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DECEMBER 2005

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WE ARE PLEASED TO ANNOUNCE THAT OUR ASSOCIATES, **CARLOS CUCURELLA** AND **LYDIA T. GOBENA**, became partners in the firm as of December 1, 2005. Carlos and Lydia work principally in our International Group.

WE ARE DELIGHTED TO ANNOUNCE THAT OUR PARTNER, **MARIE DRISCOLL**, was honored with the International Trademark Association (INTA) 2005 President's Award, recognizing her outstanding contributions to the profession and to INTA. The award was presented on November 10, at this year's INTA Leadership Meeting in Naples, Florida.

ALLISON STRICKLAND has been named to the Board of Directors of the American Intellectual Property Law Association (AIPLA). Her three-year term commenced at the 2005 AIPLA Annual Meeting held in Washington, D.C. on October 26-28.

MARIE DRISCOLL successfully represented Opposer Wyeth in an opposition proceeding, decided on November 14, 2005, in which the Trademark Trial and Appeal Board held that ADVALIFE is confusingly similar to Wyeth's ADVIL mark. The Board also held that ADVIL is a famous mark.

DAVID EHRLICH will be on a lawyer panel addressing participants at the New York Toy Fair on February 11, 2006. The topic of the panel discussion will be licensing fundamentals.

DAVID DONAHUE was quoted in a September 2, 2005 *InternetWeek.com* article concerning a dispute between publishers and Google, Inc., over Google's "Library Project," through which Google intends to digitize the collections of several university libraries and make them available on the Internet. David commented on the possible application of the fair use photocopying precedents to the legality of Google's project.

JASON VOGEL gave a presentation entitled "The Madrid Protocol Two Years Later: Is It Working for U.S. Trademark Owners?" at the Intellectual Property Owners Association Annual Meeting on September 13, 2005 in Seattle, Washington.

WE ARE PLEASED TO ANNOUNCE THAT **MARILYN F. KELLY** has joined the firm as an associate in our International Group. Marilyn comes to us from Hughes, Hubbard, Reed. Prior to that she worked at Pennie & Edmonds, LLP. Marilyn, who has been working in the intellectual property field since 1994, is a 1999 graduate of Fordham University School of Law and received her Bachelor's degree in 1991 from Ohio University.

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Information Letter

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UNITED STATES

TRADEMARK TRIAL AND APPEAL BOARD

- No Priority in the U.S. through Use Outside the U.S.

U.S. COYRIGHT OFFICE

- Preregistration

Trademark Trial and Appeal Board: NO PRIORITY IN THE U.S. THROUGH USE OUTSIDE THE U.S.

*First Niagara Insurance Brokers Inc. v. First Niagara Financial Group, Inc. (Decided October 21, 2005)*¹

The extent to which use outside the U.S. can create trademark rights in the U.S. has been at issue in a number of recent cases. In *First Niagara Insurance Brokers, Inc. v. First Niagara Financial Group, Inc.*, an opposition decision slated for publication and citable as precedent, the Trademark Trial and Appeal Board ("Board") considered whether the opposer, a Canadian insurance brokerage with incidental U.S. contacts, had rendered its services in U.S. commerce under the mark FIRST NIAGARA prior to the applicant's filing date.

Opposer First Niagara Insurance, an Ontario company based in Niagara Falls,

Ontario, Canada, had used its mark FIRST NIAGARA for decades in Canada, but was never licensed to broker insurance or conduct any other insurance business in any state of the United States. It had no U.S. offices, employees or affiliates. The applicant, First Niagara Financial, was based in Niagara Falls, New York, just over the Canadian border from Niagara Falls, Ontario (it since moved to Amherst, New York, a suburb of Buffalo, New York and a further 20 or so miles distant). First Niagara Financial is licensed to broker insurance in the state of New York and filed six trademark applications in 2000 based on an intent to use, and commenced use of FIRST NIAGARA in 2002.

The Board consolidated oppositions filed by First Niagara Insurance against all six applications filed by First Niagara Financial. During the proceedings, the parties produced an extensive factual record. Based on the traditional likelihood of confusion analysis generally applied by the Board, much of the evidence seemingly favored opposer First Niagara Insurance, including, for example:

¹ Consolidating Oppositions Nos. 91122072, 91122224, 91122193, 91122450, 91122712 and 91150237

- nearly identical marks, each including or consisting of FIRST NIAGARA;
- accompanying designs each comprising an oval surrounding multiple chevrons reminiscent of the streaming water of Niagara Falls (the streams do, however, point in opposite directions in each logo);
- identical services offered by the parties, namely, insurance brokerage;
- very close geographic proximity of the parties' businesses;
- use of FIRST NIAGARA by the opposer decades prior to the applicant's filing dates and use of FIRST NIAGARA marks;
- the parties' admission that their advertising and promotions reach overlapping territories;
- applicant's registration of www.first-niagara.com after opposer had registered www.firstniagra.com;
- opposer's claim of 2600 misdirected e-mail messages, all intended for the applicant.

In a dispute between domestic U.S. entities, such facts would usually support a finding of likely confusion and sustain an opposition. But where the parties were separated by an international border, the opposer's case faced insurmountable obstacles. Since the opposer never sought registration in the U.S., in the opposition, it could rely only on its actual use of the mark and the effect such use had on U.S. commerce. Despite being a short drive from the applicant, apparently the opposer was unable to demonstrate any substantial contacts with the U.S. or substantial effect on U.S. commerce. What the opposer was able to show, the Board considered to be "incidental" to the opposer's Canadian insurance brokerage. These included a few Canadian policyholders who had moved to

the U.S. from Canada and retained their Canadian policies; a few brokers in the U.S. who contacted the opposer periodically to arrange policies covering risks to property located in Canada; a few claims by policyholders arising from damage to vehicles or property while in transit within the U.S.; and arranging travel health insurance policies covering Canadians while traveling in the U.S.

Aside from perhaps the evidence showing U.S. brokers contacting First Niagara Insurance to arrange policies, there was little in the record to show that U.S. residents or nationals patronized the opposer to obtain new policies, let alone that any U.S. business resulted from advertising or promotion of the mark in the U.S. The Board also considered the regulatory issues presented by insurance brokerage and the requirement for state licensing. In this regard, the Board held that the opposer could not have it both ways, i.e., not be licensed or regulated by, for instance, New York State Insurance authorities, and still be considered to perform brokerage services for purposes of the Lanham Act.

Given this record, and applying the standard of other Federal cases, the Board found that opposer First Niagara Insurance did not offer its insurance brokerage services in U.S. commerce and therefore did not establish prior rights in the mark there.

While often generous in sustaining oppositions by a domestic local user of a mark in the U.S., unless a non-U.S. based opposer can rely on a famous foreign mark, the Board appears unwilling to recognize transnational spillover of goodwill as a basis for opposition.. As the decision does not discuss the repeated instances of actual confusion alleged, apparently the Board was less concerned with protecting U.S. consumers from confusion than with affirming the principle of "territoriality" of trademark rights. If there is a moral here,

companies operating near U.S. borders or territorial possessions should consider protecting their marks by either considering registration in the U.S. based on home country trademark rights and/or licensing use of the mark in the U.S. through a U.S. domestic licensee.

- CW

U.S. Copyright Office:

PREREGISTRATION

Copyright protection in the United States is automatic and exists from the moment of fixation of a work in a tangible medium of expression. Thus, it is not necessary to register a work with the U.S. Copyright Office to obtain protection under the U.S. Copyright Act. Nevertheless, there are important benefits to registering a work as soon as possible after fixation.

For example, the owner of copyright in a U.S. work must obtain a copyright registration before commencing a lawsuit for infringement of the work. Moreover, the owner of copyright in a U.S. or foreign work must have obtained a copyright registration before infringement of the work commenced (with limited exceptions) to be eligible to recover statutory damages and attorneys' fees as a prevailing party. The importance of these remedies cannot be understated: When considering whether to sue for infringement of a copyrighted work, the availability of statutory damages and attorneys' fees often can be the deciding factor, particularly where the copyright owner's actual damages and the infringer's profits attributable to the infringement would be exceeded by the attorneys' fees that the copyright owner could expect to incur litigating the matter in U.S. court.

Historically, the registration rule presented an obstacle to owners of copyright in works that were infringed in the course of their preparation and prior to commercial distribution, such as a motion picture that is

infringed during the production phase, or a yet-to-be released novel that is infringed when in draft form. In such cases, the copyright owner likely would not have obtained a copyright registration for the work prior to the infringement and thus would not have been eligible to recover statutory damages or attorneys' fees for the infringement.

To remedy this problem, earlier this year the U.S. Congress enacted the "Artists' Rights and Theft Prevention Act of 2005" or, the "ART Act." The ART Act amended the U.S. Copyright in several ways, including by introducing a new mechanism known as "preregistration," which, according to the U.S. Copyright Office, "serve[s] as a placeholder for limited purposes—notably where a copyright owner needs to sue for infringement while a work is still being prepared for commercial release."

As amended by the ART Act, the Copyright Act now permits owners of copyrighted U.S. works who have registered *or preregistered* the work to commence an action for infringement. Moreover, the Copyright Act now provides that statutory damages and attorneys' fees may be recovered (in the court's discretion) by copyright owners who obtained a registration *or preregistration* prior to commencement of the infringement.

It must be noted that in most cases, the owner of copyright in a preregistered work must eventually apply for a traditional copyright registration for the work to retain the benefits of preregistration. The Copyright Act provides that an infringement action by the owner of a preregistered work "shall be dismissed" in cases where the infringement commenced no later than two months after first publication of the work but an application, deposit and fee for copyright registration has not been received by the Copyright Office within a specified time period. Similarly, statutory damages and attorneys' fees will not be available to a prevailing party in an infringement action

involving a preregistered work unless the work “has an effective date of registration” within specified time periods after the date of first publication or the date the owner learns of the infringement. Moreover, unlike traditional copyright registration, preregistration does not constitute *prima facie* evidence of the validity of the copyright or of the facts stated in the certificate of preregistration. Thus, preregistration should be viewed as a complement to registration, not a substitute for it.

Under the ART Act, preregistration is available only for works that are (i) unpublished; (ii) in the process of “being prepared for commercial distribution,” and (iii) “in a class of works that the Register [of Copyrights] determines has had a history of infringement prior to authorized commercial distribution.” The ART Act directed the Register of Copyrights to establish regulations that provide a procedure for obtaining preregistration and set forth the classes of works that will be eligible for preregistration. Recently, the Copyright Office promulgated interim regulations under the ART Act, effective as of November 15, 2005, that will govern preregistration until final regulations are issued. The Copyright Office anticipates issuing final regulations in “the next few weeks” and expects that they “will be identical or very similar to the interim regulations.”

Preregistration offers significant benefits to the owner of a work eligible for copyright protection and thus should be considered as another potential asset to be included in an intellectual property portfolio. However, preregistration may not be suitable or advisable for certain works. Accordingly, it is recommended that a copyright owner considering preregistration seek advice from U.S. counsel prior to applying to preregister copyright in a work.

- DD

Information Letter

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Bahrain: ACCESSION TO THE MADRID PROTOCOL

Bahrain deposited its instrument of accession to the Madrid Protocol with WIPO on September 16, 2005. Trademark owners will therefore be able to designate Bahrain as a Protocol country, starting **December 15, 2005**.

- LTG

Benelux: OPPOSITION PROCEEDINGS

Opposition proceedings against applications in classes 2, 20 and 27 have been possible in the Benelux since January 1, 2004 when the modified Trademark Act came into effect. The opposition scheme is being introduced gradually pursuant to a class dependent timetable.

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.

Depending on when the trademark was filed, an opposition may be filed against it if it covers at least one of the classes enumerated in the timetable. Currently, the schedule is as follows:

<u>Classes</u>	<u>TM filed on/after</u>
02, 20, 27	Jan. 1, 2004
06, 08, 13, 15, 17, 19, 21	Jan. 1, 2005
04, 07, 11, 12, 14, 18, 22, 23, 24, 25, 26, 28, 29, 30, 31, 32, 33, 34	Jan. 1, 2006
01, 03, 05, 09, 10, 16, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45	Jan. 1, 2006

Other opposition rules are as follows:

1. An opposition may be based on one or more earlier trademarks. In addition to local Benelux trademarks, earlier International (designating Benelux) and European Community trademarks may be used as bases for opposition.
2. The earlier trademark(s) on which the opposition is based does not have to cover any particular class of goods/services. For instance, an earlier trademark that designates "*ladders of metal*" (class 6) can today be used as the basis for opposing a trademark filed in relation to "*ladders of wood or plastics*" (class 20).
3. The Notice of Opposition must be filed within two months of the first day of the month following the official publication of a Benelux trademark application or of an International Registration designating Benelux.
4. The adversarial part of the opposition proceedings starts upon the expiry of a two-month period (the "cooling-off" period) running from the date the Trademark Office notifies the parties that the Opposition is admissible.

5. By mutual request of the parties, the cooling-off period can be extended for two month periods. When a year has expired, further extensions are only possible on payment of an official fee.
6. Where the opposition is based on an earlier trademark that has been registered for five years or longer, the applicant is entitled to request that the opponent submit evidence showing that the trademark is in use. Based on the evidence submitted, the Trademark Office will determine the validity of the earlier trademark and decide whether or not to allow the opposition.
7. Failure by the opponent to observe the prescribed time limits for filing arguments or evidence of use will result in the revocation of the opposition. Where the applicant does not join in the proceedings or fails to timely file arguments, the application will be deemed withdrawn.
8. If the opposition proceeding is concluded before a decision is reached on the merits, part of the official fee will be refunded. This could occur, for instance, where a settlement agreement is reached between the parties, or where one of the parties fails to observe a deadline.

- AK

Bulgaria: AMENDED TRADEMARK ACT

We remind our readers that an amended Trademark Act entered into force in Bulgaria in August 2005. One of the principal changes is that an opposition system has been introduced. Oppositions may be filed within two months of publication. We note that the first Bulgarian Trademark Gazette advertising applications was dated September 30, 2005. Among other changes are the following: (1) A registration may be cancelled if it consists of or includes a company name of a third

party, in respect of identical goods or services, where the company was registered and company name used in Bulgaria prior to the filing date of the trademark. (2) The right to a mark may be used as collateral as part of property subject to liquidation proceedings.

- J LH

China: REVISED TRADEMARK REVIEW AND ADJUDICATION RULES

The Trademark Review and Adjudication Board ("TRAB") reviews Trademark Office decisions concerning trademark registrability, cancellation of registered trademarks for non-use, and trademark oppositions.

The rules which govern the procedure followed by the TRAB were recently revised by the State Administration for Industry and Commerce of China. The amendments went into effect on **October 26, 2005**. Some of the key new rules are:

1. Evidence, even evidence from overseas, in the form of simple photocopies may be accepted unless the other side files sufficient evidence to put the authenticity of the evidence into question, or the TRAB determines that originals are required. Under such circumstances, originals or notarized/certified copies of the originals must be submitted.
2. A party applying for or replying to a trademark review only has one shot to file supplemental evidence, which must be filed within three months of the date the application or reply was submitted. (Under the old rules, there was no restriction on the number of supplemental filings as long as they were done timely.) Evidence based on new facts (as opposed to newly-found evidence), however, may still be submitted beyond the initial three-month period.

3. Previously, only the applicant was given the opportunity to query evidence filed by the respondent. Now, the respondent will also be able to query evidence filed by the applicant before a decision is reached.
4. Parties involved in review cases before the TRAB have the right to review relevant files once an application for review has been submitted. The TRAB will not allow the parties to review the files, however, once a case has been appealed to court.
5. A party wishing to appeal a review decision of the TRAB to a first instance People's Court must notify the TRAB of the appeal application within 15 days of filing the appeal application. If no appeal notification is received within 60 days of the date the TRAB's decision was sent to the parties, it will be deemed as though no appeal were filed and the TRAB will forward the decision to the Trademark Office for execution.
6. Parties can now have their disputes settled through mediation with the TRAB acting as the mediator.
7. Generally, the TRAB will only review and adjudicate decisions made by the Trademark Office. However, the TRAB now has the power to refuse registration of a mark on absolute grounds during the course of a review proceeding, on its own initiative.

- AK

Community Trademarks: RENEWALS

The first of the Community Trademark registrations, applications for which were filed on April 1, 1996, will fall due for renewal on April 1, 2006. The initial deadline for filing a renewal application is the last day of the month in which the original application was filed. Renewal

applications may be filed up to six months before the due date, beginning November 1, 2005 for those due on April 1, 2006. Following the initial term, the law allows a six-month grace period (from the end of the month in which the renewal is due) within which to renew, but with a 25% additional fee for filing belatedly. For example, a registration that is due on April 1, 2006 may be renewed up until April 30, 2006 without a fee, and up until October 31, 2006 with a fee. For applications filed in April 1996, but which have not yet matured to registration, renewal fees must be paid at the time the mark is registered.

- JAM

European Court of Justice: ADDITION OF HOUSE MARKS TO PREVIOUSLY REGISTERED THIRD PARTY MARKS

In *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, the European Court of Justice (“ECJ”) reviewed the practice of adding a house mark or company name to a previously-registered third-party mark as a means to distinguish the later mark, but found such strategy insufficient to avoid infringement liability.

This case involved use of the composite mark THOMSON LIFE by Thomson Multimedia for electronic devices in Germany. Medion AG, the owner of a German registration for LIFE for identical goods, sued Thomson Multimedia in the Landgericht (Regional Court) of Düsseldorf for trademark infringement. The court held that the addition of THOMSON was sufficient to distinguish the two marks under a legal doctrine established by prior German trademark cases called “Prägetheorie” (theory of the impression conveyed). Under this doctrine, a composite mark comprised of an earlier registered mark combined with another term would not be considered infringing unless the shared term was the predominant element of the composite mark

and all other elements were secondary. Medion appealed this decision to the Oberlandesgericht (Higher Regional Court) of Düsseldorf, and the Oberlandesgericht referred the case to the ECJ for determination of whether Prägetheorie is consistent with the standards for likelihood of confusion in infringement actions established by Article 5(1)(b) of the European Community Harmonization Directive.

Article 5(1)(b) states: “The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade ... any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.” Accordingly, the text of this Article does not specifically address whether the addition of a house mark or company name to a prior registered mark is sufficient to avoid infringement liability.

The ECJ began its analysis by stating that the essential function of a trademark is to “guarantee the identity of the origin of the marked goods or service to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or service from others which have another origin”. Consumers in the marketplace do not parse the elements of trademarks, but instead observe their overall impression. Thus, it is the overall impressions of two marks which should be considered in determining whether a later mark infringes, and not a mechanical comparison of individual elements of the marks. However, where one party adds its company name to the trademark of another, there is a risk that consumers will think that the respective companies’ goods emanate

from a single source or that the two companies are somehow linked. Accordingly, the ECJ held that it is improper to require in such circumstances that the shared element between the two marks be the predominant element in the composite mark. Instead, as long as the shared element between the two marks retains an independent distinctive role in the composite mark, the two marks may be found confusingly similar.

In view of this decision, it seems that the German “Prägetheorie” doctrine has been invalidated and that it may no longer be possible in Germany or elsewhere in the European Community to overcome an earlier registered mark simply by adding a company name or house mark to the earlier mark.

- JV

European Union: LAUNCH DATES FOR .EU DOMAIN NAMES ANNOUNCED

EURid, the Registry for .eu domain names, has announced a schedule for launch of the .eu top-level domain names. Under Article 4(2)(b) (i-iii) of EC Regulation No. 733/2002 of 22 April 2002, registration of the .eu domain names will be available to the following applicants:

- i. undertakings having a registered office, central administration or principal place of business within the European Community (“EU”);
- ii. organizations established within the EU without prejudice to the application of national law; or
- iii. natural persons resident within the EU.

The schedule for the .eu domain names is outlined below:

- Sunrise Phase One – This phase commences on December 7, 2005 and ends February 6, 2006. During this phase, owners of registered Community

or EU national trademarks, geographical indications or designations of origin may register .eu domain names. Applicants must be residents of the EU, and their rights must be valid on the date that the application is received. The .eu domain names registered during this period “must be an exact match for the prior right claimed”. Documentary evidence to support the claim is required. PricewaterhouseCoopers has been appointed the validation agent for .eu domain names, and will review all documents supporting an application. Licensees of non-resident trademark owners may also apply to register .eu domain names during this period. For applications by such Licensees, a so-called Licence Declaration for a Registered Trade Mark (.eu Phased Registration) must be submitted; this form is available on EURid’s website, www.eurid.eu. Requests for registration will be handled on a “first-come, first-served” basis. Eligible trademark owners are therefore advised to apply for their desired domain names, through accredited Registrars, as soon as possible. We note that some Registrars are providing queues with a limited number of domain names (between 50 and 100 names) for a premium price, so as to enhance an applicant’s chances of securing the domain name.

- Sunrise Phase Two – This phase commences on February 7, 2006 and ends April 6, 2006. During this phase, eligible holders may seek to obtain .eu domain names for rights such as unregistered trademarks, trade names, business identifiers, company names and distinctive titles of protected literary and artistic works. The rights must be recognized by the national law of the EU member state where they are held. Applicants will be required to support the legal basis of their claim with documentary evidence. As in the case

of the first phase, domain names will be registered on a “first-come, first-served” basis.

- Land Rush – This phase commences on April 7, 2006. After this date, .eu domains will be open to eligible undertakings, organizations and individuals on a “first-come, first-served” basis.

Dissatisfied rights holders will have the opportunity to object to registered .eu domain names through an alternative dispute resolution procedure. EURid has appointed the Czech Arbitration Court to handle disputes arising from .eu domain name registrations.

Further information about .eu domain names can be found on EURid’s website – www.eurid.eu.

- LTG

Iraq: NEW OPPOSITION PERIOD

The Iraqi Trademark Office, now part of the Iraqi Ministry of Industry and Minerals, announced that the opposition period for marks published on May 30, 2005 in Official Gazette No. 454 will last from September 21, 2005 until December 21, 2005. The original opposition period, scheduled to begin May 30, 2005, was disrupted by relocation of the Trademark Office from the Iraqi Federation of Industries to the Ministry of Industry and Minerals. In fact, due to constraints imposed by this transition, the Trademark Office was unable to accept trademark applications from May 30, 2003 until September 18, 2003.

Under Iraqi trademark law, applications accepted by the Registrar are published in three consecutive issues of the Official Gazette. Third parties can file oppositions within 90 days of the last publication. If no oppositions are filed during this period, the application proceeds to registration and a registration certificate issues.

Despite this slight delay in commencement of the opposition period for Official Gazette No. 454, the fact that marks are being examined and published in Iraq is a notable achievement. The facility hosting the Iraqi Trademark Office was destroyed during the first months of the war and all pre-existing files were consumed by fire. Consequently, the Trademark Office was closed for most of 2003; even when it reopened in September 2003 it was only capable of accepting applications. Until the lost files were reconstituted, the Office ceased all examination and publication of marks, as well as issuance of registration certificates. In March of 2004, the Office became fully operational once again.

- AS

Japan: AMENDMENTS TO UNFAIR COMPETITION PREVENTION LAW

Amendments to Japan’s Unfair Competition Prevention Law (“UCPL”), passed in July 2005, are expected to enter into force on **April 1, 2006**. Among other things, the amendments clarify protection for product configurations and introduce criminal penalties against additional acts of unfair competition.

1. Protection for Product Configurations

The new law clarifies the provisions of the UCPL relating to the protection of product configurations. Under Article 2(1)(iii) of the current law, the act of selling, delivering, displaying for the purpose of sale or delivery, or importing or exporting goods imitating the configuration of another person’s goods (excluding configurations normally used by goods of the same category, or in the absence of goods of the same category, goods having a similar function and utility) of another party’s goods (except where three years have lapsed since the first date of sale) are acts of unfair competition.

The amendments clarify certain ambiguities about this section of the law, as follows:

- Only “configurations that are essential to preserve the function of the goods” are exempt (revised Article 2(1)(iii)).
- Only if three years have lapsed since the first date of sale *in Japan* will protection be denied, irrespective of whether sales first occurred in a foreign country more than three years prior (revised Article 19(2)(v)).
- “Imitating,” for the purposes of this law, means producing goods having a configuration substantially identical to that of another party’s goods by relying on the configuration of the other goods (revised Article 2(5)).
- “Configuration of goods,” for the purposes of this law, means the exterior and interior shape, and the pattern, color, gloss and quality combined with such pattern of the goods that could be ascertainable by perception by consumers in the ordinary course of trade (revised Article 2(4)).

2. Newly Criminalized Acts of Unfair Competition

Acts of “unfair competition” are specifically enumerated in Article 2 of the UCPL. Protection is given to well-known and famous indications, even if not registered. “Indications” refer to anything that indicates the source of goods or business entity, such as trade names, trademarks, service marks, containers or packaging for goods.

Article 2(1)(i) of the law deals with well-known indications and provides:

The act of using goods or other indications (hereinafter, “goods or other indications” means a name connected with a person’s business, tradename, trademark, mark, container, or package of goods, or any other indication used for goods or business) which is identical

with, or similar to, another person’s goods or other indication as to be well-known among consumers, or the act of selling, distributing, displaying for the purpose of selling or distributing, exporting, importing or offering via telecommunication lines, goods on which such goods or indication is used, thereby causing confusion with another person’s goods or business [...is an act of unfair competition].

Thus, to obtain protection under the UCPL, the owner of a “well-known indication” must show that use by a third party results in a likelihood of confusion with the goods or business of the other party.

If the indication can be shown to be not only well-known but “famous,” however, its unauthorized use is immediately considered an act of unfair competition irrespective of whether it is likely to cause false recognition and confusion. “Famous indications” means well-known indications which, having attained particularly high fame, reputation, or recognition, have become widely known nationwide.

The current UCPL imposes criminal penalties for acts involving a well-known indication, and requires proof that confusion is likely. Under the amendments, use of an indication identical or similar to another person’s famous indication, as well as the sale of goods that imitate the configuration of another person’s goods, will be subject to criminal liability. It will thus be possible in some cases to seek criminal relief against counterfeited goods and copy-cat products, without a showing of likelihood of confusion.

Specifically, new Article 21(1)(ii) provides:

Any person that has committed an act of unfair competition under Article 2(1)(ii) for the purpose of acquiring unfair profit by using the credit or reputation of another party’s famous indications, or by hampering such credit or reputation, shall be liable to a term of imprisonment

with labor not exceeding five years or to a fine not exceeding 5 million yen or both.

New Article 21(1)(ii) also provides:

Any person having committed an act of unfair competition under Article 2(1)(iii) [*relating to product configuration and discussed above*] for the purpose of acquiring unfair profit shall be liable to a term of imprisonment with labor not exceeding three years or to a fine not exceeding 3 million yen, or both.

The new amendments further amend the criminal penalties applicable to acts involving well-known indications falling under Article 2(1)(i), by increasing the maximum jail term from 3 to 5 years, and the maximum fine from 3 million to 5 million yen.

Notably, to be subject to the new criminal penalties, it must be shown that the defendant acted with the intention to wrongfully profit from the activity.

As a final note, in order to secure early injunctive relief, the Customs Tariff Law will also be amended to allow Customs to detain imports which are suspected of falling under Articles 2(1)(ii) to (iii), set out above. The revisions to the Customs Tariff Law are expected to enter into force on March 1, 2006.

- AK

Palestine: OBSERVER MEMBER OF WIPO

On **October 1, 2005**, Palestine became an Observer Member of the World Intellectual Property Organization (WIPO).

- JLH

Philippines: AMENDED RULES FOR INTER PARTES PROCEEDINGS

The Intellectual Property Office of the Philippines ("IPO") recently amended rules

that apply to *inter partes* proceedings, including trademark oppositions and cancellation actions. The changes were adopted to "achieve a more efficient and expeditious resolution" of the proceedings. Of particular significance, the new rules require that all evidence be submitted at the same time the notice of opposition and answer are filed and that cross-examination of witnesses is no longer permitted.

The amended rules apply to *inter partes* proceedings that were filed as of September 1, 2005 and that were instituted before September 1, 2005 but are still undergoing pre-trial. However, in some instances the IPO has issued notices giving parties with pending cases the option of proceeding under the new rules. All other pending proceedings that are not subject to this criterion will proceed under the old rules, unless otherwise notified by the IPO.

Although cross-examination has been eliminated, it is possible to object to evidence after both parties have submitted their evidence. Additionally, the Hearing Officer may request the parties to submit a draft decision in which they may object to evidence. As noted earlier, all evidence must be submitted at the same time that the opposition and answer are filed and such evidence will constitute the entire evidence for the parties. Although there is no express provision in the amended rules for filing supplemental evidence, it is significant that there is also no express prohibition against this practice. Additional evidence may also be submitted upon the filing of a reply (to the answer) or a rejoinder (in response to the reply). Such additional evidence need not be limited to what was raised in the notice of opposition and answer, although it must be relevant to the facts set forth in the notice of opposition and answer.

For good cause shown and upon payment of the required fees, the initial period for filing a notice of opposition and supporting evidence may be extended. However, such

extension shall not exceed four (4) months or 120 days from the publication date. The answer is due within 30 days from the receipt of the Notice to Answer issued by the IPO, and a 30-day extension may be granted upon proper motion and payment of a fee. No further extensions will be granted absent a compelling reason and any such extension cannot exceed 120 days from receipt of the Notice to Answer.

These new changes present some challenges, particularly to non-residents of the Philippines, who must have all notices, answers, affidavits and supporting evidence legalized by the Philippines consulate, all within fairly stringent deadlines. Thus, prompt attention to gathering all evidence must occur well in advance of the deadlines and parties should factor in the time required to complete the legalization process.

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Thailand: RECORDAL OF WELL-KNOWN MARKS

On July 19, 2005, the Department of Intellectual Property (“DIP”) of Thailand issued a regulation creating a system for recordal of well-known marks. This development provides a welcome opportunity for owners of well-known marks to increase their protection in Thailand.

The DIP has set forth eligibility requirements and evidence necessary to show a mark is well-known. To be eligible for recordal, the well-known mark must meet the following criteria:

- It is a trademark, service mark, certification mark, collective mark or any other mark.
- It has been continuously and widely used in good faith on goods or services through sales, advertising or other means.
- It has been widely used in good faith, in Thailand or abroad, so that it is well-known to the general public or the relevant industry in Thailand.
- It has been used in such a way that its reputation for quality is highly accepted among consumers.
- The required use may be through the owner directly, or through authorized representatives or licensees, whether in Thailand or abroad.
- It must be the same mark for which recordal is sought.
- It can be registered or unregistered.

Applicants must submit evidence attesting to significant sales, use or advertisement for goods or services bearing the mark. Such evidence can be in the form of documents illustrating the public perception of the mark, proof of sales, market activities, the size and volume of business and any other documents showing use, registration, reputation or protection and maintenance of the mark. Applicants needing additional time to gather evidence can request an extension for up to 60 days.

The DIP has also stated the factors it will consider in determining whether a mark is well-known, thus clarifying what has often been an ambiguous question in Thai trademark law. Evidence to support a finding of well-known status may include the following:

- Degree of awareness about and acceptance of the mark by the general public or those in the relevant industry.
- Period of time, scope and geographic area of use of the mark.
- Period of time, scope and geographic area of advertising and promotion of the mark, including publicity and exhibition of goods and services on which the mark is to be used in fair trade.

- Period of time and geographical area of registration of the mark.
- Records of successful protection of the mark (especially acceptance of the mark as well-known in other territories).
- Value of the mark.
- Mark owner efforts to maintain the reputation of the mark (e.g., proactive measures taken to stem infringements).
- Mark owner efforts to maintain the quality of the goods and/or services on which the mark is used (e.g., securing International Standards Organization (ISO) Certificates recognizing the quality of the goods, recognition of quality by trade organizations, etc.).
- Survey results measuring consumer recognition of the mark.

Recordal of well-known marks is not mandatory, but is worth considering for those seeking greater protection in Thailand. Mark owners can use the recordal system to strengthen oppositions and other claims against marks similar or identical to their well-known marks in respect of goods or services that differ from those for which the mark is usually associated. Although Thailand is not a party to the Paris Convention, and therefore is not bound by the protection for well-known marks embodied in Article 6*bis*, the Trademark Act of Thailand does prohibit registration of marks identical or similar to recorded well-known marks. In addition, recordal relieves mark owners of the burden of proving fame on a case-by-case basis.

The regulation went into effect on **August 1, 2005**.

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