE VERY PLEASED TO WELCOME CARA BOYLE AND IRENE SEGAL AYERS** as Associates in our International group.

Cara comes to us from Morgan, Lewis & Bockius LLP where she was an associate since September 2001. She also worked as a law clerk there during July and August 2000. Previously, she was a law clerk for Pattishall, McAuliffe, Newbury, Hilliard & Geraldson from September 1999 to June 2000, and August 2000 to May 2001. Cara is a 2001 graduate of Loyola University Chicago School of Law. She was the Consumer Law Review Staff Editor. She received her Bachelor's Degree at the University of Virginia in 1989.

Irene comes to us from Akin Gump Strauss Hauer & Feld LLP in Philadelphia where she was an associate since August 2000. Irene is a 1999 graduate of University of Cincinnati College of Law, where she was a Timothy Walker Founders Scholar, Contributing Editor of the University of Cincinnati Law Review. She received the Order of the Coif, the Portune/Kilcoyne Conflict of Laws Prize, and First Prize in the ASCAP Copyright Law Nathan Burkan Memorial Competition at the University of Cincinnati. Irene received her Bachelor's degree from Bryn Mawr College and her Master's degree in English Literature from Indiana University. Prior to law school, Irene was a doctoral candidate in English literature at Indiana University and taught English literature and composition at Indiana University and Indiana State University. She is the author of numerous articles on copyright and trademark law which have appeared in various legal publications and law reviews.

# Information Letter

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## UNITED STATES

### NEWS FROM THE U.S. PATENT AND TRADEMARK OFFICE

- Commissioner for Trademarks  
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- New PTO Address

### TRADEMARK DECISION

- Likelihood of Confusion Standard  
 (Names of Pharmaceutical  
 Preparations)

### TRADE DRESS INFRINGEMENT

- Invalid Service

### U.S. DESIGN PATENTS

- Not Just for Traditional Designs

## News from the U.S. Patent and Trademark Office

### Commissioner for Trademarks Announces Resignation

The Commissioner for Trademarks, Anne Chasser, has announced her resignation, effective September 1, 2004. Ms. Chasser has served for five years, after being appointed by President Clinton in 1999. At that time, she was President of the International Trademark Association and the Director of Trademarks and Licensing Services at Ohio State University. The position of Commissioner of Trademarks is filled by a presidential nominee, who is then confirmed by the U.S. Senate. The White House has not yet nominated Ms. Chasser's successor. We have been informed that the Deputy Commissioner for Trademark Policy, Lynne Beresford, will be acting Commissioner in the interim.

### New PTO Address

The PTO has announced that its trademark operation is relocating to Alexandria, Virginia,

in October and November 2004. The trademark operation is now located in the Crystal City area of Arlington, Virginia. Effective October 4, 2004, most trademark-related paper mail, including responses to Office Actions and renewal applications, must be sent to:

Commissioner for Trademarks  
 PO Box 1451  
 Alexandria, Virginia 22313-1451

Also, the phone numbers of trademark examining attorneys will change on the moving dates for the individual examining law offices in October or November. Electronic filing of papers is unaffected (our firm now files all trademark applications electronically).

- DWE

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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.

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## Trademark Decision: LIKELIHOOD OF CONFUSION STANDARD (NAMES OF PHARMACEUTICAL PREPARATIONS)

*Kos Pharmaceuticals v. Andrx Corp.*, 369 F.3d 700 (3d Cir.2004)

Plaintiff Kos Pharmaceuticals, Inc. (“Kos”) uses the mark ADVICOR for a cholesterol-altering prescription drug comprised of lovastatin and niacin. Kos moved for a preliminary injunction against use of the mark ALTOCOR by Andrx Corporation (“Andrx”) for another cholesterol-altering prescription drug, comprised solely of lovastatin. The United States District Court for the District of New Jersey denied Kos’s motion, holding that Kos “failed to convince [the court] that the selective consumers in [the] case, physicians and pharmacists, will suffer from a likelihood of confusion.”

On appeal, the United States Court of Appeals for the Third Circuit reversed and directed the District Court to enter a preliminary injunction against Andrx. Among other things, the Court of Appeals’ opinion is noteworthy for its discussion of several issues peculiar to trademark infringement cases involving trademarks for prescription drug names.

First, the Court of Appeals noted that the District Court, in effect, replaced the likelihood of confusion test that applies to trademark infringement cases with a narrower “likelihood of misdispensing” test – i.e., the District Court considered only whether it was likely that doctors would misprescribe and/or that pharmacists would misdispense the two drugs due to the similarity of the parties’ marks. The District Court also should have analyzed whether the similarity of the parties’ marks likely would cause the relevant consumers to believe that ALTOCOR came from the same source as ADVICOR, even if a doctor or pharmacist would not mistakenly dispense one product instead of the other to a patient. The Court of Appeals held that viewed under the proper standard, confusion was likely.

For similar reasons, the Court rejected Andrx’s attempt to rely on a determination by the FDA Office of Drug Safety’s Division of

Medication Errors that the differences in the chemical composition of the parties’ respective drugs would help to ensure that “medication errors” (i.e., misprescription by doctors and/or misdispensation by pharmacists) would not occur between the two products. The Court noted that the FDA reviews proposed drug names “to predict potential confusion that may arise in the actual prescription process” and thus applies a narrower standard than the likelihood of confusion test, which extends to confusion as to whether the two drugs come from the same source. Accordingly, the FDA’s determination cannot “supplant the required Lanham Act analysis.”

Finally, the Court rejected Andrx’s argument that the relatively high level of sophistication of what it deemed to be the “relevant consumers” – here, doctors, nurses and pharmacists – would negate the possibility of any confusion as to the products. The Court noted that “[w]hile doctors and pharmacists play a gate-keeping role between patients and prescription drugs, they are not the ultimate consumers. Patients are.” Moreover, the Court noted that, even as to physicians and pharmacists, “greater care should be taken to avoid confusion in connection with medications” because “[c]onfusion in such products can have serious consequences for the patient.” In this connection, the Court relied upon Third Circuit precedent that “drug manufacturers cannot use marks that would be confusingly similar to non-experts,” which it characterized as “a warning that medical expertise is not enough, in and of itself, to lessen the likelihood of confusion in prescription drug cases.”

- DD

## Trade Dress Infringement: INVALID SERVICE

*Luv N’ Care, Ltd. v. Babelito, S.A.*, 306 F. Supp. 2d 468 (S.D.N.Y. 2004).

In this case, Luv N’ Care, Ltd. alleged that Babelito S.A. (our client) unlawfully copied its design for a baby bottle that can stand upright, or rest on its side without leaking. Babelito is a company located in Argentina, with no offices or employees in the United

States. Plaintiff attempted to serve Babelito by leaving copies of the summons and complaint with a shareholder of Babelito's U.S. distributor, a Florida company called Petit Bébé, LC. The shareholder is the son of the president of Babelito.

The United States District for the Southern District of New York granted Babelito's motion to dismiss the complaint on the ground that Petit Bébé is a distinct legal entity from Babelito and that Petit Bébé's shareholder is not Babelito's agent.

Under Rule 4(h)(i) of the Federal Rules of Civil Procedure, a party may serve a foreign corporation by, among other things, "delivering a copy of the summons and complaint to an officer, a managing or general agent, or to any agent authorized by appointment or by law to receive service of process." The court disagreed with Luv N' Care that the Petit Bébé shareholder was a managing or general agent of Babelito. Further, the court held that service upon one company is generally insufficient to constitute valid service on a legally distinct company. Therefore, service on Petit Bébé was "invalid as to Babelito."

The plaintiff also argued that the service was proper under the theory of "redelivery," because Petit Bébé notified Babelito of the service of the summons and complaint. The court held that the principal of "redelivery" was not applicable because it is limited to instances in which a person within an organization who receives a summons and complaint redelivers it to the proper person in that organization who is designated to receive it. The principle is not applicable, the court said, where the summons and complaint are delivered "from one company to another, especially where, as here, the companies are located in distant countries."

Finally, the plaintiff argued that Babelito had waived its right to challenge the service of process because it did not move to dismiss the case within 20 days after the service on Petit Bébé. Babelito argued that the parties had been engaged in settlement discussions, and the plaintiff had itself delayed for several months in filing an affidavit of service, which

is required under the court's rules as a prerequisite for obtaining a default judgment.

The court agreed that Babelito had not waived its right to object to service of process. First, it noted that it is "unclear whether Babelito was served at all," for purposes of the 20-day rule, because the service was made on a different corporation. Second, the court agreed that Babelito's motion to dismiss was timely, given the settlement discussions between the parties and the plaintiffs' own delay in filing an affidavit of service. The court therefore dismissed the complaint for improper service. The court did not need to reach Babelito's arguments that there was no ground for personal jurisdiction over Babelito in the Southern District of New York. Richard Lehv and Jessica Mann represented Babelito.

- RZL

## U.S. Design Patents: NOT JUST FOR TRADITIONAL DESIGNS

Design patents can provide valuable protection for ornamental designs in the United States. In some situations design patents function well on their own; in other cases they should be used along with copyrights and trademarks to create strong overlapping enforceable design protection. Fross Zelnick works with clients to consider the appropriate strategy for particular cases and helps clients obtain design protection for a wide variety of products.

Design patent protection is available for novel, non-obvious, and decorative ornamental designs embodied in an article of manufacture. The law provides for the protection of surface ornamentation applied to an article, or to the combination of surface ornamentation and article configuration. Color and material types, such as wood, may also be considered protectable features of designs. A broad interpretation of what is an "article," and the opportunity to protect surface ornamentation, permits a wide array of designs to be protected effectively by design patents.

Traditional articles of manufacture having protectable designs include such products as

perfume bottles, wristwatches, cookware, furniture, shoes, and other three-dimensional objects. However, in addition, there are protectable “articles” which are ephemeral in nature or are seemingly not “articles.”

A case that demonstrates that “articles” are sometimes more than expected is *Application of Hruby*, 373 F.2d 997 (C.C.P.A.1967), which held that the shape of a water spray from a fountain could be protected by a design patent. The fact that the design was made from water in motion did not dissuade the court from protecting the design. Design patents have also been granted for unusual objects such as food items, including sandwich bread and sushi rolls, and the interiors of restaurants (see, e.g., U.S. Design Pat. Nos. 317,672, 268,541, and 475,467).

Given the breadth of the surface ornamentation susceptible of patenting, other, possibly unexpected, results can arise. For example, design patent protection is available for computer icons and font characters or sets. *Ex parte Strijland*, 26 U.S.P.Q.2d 1259 (Bd. of Pat. App. & Interference 1992). An icon or font used on a computer screen is considered ornamentation of an article of manufacture. More conventionally, ornamentation such as that used on wallpaper or fabric patterns can be protected by design patents. Such designs are frequently protected by copyrights, but design patents can provide important supplemental protection. Unlike copyrights, design patents can be infringed by an independent creator of a similar design. Copying – a necessary element of copyright infringement – need not be shown. Arguably, design patents can create broader protection than copyrights, albeit for a shorter term.

- DIG

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# Information Letter

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## INTERNATIONAL

### COLOMBIA

- Requirements to Cancel a Mark Based on Reputation
- Trademark Ownership Directory

### ECUADOR

- Registration of Texture Mark

### EUROPEAN PARLIAMENT/COUNCIL OF THE EUROPEAN UNION

- .eu Domain Name Developments

### HUNGARY

- Amendments to Law on Protection of Trademarks and Geographical Indications

### IRAQ

- Amendments to Trademark Law

### LATVIA

- Amendments to Trademark Law

### RUSSIAN FEDERATION

- Amendments to Law on Copyrights and Related Rights
- Enactment of Law on Trade Secrets

### SINGAPORE

- Amendments to Trademark Law
- Amendments to Copyright Law

### Colombia: REQUIREMENTS TO CANCEL A MARK BASED ON REPUTATION

Title XIII of Andean Community Decision 486 provides for the protection of well-known marks. Pursuant to Article 235 of Decision 486, the owner of a well-known mark may seek to cancel a similar or identical mark based on reputation. The owner of the well-known mark must show that the subject mark was well-known at the time the application for the conflicting mark was filed. In a recent decision, the Colombian Trademark Office clarified that in order to rely on Article 235:

1. The party filing the cancellation action must be the owner of the well-known

mark, which suggests that parties authorized to use a well-known mark owned by another may not have standing to file the cancellation action under Art. 235;

2. The owner of the well-known mark must show that the mark upon which a cancellation action is based was well-known not only at the time the conflicting mark was filed for, but also at the time the cancellation action was filed. In other words, the owner of the well-known mark must show a legitimate interest in protecting the well-known status of his mark at the time of filing the cancellation action.

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- CC

## Colombia: TRADEMARK OWNERSHIP DIRECTORY

The Colombian Customs authority, DIAN, has set up a database called "Trademark Ownership Directory," to assist Customs and trademark owners in combatting infringing or counterfeit goods at the border. Trademark owners may wish to take advantage of this recordal procedure, for which there is no government fee.

- J LH

## Ecuador: REGISTRATION OF TEXTURE MARK

The Ecuadorian IP Institute has accepted an application by drink producer Diageo to register the special crinkled surface of the Old Parr-branded whisky bottle as a trademark. It found that the mark was distinctive, perceptible and capable of being represented graphically.

- J LH

## European Parliament/Council of the European Union: .EU DOMAIN NAME DEVELOPMENTS

On April 22, 2002, the European Parliament and the Council of the European Union adopted a Regulation (Regulation (EC) No 733/2002) which provides a framework to implement the .eu country code Top Level Domain (ccTLD) within the European Community. This ccTLD is not intended to replace any of the national ccTLDs of Member-States but to coexist with them much in the way that Community trademarks coexist with national trademarks.

Since the original implementing regulation, there have been further developments which should make .eu domain names available for registration in due course. In a Commission Decision of May 21, 2003 (Document Number c(2003) 1624), EURID – the European Registry for Internet Domains – was selected as the Registry for .eu domain names. EURID is a non-profit entity responsible for the organization, management and administration of this domain name. Most recently, on April

28, 2004, the European Commission published the long-awaited Public Policy Rules (Commission Regulation (EC) No 874/2004) for the .eu domain name. Some highlights of the Public Policy Rules are discussed below.

The eu domain name registrations will be available to:

1. Individuals residing in the Community;
2. Companies that have a registered office, central administration or principal place of business in the Community; and
3. Organizations established in the Community.

The Public Policy Rules provide for "phased registration" which enables holders of "prior rights" recognized or established by Community or national law to register domain names before general registration begins. "Prior rights" include:

- a) Registered national and Community trademarks;
- b) Geographical indications or designations of origin; and
- c) Unregistered trademarks, trade names, business identifiers, company names, family names, and distinctive titles of protected literary and artistic works, provided such rights are protected by national law in the Member-State.

The domain name must incorporate the prior right, as depicted in the supporting documentation filed with the domain name application.

Public bodies will also be entitled to register domain names during the phased registration period. "Public bodies" include: institutions and bodies of the Community, national and local governments, governmental bodies, authorities, organizations and bodies governed by public law, and international and intergovernmental organizations. A public body's domain name may incorporate the full name of the entity or an acronym that is generally used by the public body.

The phased registration process will occur in two steps, each lasting for two months. The first phase is tentatively scheduled to begin

December 2004. This two-step process is discussed below.

During the first step, only authorized parties may apply for domain names which are registered national and Community trademarks, geographical indications or the names or acronyms of public bodies. In the second step, applicants may seek to register domain names based on all other prior rights not eligible during the first period. Applicants eligible for registration during the first step may also apply for the .eu domain name during the second part of the phased registration process.

Prior rights claims will be reviewed by validation agents and must be verifiable by documentary evidence submitted by applicants. Further information on the validation agents will be located on the EURID website (namely <http://www.eurid.org/>).

If two or more applicants, with valid prior right claims, seek registration for the same domain name during the phased registration, the domain name will be allocated on a first-come, first-served basis.

After the phased registration, domain names will be registered on a first-come, first-served basis. Domain names may be transferred provided the assignee is eligible to register .eu domain names.

The Public Policy Rules also provide for a searchable, WHOIS database.

The Public Policy Rules finally provide for an alternative dispute resolution (ADR) procedure where: a) the domain name is "speculative or abusive" as defined by Article 21 of the Public Policy Rules; or b) a decision by the Registry conflicts with the Regulation implementing the .eu domain name or with the Public Policy Rules.

Owners of Community or Member-State national marks should keep a close watch on further developments on .eu domain names to ensure that their rights are adequately protected and their trademarks are not registered as domain names by unauthorized third parties.

- LG

## Hungary: AMENDMENTS TO LAW ON PROTECTION OF TRADEMARKS AND GEOGRAPHICAL INDICATIONS (Act XI of 1997) ("Trademark Law")

Effective **May 1, 2004**, several important amendments to the Hungarian Trademark Law came into effect. The salient new features may be summarized as follows:

1. The Act provides that upon joining to the EU, Hungary must enforce Council Regulation 40/94/EC on the Community Trademark, in Hungary.
2. European Community trademark applications may be filed through the Hungarian Patent Office (HPO). Of course it remains possible to file directly with OHIM on-line and local firms in Hungary report that it is working smoothly.
3. As of May 1, 2004 a CTM application or registration will be accorded priority in the same way as any previously filed/registered national application or registration. The Metropolitan Court of Budapest will have first instance jurisdiction as a Community Trademark Court.
4. To harmonize the CTM and Hungarian practice, the HPO will examine only whether the mark is in conformity with the requirements laid down in Section 1 of the Act (the office will not examine for relative grounds, i.e., prior rights).
5. It is now possible to oppose applications in Hungary. Parties may oppose applications within three months of the publication date. The opposition papers must set out the basis for opposition. No additional bases may be claimed later in the proceedings.

- JLH

## Iraq: AMENDMENTS TO TRADEMARK LAW

The Trademarks and Description Law of 1957 was amended, effective **April 26, 2004**, and is now known as the Trademark and Geographical Indications Law. The most salient features of the new law include (1) adoption of the Nice Classification of June 15, 1957 (as revised), (2) registration of collective

and certification marks, including Geographical Indications, in the same manner and with the same effect as trademarks, (3) a ten-year registration term, renewable for period of ten years and with a six-month grace period for renewal, (4) multiclass registration (including for goods and services in the same application), (5) special protection for well-known but unregistered marks, (6) cancellation within five years if the mark (a) becomes generic, (b) is functional, (c) was obtained fraudulently or contrary to standards for registrability, (d) has not been used for an uninterrupted period of three years (except for reasons beyond control of the trademark owner or for a "lawful excuse,") (e) is being used by the registrant or with the registrant's authorization in a way that misrepresents the source of the goods or services for which the marks is registered.

- JLH

#### Latvia: AMENDMENTS TO TRADEMARK LAW

As of **May 1, 2004**, the Latvian trademark law was amended to comply with TRIPS as well as to harmonize with EU law. The principal changes include better protection for unregistered marks, broader recognition of trademarks as property, additional remedies for unlawful use of trademarks, and new Part VIII, extending the European Community Trademark system to Latvia. As with other of the new EU members, existing CTM registrations were automatically extended to Latvia on the date of accession, May 1, 2004. Among the numerous amendments adopted to harmonize Latvian to EU law is Article 39(1) which provides that an opposition may be based on an identical or similar mark in respect of dissimilar goods/services if such mark has a reputation in the EU and use of the later mark would take advantage of or be detrimental to the distinctive character or reputation of the mark on which the opposition is based, or if consumers would perceive a relationship between the goods or services of the later mark and the owner of the prior CTM, and such use could damage the interests of the owner of the prior CTM. In addition, Latvian commercial law has been amended in respect of the relationship between company names and registered trademarks.

- JLH

#### Russian Federation: AMENDMENTS TO LAW ON COPYRIGHTS AND RELATED RIGHTS; ENACTMENT OF LAW ON TRADE SECRETS

##### Copyright

On July 20, 2004, President Putin signed into law the amendments to the Russian Federation Law on Copyrights and Related Rights which were passed by the State Duma on June 25 and approved by the Federation Council on July 7, 2004. This step is intended to bring Russian law into conformity with TRIPS and the WIPO Copyright Treaty and Phonograms Treaty. We expect that Russia will join both of these WIPO treaties in the near future. Among other changes, the amendments to the Copyright Law extend protection to publication on the Internet and publications in digital form (to be implemented on September 1, 2006). The amendments also extend the term of copyright protection from 50 to 70 years after an author's death, the term which was adopted by the European Union, and subsequently by the U.S. and various other countries. The amendment also conforms Russian law to the Berne Convention, to which Russia acceded in 1995, by providing for retroactive protection of authors' rights to the date of creation in the country of origin. The new law also provides for destruction of equipment seized at facilities producing counterfeit goods.

##### Trade Secrets

On August 3, 2004, President Putin signed the Law on Trade Secrets. This law protects "... any scientific and technical, technological, production-related ... and other information (including production secrets, or technique), which is of actual or potential commercial value because it is not known to third parties, to which there is no legal free access, and in relation to which its owner has established a trade secret regime." The law is fairly general about the consequences of disclosing another's trade secrets, stating that the owner of a trade secret "is entitled to demand through the courts full compensation for losses incurred." Also, a court may enjoin a defendant from using a trade secret once a complaint is filed by the trade secret owner.

The violator could be liable for "disciplinary, civil, administrative or criminal responsibility in accordance with the legislation of the Russian Federation." The law is silent on who bears the burden of proof in such cases and does not specify how damages are to be calculated. Conversely, the law does provide substantial detail on the right of "government authorities, government agencies and local governments" to request free access to trade secrets; if the trade secret owner refuses, government authorities can obtain access through the courts. The law clearly states that the following are not trade secrets: information contained in the founding documents of a legal entity, the number of employees, salary structure, employment vacancies, wages of an organization, and information on violations of the law. Although many types of business information can be kept confidential, measures should be taken to clarify what is to be considered confidential, for example, by creating information lists and a protocol for access, maintaining a list of persons with access and stamping confidential documents with the words "Trade Secret." There are other provisions which qualify the scope of rights that may be claimed in relation to a trade secret; for example, trade secrets cannot be used in a way that infringes "the rights and legal interests of other entities." We will be tracking the application of this law by courts, and any amendments to the law, going forward.

The above information was reported to our firm by the Moscow Team of the Coalition for Intellectual Property Rights (CIPR), to which Fross Zelnick is co-counsel. For those of you who wish to have copies, in English, of these new legislative acts, when available, please contact partner Janet L. Hoffman. We encourage our readers also to visit the CIPR website at [www.cipr.org](http://www.cipr.org) for additional information on developments, events, news and activities in the countries of the former U.S.S.R. and the Baltic States. We note that CIPR played an active role in lobbying, in particular, for the new section of the Copyright Law providing for the destruction of equipment seized at factories producing counterfeit goods.

- JLH

## Singapore: AMENDMENTS TO TRADEMARK LAW

The Trade Marks (Amendment) Act No. 20 of 2004 (the "Act") and the Trade Marks (Amendment) Rules No. S3702004 came into force on **July 1, 2004**. The changes include an expanded definition of a trademark, allowance for comparative advertising, expanded protection for well-known marks, and enhanced protection against counterfeit goods, as set out below.

### Definition of a "Trade Mark"

The definition of a trademark has been expanded to include any sign capable of being represented graphically and which is capable of distinguishing the goods or services of one party from the goods or services of another. Accordingly, the mark no longer has to be "visually perceptible," presumably permitting registration of sound or scent marks, for example, as long as they are capable of being represented graphically.

### Priority Claims

The amendments make it clear that priority claims may only be made on the basis of the first application filed in a Paris Convention country, and that multiple and partial priority claims are now possible.

### Registration and Renewal Dates

The registration date of a mark is now the date of filing, rather than the priority date. Thus, the ten-year term of a mark will be calculated from the filing date, in all cases. A six-month grace period for renewal has also been introduced, applicable to marks whose renewals fell due on or after July 1, 2004.

### Trademark Licenses

Unregistered licensees will now be entitled to protection previously afforded only to registered licensees, and can seek damages (including statutory damages) or accounting for profits in respect of any infringement of the registered trademark. We note that a trademark license is binding on every successor in title to the grantor's interest, except a good faith purchaser without notice (constructive or actual), unless specifically provided otherwise. As of July 1, 2004, recording the license creates such constructive

notice. Finally, where an exclusive licensee and the trademark owner have concurrent rights to bring or defend infringement proceedings, either may now bring or defend such actions without joining the other.

#### Protection Against Dilution

Owners of well-known marks may now prevent use or registration of an identical or similar mark, irrespective of the goods/services for which use is made or registration is sought, without proving likelihood of confusion. To succeed, the owner of the well-known mark would need to prove that (a) use of the junior mark would indicate a connection between the goods/services of that mark and the owner of the well-known mark; or (b) the subject mark is well known to the public at large in Singapore (not just the relevant sector of the public) and use of the mark would (i) unfairly dilute the distinctive quality of the well-known mark or (ii) take unfair advantage of the distinctive quality of the well-known mark. "Dilution" is defined as the lessening of the capacity of a mark to identify and distinguish goods and services, even in the absence of competition between the owners or likelihood of confusion.

#### Extended Protection of Well-Known Marks Against Use as "Business Identifiers"

Well-known marks are now also protected from unauthorized use by third parties of "business identifiers" which are identical or similar to the well-known mark. Examples include domain names and company/business names. The owner of a well-known mark may seek to enjoin use of a business identifier which indicates a connection between the business for which it is used and the owner of the well-known mark, and is likely to damage the interests of the owner of the well-known mark. The requirements for a successful action are consistent with those set out above in relation to dilution generally.

#### Permitted Use of Well-Known Trademarks

Proprietors of well-known marks will not be entitled to enjoin the types of use described above if:

- the trademark or business identifier was used in good faith prior to July 1, 2004;

- the trademark is registered in Singapore;
- the use of the trademark/business identifier began before the proprietor's trademark became well known in Singapore, unless the mark/identifier had been used in bad faith (see below for how "bad faith" is determined);
- the proprietor acquiesced for a continuous period of 5 years to the said use, unless the trademark/business identifier has been used in bad faith;
- the use in Singapore, in accordance with honest practices in industrial or commercial matters constitutes:
  - a) the name of a person, or the name of a person's place of business, or the name of a predecessor or predecessor's place of business;
  - b) a sign that indicates the kind, quality, intended purpose, value, geographical origin or other characteristic of the goods or services, or the time of production of the goods or of the rendering of the services; or
  - c) a mark indicating the intended purpose of the goods or services.

#### Bad Faith

In deciding whether a trademark application was made in bad faith or if use of a sign, trademark or business identifier is in "bad faith," the court or the Registrar will consider whether the applicant/user had knowledge of or reason to know of the earlier trademark at the time the application was made or at the time the use of the sign/trademark/identifier began.

#### Acts Not Amounting to Infringement

The Act now provides that a person who uses a third party's registered or well-known trademark does not infringe the proprietor's rights if the use:

- constitutes fair use in comparative advertising or promotion;
- is for a non-commercial purpose; or
- is for the purpose of news reporting or news commentary.

- Improved Remedies in Civil Actions

The amended Act introduces the concept of statutory damages. Where the infringement involves counterfeit goods, the plaintiff is now entitled to elect statutory damages in place of damages or an accounting of profits. The amount of statutory damages will be prescribed by the court, but it will not exceed SGD100,000 for each type of goods or services for which the counterfeit mark trademark is used, and will not exceed SGD 1 million in total, unless the plaintiff proves that their actual loss exceeds that amount.

- Enhanced Power of Enforcement Officers

The police may now arrest without warrant any person who, in any public place, sells, offers, or exposes for sale, or is reasonably suspected of having in his/her possession for the purpose of trade or manufacture, any counterfeit goods.

In addition, any "authorized officer" (i.e., customs and immigration officers as well as the police), may, without warrant stop, board, and search any vehicle, vessel, train or aircraft which s/he suspects is carrying counterfeit goods, in order to seize, remove or detain any such counterfeit goods and any evidence of the offence.

The Act further clarifies that the court may now issue search warrants not only against counterfeit goods or articles used in their manufacture, but also against documentary evidence of the commission of such offences. This may include, for example, invoices and purchase and delivery orders.

- Enhanced Border Measures

Authorized officers are given the ex officio power to examine and detain any goods which s/he reasonably suspects are counterfeit goods and which are imported into or to be exported from Singapore, including goods in transit consigned to a person with a commercial or physical presence in Singapore.

## Singapore: AMENDMENTS TO COPYRIGHT LAW

There have also been changes to the copyright law, most significantly the extension of protection from 50 to 70 years after the death of the author. This is the standard in the European Union and now also in the U.S., as well as certain other countries (e.g., the Russian Federation).

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