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**WHO'S WHO LEGAL** NAMED FROSS ZELNICK GLOBAL TRADEMARKS LAW FIRM OF THE YEAR 2006 in *The International Who's Who of Business Lawyers* 2006, published in March. Callum Campbell, Managing Editor, remarked: "We are delighted to recognise Fross Zelnick with the *Who's Who Legal: The International Who's Who of Business Lawyers* Trademarks Law Firm of the Year Award. This is the first time that the firm has achieved this distinction, and the firm can boast outstanding individual talent. It can be truly said to be the world's leading firm for trademarks expertise." Nine partners from the firm were included in the trademarks chapter, namely: Michael I. Davis, Susan Upton Douglass, Marie Driscoll, David W. Ehrlich, Janet L. Hoffman, Ronald J. Lehrman, Peter J. Silverman, David Weild III and Roger L. Zissu. The firm had more practitioners included in the New York section than any other firm, and Ronald Lehrman featured among the most highly regarded individuals in the survey.

**WE ARE DELIGHTED TO REPORT THAT FROSS ZELNICK WAS AGAIN NAMED THE TOP U.S. FIRM** in both the Trademark Prosecution and Trademark/Copyright Contentious categories in the 2006 annual survey conducted by Managing Intellectual Property magazine.

**FROSS ZELNICK IS TOPS IN NEW YORK AND SECOND IN THE U.S. IN NUMBERS OF U.S. TRADEMARK APPLICATIONS FILED IN 2005.** According to rankings in the "Trademark Insider" report of the NameProtect search company, Fross Zelnick was the second most active filer of U.S. trademark applications in 2005, with a total of 1,065 applications filed. "Trademark Insider"

also listed Fross Zelnick as the top U.S. trademark filer in New York. Three Fross Zelnick partners were in the "Trademark Insider" top 50 individual attorney filers list for the U.S.: Susan Upton Douglass (number 13 on the list, with 275 applications), David Ehrlich (number 39 on the list, with 193 applications) and Lawrence Apolzon (number 48 on the list with 180 applications).

**T**HE MAY 2006 ISSUE OF THE JOURNAL "MANAGING INTELLECTUAL PROPERTY" contains brief articles on marks considered unregistrable, as offensive or immoral, in various countries. These articles include a review of U.S. statutory law and case law on the subject by Fross Zelnick partner **DAVID EHRLICH**.

**D**AVID GREENBAUM spoke at a program entitled "The Interplay between Design Patents, Trademarks, and Copyrights" at the American Intellectual Property Law Association Spring Meeting on May 3, 2006 in Chicago.

**C**RAIG MENDE AND **DAVID DONAHUE** authored an article analyzing recent copyright and trademark decisions entitled, fittingly, "Recent Copyright and Trade Mark Decisions Analyzed," published in *Managing Intellectual Property's* World IP Contacts Handbook 2006. The article discusses the U.S. Supreme Court's *Grokster* music file sharing decision as well as recent U.S. case law on copyright termination and copyright restoration. It also discusses recent U.S. trademark decisions on the fair use defense and the famous marks doctrine.

**J**ANET L. **HOFFMAN** participated as a faculty member for the Academic Course hosted in Toronto on May 6-7, 2006 by the International Trademark Association, accredited by The John Marshall Law School Center for Intellectual Property and offered in cooperation with The Faculty of Law and Division of Continuing Studies, The University of Victoria, B.C. Janet spoke on recent trademark law developments in the countries of the former U.S.S.R.

**W**E ARE PLEASED TO WELCOME **CAROLINE G. BOEHM**, who joined us as an associate in our Litigation group. Caroline comes to us from Morgan, Lewis & Bockius, LLP where she was an associate since October 2004 and for the summer of 2003. In the spring of 2004, Caroline was a teaching assistant to Professor Jane Ginsburg at Columbia University School of Law. During the fall of 2003, she was a research assistant for Professors Jane Ginsburg and June Besek at the Kernochan Center for Law, Media and the Arts. Caroline is a 2004 graduate of Columbia University School of Law, where she was awarded The Carroll G. Harper Prize for the graduating class member who had attained the highest standards of achievement in intellectual property studies and writing at the law school. Caroline received her Bachelor's Degree *summa cum laude* from Queens College, City University of New York in 2001, where she graduated as Valedictorian and Phi Beta Kappa.

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

# Information Letter

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## UNITED STATES

### TRADEMARK DECISION

- Appointment of and Service on Domestic Representative; Service of Process

### TRADEMARK TRIAL AND APPEAL BOARD

- Trademark Territoriality Affirmed

### Trademark Decision: APPOINTMENT OF AND SERVICE ON DOMESTIC REPRESENTATIVE; SERVICE OF PROCESS

*Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.*, No. 1:06-MC-00007 (E.D.V.A. March 2, 2006); *V & S Vin & Spirit Aktiebolag v. Cracovia Brands, Inc.*, 212 F. Supp. 2d 852, 855 (N.D. Ill. 2002)

#### Appointment of Domestic Representative in US Trademark Applications/Registrations

Foreign persons or entities applying for trademark registrations in the United States may appoint a U.S. domestic representative upon whom notices or process in proceedings affecting the mark may be served. Trademark Act Section 1(e), 15 U.S.C. § 1051(e). Prior to November 2002, this practice was mandatory; in November 2002 the relevant language governing this appointment was amended from “shall designate” to “may designate,” and the practice became voluntary. H.R. 107-685 (October 22, 2002). However, U.S. attorneys still usually include the appointment of domestic representative in application forms, Section 8 continued use declaration forms, and renewal application forms for signature by foreign clients.

### Benefits of Appointing a Domestic Representative

The primary benefit of appointing a domestic representative is that the U.S. Patent and Trademark Office (“USPTO”) will send notice of any cancellation petition filed against the registration to the appointed U.S. person or law firm. In the absence of such an appointment, the USPTO will mail notice to the registrant itself. If the registrant has changed its address, and has not updated the USPTO records to reflect its new address, then such notices are often not received by the registrant. If the mail is not returned as undeliverable to the USPTO, then the USPTO considers the notice to have reached the registrant and will permit the proceeding to go forward, even if the registrant has not made a formal appearance in the case. It will issue a judgment on “default” canceling the registration if the registrant does not answer the petition and defend the registration. If the notice is returned to the USPTO as undeliverable, then the USPTO may publish notice of the cancellation action in its weekly *Official Gazette*. This is also deemed adequate notice to the registrant under the statute, even though the registrant might not actually see it.

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In general, the appointment of a domestic representative is a limited appointment. It is not the equivalent of a power of attorney. “The designation serves a different purpose, namely, to bring foreign applicants, registrants and parties under the jurisdiction of the United States legal system.” Trademark Manual of Examining Procedures (“TMEP”) § 604. The appointment has usually been viewed by practitioners as a limited one likely to be applicable only to proceedings about the trademark before the USPTO and its administrative tribunal, the Trademark Trial and Appeal Board (“TTAB”).

#### Recent Court Case

However, in two recent federal district court decisions, the court held that a complaint or subpoena could be validly served on a foreign party by delivering it to the domestic representative. In *Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.*, No. 1:06-MC-00007 (E.D.V.A. March 2, 2006) (“*Rosenruist*”), service of a federal subpoena upon the domestic representative of foreign applicant Rosenruist-Gestao (“Rosenruist”) was held to be valid service on Rosenruist. The opposer/plaintiff Virgin Enterprises Ltd. (“Virgin”) filed a motion with the USPTO’s TTAB for an order compelling applicant/defendant Rosenruist to appear in the U.S. for a testimonial deposition. The TTAB issued an order explaining that it lacked authority to compel such an appearance. Virgin then obtained a subpoena from a federal court, and served the subpoena on Rosenruist’s domestic representative. Rosenruist moved to quash the subpoena. The court denied the motion, holding that service on the domestic representative was valid service upon Rosenruist since the statutory language states that the domestic representative is “... a person... on whom may be served notices or process in proceedings affecting the mark.” The court held that “[t]here is nothing in the text of § 1051(e)... which suggests that ‘proceedings affecting the mark’ are limited to proceedings before the PTO.” Since Virgin served the subpoena in order to advance its opposition proceeding before the PTO, the subpoena was part of “proceedings affecting the mark.” Therefore, service on the domestic representative was a permissible way

to require the trademark owner to send a representative to the U.S. to be deposed in the TTAB hearing. If Virgin had not been able to serve Rosenruist, Virgin might have decided, instead, to use the more expensive and difficult deposition procedure stated in Trademark Rule 2.120(c), a deposition on written questions taken in the deponent’s home country.

#### Service on USPTO Commissioner is Acceptable Alternative

If a foreign applicant or registrant does not appoint a domestic representative, the statute provides that notices or process in proceedings affecting the mark can be served on the Director of the USPTO. See 15 U.S.C. § 1051(e): “If the person so designated cannot be found... or if the registrant does not designate... a person resident in the United States on whom may be served notices or process in proceedings affecting the mark, *such notices or process may be served on the Director [of the PTO]*” [Emphasis added.] See also TMEP § 604 (same). To our knowledge, no party has ever served a federal court subpoena on the Commissioner as a way to require a foreign trademark owner to send a representative to the U.S. to be deposed in a federal court case or a TTAB proceeding.

#### Benefits Outweigh Risks

In our opinion, the benefit to the foreign trademark owner of appointing a domestic representative – obtaining notice of cancellations and avoiding loss of a registration by default – outweighs the disadvantages mentioned above – easier service on the owner by plaintiffs in lawsuits and greater vulnerability of the owner to deposition in the U.S.

-CGB

#### **Trademark Trial and Appeal Board:**

##### **TRADEMARK TERRITORIALITY AFFIRMED**

*Aktieselskabet Af 21. November 2001 v. Fame Jeans Inc.*, 77 U.S.P.2d 1861 (T.T.A.B. 2006)

The Trademark Trial and Appeal Board of the United States Patent and Trademark Office recently held that a U.S. trademark application filed under Section 44(e) of the

Lanham Act – that is, based on a foreign registration – and without a claim of Paris Convention priority based on a foreign application, will not have priority over an earlier filed intent-to-use application.

In this opposition proceeding, the TTAB granted summary judgment to the applicant for the mark JACK & JONES for clothing, even though the opposer extensively used the same mark for the same goods in Europe. The TTAB held that the applicant could rely on the filing date of its intent-to-use application as its priority date, while the earliest date on which the opposer could rely was the filing date of its U.S. application under Section 44(e), which was later than applicant's filing date. The opposer had not made use of its mark in the United States prior to applicant's filing date, and the opposer's foreign use of the mark prior to applicant's filing date did not give it priority in the opposition. The TTAB specifically reaffirmed the principle that priority of trademark rights in the United States is not based on foreign use or registration, even if the foreign use is extensive and the owner plans to expand its use to the U.S. The TTAB cited with approval the much-criticized case of *Person's Co. v. Christman*, 900 F.2d 1565 (Fed. Cir. 1990), which held that even an intentional copier of a foreign mark could have priority in the U.S.

The TTAB specifically rejected the argument that extensive foreign use could create rights in the U.S., although it also said that this was not a case in which the opposer claimed that its mark was famous under Article 6 *bis* of the Paris Convention. The TTAB thus implied that the TTAB might, in an appropriate case, recognize reputation without use in the U.S. as a sufficient opposition ground.

It is worthwhile noting that if opposer had been able to claim Paris Convention priority based on an earlier filed foreign application (the first such application filed, and with a date not more than six months prior to its U.S. application), then opposer could have had a valid claim of priority in the opposition.

The opposer apparently had no U.S. distributor and had not done a U.S. launch, although its JACK & JONES clothing was

popular in Europe. If the opposer had been able to prove that some minor sales of its clothing had spilled over to the U.S. from Europe, even without its authorization, before the applicant's filing date, that also may have been enough to establish priority, or at least to establish a sufficient factual issue about priority to avoid summary judgment and to require a full trial.

The moral of the story is that owners of foreign marks, who might expand their use to the U.S., should establish their U.S. rights through registration (based on a home country registration or application or Madrid Protocol extension) as early as possible, to prevent others from establishing prior rights in the U.S. The owner should not wait until shortly before a planned U.S. launch.

- DWE, TNB

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

# Information Letter

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## INTERNATIONAL

### CHINA

- Color Combination Marks
- New Domain Name Dispute Resolution Policy

### JAPAN

- Forthcoming Revisions to Trademark Law

### MOROCCO

- Amendments to Industrial Property Law

### NICARAGUA

- Adoption of CAFTA

### UNITED KINGDOM

- Shape Marks Violate the Functionality Principle

### WORLD INTELLECTUAL PROPERTY

#### ORGANIZATION

- New Singapore Treaty on the Law of Trademarks (update on TLT)

### China: COLOR COMBINATION MARKS

The Beijing First Intermediate People's Court recently considered the first case in China to claim trademark protection for a color combination. Color combinations are eligible for trademark protection in China under Article 8 of the P.R.C. Trademark Law. However, at present there are no regulations setting forth the criteria for measuring distinctiveness of color combination marks. According to Chinese practitioners, only color combinations that have acquired secondary meaning or possess a high degree of distinctiveness are likely to be granted protection.

The case before the Beijing First Intermediate People's Court involved an application for a bright orange and blue color combination used on saw blades filed by Kapman AB of Sweden.

The Trademark Office and TRAB refused registration. On appeal, the Beijing court ruled that although it was possible for color combinations to be protected as trademarks, Kapman's mark was not distinctive and therefore did not deserve such protection.

- AS

### China: NEW DOMAIN NAME DISPUTE RESOLUTION POLICY

On February 14, 2006, the China Internet Network Information Centre ("CNNIC") adopted a new domain name dispute resolution policy (the "Policy"). The Policy went into effect on **March 17, 2006** and applies to .cn domain names and Chinese language domain name registrations. Commentators have suggested that the Policy favors domain name registrants as opposed to trademark holders because it establishes a statute of limitations,

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narrows the definition of bad faith and broadens the defenses available to registrants.

The Policy creates a two-year time limit for filing a domain name complaint with the CNNIC. Trademark owners seeking to challenge domain names registered for two or more years must now do so through the courts, not the CNNIC dispute resolution system. The Policy also limits the definition of bad faith to cover “selling, renting or otherwise transferring the domain name to the Complainant or its competitors to obtain unjustified benefits.” Merely offering to sell the domain name is no longer sufficient to show bad faith – the offer must be made to the party filing the complaint or one of its competitors.

The last significant change acknowledges the registrant’s right to the domain name if prior to the filing date of the complaint the registrant: (1) has used the domain name or the name corresponding to the domain name in connection with a bona fide offering of goods or services; (2) has been commonly known as the domain name, even if it has acquired no trademark or service mark rights; or (3) has used the domain name in a legitimate noncommercial or fair use manner without the intent of commercial gain or to mislead consumers.

- AS

## Japan: FORTHCOMING REVISIONS TO TRADEMARK LAW

The Japanese legislative body, the National Diet, is expected to approve and pass a new bill revising Japan’s intellectual property laws that include several notable revisions to the Japanese Trademark Law. These new revisions, submitted by Prime Minister Koizumi’s Cabinet in March 2006, follow the “Plan for Promotion of Intellectual Property in 2005,” implemented by the Koizumi Cabinet’s Strategic Council on Intellectual Property. The forthcoming revisions are the product of the Japanese government’s recent increased emphasis on enhancing and strengthening the Japanese intellectual property laws.

### Introduction of Coverage for Retail Store Services

A significant revision to the Trademark Law in the forthcoming bill is the introduction of “retail store services” into International Class 35 as an available services designation for service marks in Japan.

Under current Japanese law, it is not possible for retail stores or other trademark owners to register service marks in connection with the provision of retail store services. In light of this gap in protection, the local practice in Japan has been for a retail store or others to register a mark separately for the various goods sold at retail, with the understanding that the goods would be packaged with materials that bear the store’s mark (i.e., shopping bags, tags, and labels) and sold in stores with signage that depicts the mark. The forthcoming retail store services designation will, thus, obviate this imperfect practice and simplify the registration of retail service marks in Japan.

It is anticipated that the retail store services revision will come into effect on April 1, 2007. This revision will include a three-month sunrise grace period for retail service mark applications. Under the grace period, the application date for retail store service mark applications filed within the first three months of the law’s enactment will be the date that the revised law first comes into effect (likely April 1, 2007). Retail service companies that have not previously been able to obtain registration for their retail service marks in Japan should consider seeking registration for such marks upon the law’s enactment.

### Exportation to Constitute Trademark Use

The proposed revisions to the law also include the addition of “export” to the definition of trademark use under Japanese Trademark Law. Under the revision, the act of exporting infringing goods from Japan will now constitute trademark infringement. This inclusion is significant because the exportation of infringing goods from Japan will now be subject to regulation and enforcement by Japanese customs authorities. Because “import” is already included in the definition of trademark use, the act of importing infringing goods into Japan is already subject to Japanese customs regulation and

enforcement. It is anticipated that this revision will come into effect on January 1, 2007.

#### Increased Criminal Sanctions for Trademark Infringement

The proposed revisions further include increased criminal sanctions and penalties for trademark infringement. Under the revisions, the maximum criminal sanction for individuals who commit trademark infringement will now be ten years (previously five years) and the maximum criminal penalty for individual infringers will now be 10,000,000 yen (previously 5,000,000). In addition, the revisions will now permit a judge to assess both criminal sanctions and criminal penalties at the same time against an individual infringer. With respect to corporations, the maximum criminal penalty for corporations who commit trademark infringement will now be 300,000,000 yen (previously 150,000,000). It is anticipated that this revision will come into effect in Japan on January 1, 2007.

- CMK

#### **Morocco: AMENDMENTS TO INDUSTRIAL PROPERTY LAW**

Amendments to the Moroccan Industrial Property law went into effect on **February 20, 2006**. The most significant changes are: the creation of an opposition system, new measures to improve seizure of counterfeit goods, recognition of sound and smell marks and the introduction of an electronic filing system.

The newly adopted opposition period will last for two months after publication of the mark. The Moroccan Trademark Office will render a decision six months after the close of the opposition period, unless an extension has been requested. Parties will be able to appeal decisions to the Commercial Court.

In an effort to reduce the flow of counterfeit goods across the border, the amendments grant the Customs Administration full authority to seize potentially infringing goods. A trademark owner, its local agent or licensee can request a seizure. The Administration can also seize goods on its own initiative as long as it verifies that the mark is subject to a valid

Moroccan registration and the mark owner has a representative in Morocco. The seizure is valid for one year and can be extended, but not beyond the term of protection for the mark.

In addition to creating an electronic filing system, the new law also mandates a publicly available electronic database of Moroccan trademark applications and registrations.

- AS

#### **Nicaragua: ADOPTION OF CAFTA**

On August 5, 2004, Nicaragua signed the Central American Free Trade Agreement (CAFTA), and the treaty went into effect on April 1, 2006. Before ratification of CAFTA, Nicaragua's IP Law had been considered fairly developed, and reforms to bring Nicaraguan law in accord with CAFTA were minimal when compared with changes required of other countries in the region. Nonetheless, the changes are thought to have broadened IP protection in Nicaragua, and clarified basic parameters of infringement cases.

Some of the more significant changes to IP protection include:

- Recognition of olfactory marks;
- Clarification of the term "geographic indication," now defined as an indication that identifies the geographic origin of a product and from which a characteristic of that product may be assumed;
- Elimination of protection for denominations of origin that conflict with established trademark rights; and
- Expansion of trademark rights to include the right to challenge commercial names.

The following procedural changes have also been implemented:

- Opponents will be given 30-days in which to file arguments in support of a notice of opposition;
- Non-use cancellations will be heard on summary judgment;
- Final judgments, resolutions, and administrative acts relating to IP rights must be published;

- End-user piracy and counterfeiting will be criminally punished;
- Counterfeit and pirated materials, as well as the equipment used to produce those materials may be seized and destroyed without compensation;
- Parties found guilty of trademark infringement may be held liable for the owner's costs, including legal fees;
- Parties found guilty of trademark infringement may be required to disclose information regarding other persons involved in production and/or distribution of the counterfeit goods; and
- Statutory and actual damages will be awarded for copyright and trademark infringement to ensure that damages are awarded even when difficult to assign a monetary value to the violation.

The CAFTA regulations outlined above serve to protect the rights holder. However, the law is intended to be balanced and serve also the rights of the accused. For example, in any infringement case, the burden of proof will fall on the plaintiff. The rights holder will be required to prove his status as such, and will be required to prove that infringement in fact occurred.

Changes under CAFTA have not only affected substantive and procedural law, but have also granted greater authority to customs officers. Although it will take some time for the new customs regulations to go into effect, officers will be allowed, ex officio, to forbid import of merchandise presumed to be counterfeit. Customs officers will be further entitled to forward the name and address of suspected importers to rights holders, along with information on the type and quantity of imported product. Ultimately, the customs agents will work closely with the Ministry for Development, Industry, and Commerce (MIFIC), and likely keep a parallel record of incidents of actual and suspected counterfeiting.

Generally speaking, implementation of CAFTA obligations will increase IP protection in Nicaragua in order to ensure that legislation conforms with, and in some areas even exceeds, WTO norms. Some still worry,

however, that enforcement in Nicaragua will remain weak, particularly in relation to the protection of famous marks. At present, the U.S. government and industry continue to work with the Nicaraguan government to provide training for effective enforcement.

- MAM

### United Kingdom: SHAPE MARKS THAT VIOLATE THE FUNCTIONALITY PRINCIPLE

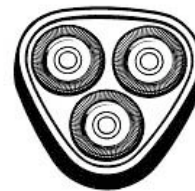
*Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd, Rayovac Europe Ltd, [2006] E.T.M.R. 42*

On January 26, 2006, the Court of Appeals, England and Wales ruled that Philips' trademark consisting of "the shape of goods" was invalid. In reaching its decision the court reviewed the shape at issue and then sought to identify its essential characteristics. Upon concluding that the essential characteristics were attributable to achieving the intended technical result, the mark was held invalid. The court further declared that the invalidation withstands any claim that the mark may include non-essential, non-functional features.

By contrast, Philips' abstract "device marks" that represented – but were not identical to – functional goods, were upheld. The court concluded that abstract device marks did not violate the principle of functionality because a third party could create and use a three-dimensional functional design without infringing the two-dimensional device marks.

#### Background

In an earlier case, Philips' "208 Mark," shown below, was absolutely barred from trademark registration on the ground that it consisted "exclusively" of features necessary to obtain a technical result.



208 Mark

In practical terms, the only difference between the previously invalidated 208 Mark and

Philips' new trademark, the 452 Mark, was that the latter included a raised faceplate in the shape of a "clover leaf" pattern.



452 Mark

### Present Dispute

#### "The 452 Mark"

Philips argued that the 452 mark did not consist *exclusively* of functional elements. Philips claimed that the clover leaf design was 1) an essential feature of the mark; and 2) a non-functional embellishment of the faceplate. The court rejected both prongs of Philips argument.

- "Essential" Feature

The court held that the clover leaf design, as formed by the raised portion of the faceplate, was not an essential feature of the mark at issue, and ruled that the question was one of fact and degree to be decided by the judge. The court based its conclusion on surveys indicating that most consumers do not notice the clover leaf pattern. The court rejected Philips' contention that *any* feature which contributes to overall impression is an essential feature, and concluded that the "essential nature" of a particular element will depend on its commercial impact. Since the 452 mark differed from the previously invalidated 208 mark due to only the non-essential clover design, the present mark, like the 208 mark, was not entitled to registration. In essence, the court concluded that non-essential, non-functional features will not save an otherwise functional mark from invalidation.

- Technical Result

The court held that once an element of a mark has been found to be non-essential, whether that non-essential element is functional is irrelevant to the decision of registrability. Nonetheless, the court

addressed the issue of functionality of the clover leaf faceplate because Philips' appeal asserted that the law required a mark rejected on functional grounds to be "solely" or "only" functional. In that regard, Philips suggested that the court was obliged to consider *every* element of a mark and if *any* element were not functional, the mark should survive scrutiny. The court rejected Philips approach and concluded that dissection of the mark, although acceptable when considering "essential features," was not appropriate in considering functionality. The court held that the proper question was whether the mark as a *whole* is functional. However, the court also found that, even if Philips' approach were adopted, the mark would still be invalid. Based on expert testimony, the court concluded that the overall "clover leaf" pattern, as well as the lower residual areas of the faceplate played an important part in obtaining a smooth, quick, painless shave, and was, thus, functional.

### Device Marks

The court's decision also reviewed Philips' "device marks" (shown below). On this point, Philips' was successful and these marks were upheld.



Device Marks

The court found the device marks to be abstract, non-technical, and non-functional. It was held that several stages of analytical thought were needed to conclude that the images represent razors. The device marks were found to be two-dimensional figurative representations, distinguishable from the actual appearance of the three-dimensional goods. The court noted that a shaver shaped like the representation would not be functional, and that the device marks did not invoke the monopoly principle because other manufacturers could make a three-headed rotary shaver without infringing the two-dimensional device marks.

## Conclusion

Ultimately, the court reinforced the importance of the policy behind the law on shape marks: Competition should not be impaired by registration of shapes that will prevent others from incorporating functional design into their products. According to the court, shape marks, like all other marks, must indicate the source of the goods and not extend protection to technical solutions.

- MAM

## World Intellectual Property

**Organization:** NEW SINGAPORE TREATY ON THE LAW OF TRADEMARKS (UPDATE ON TLT)

On March 28, 2006, at The [World Intellectual Property Organization](#) (“WIPO”) Diplomatic Conference for the Adoption of a Revised Trademark Law Treaty, the WIPO member states adopted a new international treaty on trademarks. The new treaty, known as the Singapore Treaty on the Law of Trademarks, updates the 1994 Trademark Law Treaty (TLT) and will enter into force when 10 WIPO members ratify it.

At the meeting held in Singapore in March 2006, the delegates discussed and ultimately adopted provisions that address the following key issues:

- protection for non-traditional marks, including holograms, sounds, and smells
- electronic filing of trademark applications and related communications
- trademark licensing
- relief measures for missing deadlines

The specific amendments and additions to the TLT that address these key issues are summarized below:

- Article 3(1)(a)(x), (xi) and (xii) and Rule 3 of the Regulations were amended to include protection for holograms, sound marks, and olfactory marks, whereas the original text of the TLT specifically stated that the TLT did not apply to these types of non-traditional marks.

- Article 8 was amended to provide for electronic submissions of all communications. This amendment does not require electronic filings as paper filings are still permitted.
- Articles 17-20 and Rule 10 of the Regulations were adopted and provide guidelines for licensing of trademarks, including recordal of licenses, requests for amendments and cancellation of licenses, effects of non-recordal of licenses, and indication of license. In the TLT, there were no provisions for trademark licensing at all, so this is a significant step. These new provisions offer a more liberal approach than the laws of jurisdictions where license recordal has been mandatory or necessary for trademark protection and enforcement. Article 17 and Rule 10 of the Regulations set forth the requirements that a Contracting Party may require for recordal of licenses and specifically state that the Contracting Party may not demand additional requirements beyond those set forth in the revised treaty and may not require the trademark owner to submit a copy of the registration certificate for the licensed mark, a copy of the license agreement and the financial terms of the license agreement. Of particular note is Article 19(1), which states that the non-recordal of a license will not affect the validity of the underlying trademark registration. Moreover, Article 19(3) states that a Contracting Party may not require the trademark owner to record a license in order to prove use of its trademark by the licensee in proceedings relating to acquisition, maintenance and enforcement of trademarks. Article 19(2) prohibits a Contracting Party from requiring the recordal of the license for the licensee to join infringement proceedings initiated by the trademark owner or to obtain damages resulting from such infringement, as permitted under local law.
- Article 14 and Rule 9 of the Regulations were adopted and provide guidelines for filing extension requests for trademark owners who fail to timely respond to deadlines imposed by national trademark

offices. This provides parties with some degree of relief to avoid final rejection or cancellation of their trademark applications/registrations due to missed deadlines.

At the conference, several delegates from developing countries expressed concerns that the new treaty may not benefit them. In response, the conference adopted the “Resolution by the Diplomatic Conference Supplementary to the Singapore Treaty on the Law of Trademarks and the Regulations Thereunder.” The resolution states that the contracting parties and WIPO will provide the developing countries with special treatment and technical assistance in implementing the new treaty, including:

- assistance in establishing the legal framework for the implementation of the treaty
- information, education and raising awareness about the impact of acceding to the treaty
- assistance in revising national administrative practices and procedures
- assistance in developing the technology and management of national IP offices to effectively implement the treaty and its regulations.

This resolution also states that each Contracting Party shall have the obligation to decide whether and when to provide for registration of the new types of trademarks listed in the revised treaty.

- CB

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