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MARCH 2005

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BARBARA SOLOMON AND ZOE HILDEN successfully moved to dismiss tortious interference, libel and injurious falsehood claims made against Old Navy (Apparel) Inc. and Old Navy Inc. in a case brought before the United States District Court, Southern District of New York, Hon. John E. Sprizzo. All of the claims asserted against Old Navy arose out of statements that Old Navy made in a cancellation proceeding before the United States Patent and Trademark Office Trademark Trial and Appeal Board. In a decision of first impression in the New York courts as well as the federal courts sitting in New York, Judge Sprizzo held that a cancellation proceeding before the Trademark Trial and Appeal Board is quasi-judicial in nature and that, accordingly, any statements made in connection with such proceedings are entitled to absolute privilege and cannot be the basis for a claim for defamation or injurious falsehood. *Zdenek Marek d/b/a Zinc v. Old Navy (Apparel) Inc. and Old Navy Inc.*, 03 Civ. 4876 and 04 Civ. 2356.

LISA PEARSON obtained an ex-parte seizure order and preliminary injunction in *Lacoste Alligator S.A. v. Sugar Shack, Inc. et al* (Case No. 04-2367(SEC) (D.P.R.)), resulting in the seizure of counterfeit Lacoste merchandise in raids conducted at 21 locations across Puerto Rico during the Christmas shopping season. The counterfeit merchandise was seized from flea markets, Internet retailers, wholesalers, street vendors and storefront establishments in San Juan, Ponce, Aguadilla, San German, Mayaguez and other cities.

CRAIG S. MENDE, MICHAEL CHIAPPETTA AND EVAN GOURVITZ obtained a temporary restraining order on behalf of Troll Company APS ("Troll Co.") against the distribution of MopHeads dolls by defendants Street Players Holding Corp. and David Siegel (collectively "Street Players"). The District Court for the Southern District of New York held that Troll Co. was likely to succeed in establishing at trial that the Mopheads infringed Troll Co.'s copyright in

the famous Good Luck Troll, the big-haired troll doll created by Thomas Dam of Denmark. Troll Co.'s U.S. copyright was restored in 1996 by legislation implementing GATT Treaty protection for foreign authors whose works had fallen into the public domain for failure to comply with formal notice and registration requirements no longer in place. The Court ruled that Troll Co.'s wait of approximately 4 months in seeking preliminary relief was excused because (a) it had justifiably relied on the misrepresentations of Street Players concerning the extent of Street Players' sales activities during such period and (b) it moved for a TRO promptly upon learning the actual facts concerning Street Players' sales activities. A preliminary injunction was subsequently issued on consent.

ON FEBRUARY 9, 2005, The Court of Appeals for the Federal Circuit affirmed a Trademark Trial and Appeal Board holding that VEUVE ROYALE is confusingly similar to VEUVE CLICQUOT. **MARIE DRISCOLL** and **JOHN MARGIOTTA** represented Veuve Clicquot Ponsardin.

THE FIRM, LED BY **BARBARA SOLOMON**, assisted IBM in IBM's recently announced sale of its personal computer division.

IN THE ALMANAC 2004 ISSUE OF IP LAW AND BUSINESS, **ROGER ZISSU** AND **MARIE DRISCOLL** were listed among best lawyers – intellectual property.

BARBARA SOLOMON'S article entitled "Can the Lanham Act Protect Tiger Woods? An Analysis of Whether the Lanham Act is a Proper Substitute for a Federal Right of Publicity" was published in the November-December 2004 issue of The Trademark Reporter (Vol. 94, No.6). The article includes an in-depth review of cases arising out of the misappropriation of a person's likeness.

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

Information Letter

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UNITED STATES

TRADEMARK DECISIONS

- Famous Marks: *Grupo Gigante v. Dallo & Co.*
- Evidence of Actual Dilution Not Needed: *Savin Corp. v. The Savin Group*

U.S. PATENT AND TRADEMARK OFFICE

- Design Patent Fees
- Trademark Document Retrieval

Trademark Decisions: FAMOUS MARKS: *GRUPO GIGANTE V. DALLO & CO.*

In a case of first impression at the federal appellate court level, *Grupo Gigante S.A. de C.V. v. Dallo & Co., Inc.*, 391 F.3d 1088 (9th Cir. 2004), the court held that the owner of a foreign mark not used in the U.S. can establish priority over a later infringing domestic use only if the owner of the foreign mark demonstrates, "by a preponderance of the evidence, that a *substantial* percentage of consumers in the relevant American market is familiar with the foreign mark." 391 F.3d at 1098 (emphasis in original). The claim was assessed under Section 43(a) of the Lanham Act. The court dismissed the claims under Article 6*bis* of the Paris Convention (protection of well-known marks) and Article 10*bis* (unfair competition), holding that these provisions create neither a federal cause of action nor additional substantive rights.

Grupo Gigante owns a successful grocery store chain under the mark GIGANTE; by 1991, Grupo Gigante operated almost 100 GIGANTE stores in Mexico, of which 6 were in Baja, including two in Tijuana, just south of San Diego. In August 1991, Dallos opened a

GIGANTE grocery store in San Diego, and opened a second store in 1996. Grupo Gigante learned of the first store when it explored opening stores in the U.S. in 1995, but Grupo Gigante decided not to expand at that time; it took no action against the Dallos store. The parties met in 1998 but could not resolve their differences. Grupo Gigante opened its first two U.S. stores in Los Angeles in 1998. Dallos sent a cease-and-desist letter, in response to which Grupo Gigante sued for trademark infringement and an injunction, as well as a declaratory judgment that it had superior rights, under Section 43(a) of the Lanham Act, as well as Articles 6*bis* and 10*bis* of the Paris Convention, the Federal Trademark Dilution Act and California state law; Dallos counter-claimed for trademark infringement and unfair competition.

The district court held on cross motions for summary judgment that because the GIGANTE mark was already well known in Southern California when Dallos began using the mark, the principle that trademark rights are strictly territorial in nature was trumped by the well-known mark exception, giving Grupo Gigante superior rights to the mark in Southern California. Nonetheless, Grupo Gigante was

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barred by laches from enjoining Dallos' use of the GIGANTE mark at its two existing San Diego stores. Both parties appealed the decision. Following a *de novo* review, the Ninth Circuit Court of Appeals affirmed much of the decision, but vacated and remanded the case to have the district court reconsider the standard for application of the famous mark provision.

The appellate court noted that there was no circuit-court authority applying the famous-mark exception to the territoriality principle, and that at least one court had called into question its very existence, since it rarely if ever was applied. The Ninth Circuit expressly held that "there is a famous mark exception to the territoriality principle," as such was necessary to protect the public from confusion. *Id.* at 1092. It cited with approval the New York state case, *Vaudable v. Montmartre, Inc.*, 193 N.Y.S.2d 332 (N.Y. Sup.Ct. 1959), enjoining use of the MAXIM'S mark for a restaurant in New York, based on the famous identically-named restaurant in Paris. The court gave some guidance on the type of marks and the geographical factors that could establish protectible fame without use. For example, if a hair salon in Fairbanks, Alaska were called "Shear Heaven," women in New Zealand would not think that a salon there with the same name was a branch of the Fairbanks salon. On the other hand, if a New Zealand resident visited an Elizabeth Arden "Red Door" salon and then established an Elizabeth Arden salon in Wellington, local women might assume that it was affiliated with the Elizabeth Arden salon in New York, even if there had never been an Elizabeth Arden salon in New Zealand previously.

The appellate court took issue with the district court's determination that Grupo Gigante should prevail in the famous mark exception to the territoriality rule because Grupo Gigante established that its mark had secondary meaning at the time Dallos opened its first store. By "secondary meaning," Grupo Gigante had to establish that the GIGANTE mark had come to identify to consumers Grupo Gigante's particular brand of store, and not merely a characteristic of Grupo Gigante's stores and others like them. The Ninth Circuit held that, in addition to proving

secondary meaning, and in cases where there had been only foreign use, the court must be satisfied by a preponderance of the evidence that a *substantial* percentage of San Diego consumers were familiar with Grupo Gigante's mark. The court could consider factors such as whether there was intentional copying of the name, and whether the public was likely to be confused by thinking that they were patronizing a local branch of the foreign brand's business.

The court also addressed the Paris Convention claims raised under Article 6*bis* and 10*bis*, and dismissed them. The court agreed with the district court's opinion that since GIGANTE was a well-known mark, the claim under Article 6*bis* was duplicative of Grupo Gigante's claim under the Lanham Act. The court then noted divergent opinions among the courts as to whether Article 10*bis* of the Paris Convention provides a separate cause of action for unfair competition. The court ultimately held that Section 44 of the Lanham Act, the implementing provision of the Paris Convention, merely provided for equal treatment under the law for foreign nationals, but gave them no substantive rights beyond those set forth in the Lanham Act. *Id.* at 1100.

It is interesting to contrast this case with the COHIBA cigar case decided by the district court for the Southern District of New York in March 2004, *Empresa Cubana del Tabaco v. Culbro Corp.*, 70 U.S.P.Q.2d 1650 (S.D.N.Y. 2004). The plaintiff, known as Cubatabaco, is a company established by and organized under the laws of Cuba. Cubatabaco alleged that it has sold cigars under the COHIBA mark in Cuba since 1969 and throughout the world, excluding the U.S. due to the trade embargo imposed by the U.S., since 1982. It brought suit in U.S. District Court for the S.D.N.Y. against General Cigar Co., a U.S. company, alleging trademark infringement under the Paris Convention, the Inter-American Convention and the Lanham Act. Despite the fact that Cubatabaco had never sold a single COHIBA cigar in the U.S., Cubatabaco sought, among other things, cancellation of General Cigar's U.S. trademark registration for COHIBA for cigars and a permanent

injunction against General Cigar's sale of cigars under the COHIBA mark in the U.S.

As with the GIGANTE case, the court in the COHIBA case dismissed Cubatabaco's claims under the Paris Convention and Inter-American Convention as duplicative of its Lanham Act claim, since the Conventions "[do] not confer any rights beyond those conferred by the [U.S.] common law" and the Lanham Act. *Id.* at 1673-74.

General Cigar argued that the appropriate standard of recognition should be the statutory standard for fame set forth in the Federal Trademark Anti-Dilution Statute (the "FTDA"), which, according to a recent U.S. Second Circuit Court of Appeals case, protects only marks that have achieved a "substantial degree of fame" in the U.S. such that they are "household words throughout the United States." The district court rejected this strict standard, holding instead that Cubatabaco needed to prove only that its mark had achieved a "known reputation" among the relevant consumer group – i.e., premium cigar smokers – by November 1992, the month in which General Cigar launched its COHIBA cigars in the U.S. The court's choice was significant, since the court found that in November 1992 Cubatabaco's "COHIBA mark could not meet the [substantial degree of fame] standard ... under the FTDA." *Id.* at 1676-78.

The New York district court equated the "known reputation" standard with the "secondary meaning" standard that U.S. courts use to determine whether a descriptive mark has acquired distinctiveness among consumers in the marketplace. The district court found that this lower test had been met, and ordered that General Cigar's registration be canceled and also entered an injunction against any use of the COHIBA mark by General Cigar for any goods or services. General Cigar was granted a stay of this order pending the outcome of its appeal.

It remains to be seen whether the stricter standard advanced by the Ninth Circuit, requiring that a substantial percentage of the relevant American public be familiar with the mark, or the lesser standard of secondary meaning, will be adopted, and whether a

decision by the U.S. Supreme Court ultimately will be needed to resolve the split among the circuits. However, in view of the ready availability of the Internet and global travel, any reluctance to provide protection to well-known marks that are not in use in this country needs to be revisited. U.S. trademark owners expect foreign courts to enforce their rights under Articles 6 and 10 *bis* of the Paris Convention. *E.g.*, *Whirlpool Corp. v. Registrar of Trademarks*, Civil Appeal No. 5201 of 1998 (Sup. Ct. India). If application of Section 43(a) of the Lanham Act achieves the same result, and in addition, there are clear guidelines to prevent pirates from seeing successful brands abroad and racing to the U.S. in advance of the rightful owner (*see Person's Co., Ltd. v. Christman*, 900 F.2d 1564 (Fed. Cir. 1990)), the interests of trademark owners and the public will be served.

UPDATE: On February 24, 2005, the U.S. Court of Appeals for the Second Circuit reversed the decision of the Southern District of New York in *Empressa Cubana del Tabaco v. Culbro Corp.*, No. 04-2527-CV(L), 04-3005-CV (XAP), 2005 WL 427887 (2d Cir. Feb. 24, 2005) on the ground that Cubatabaco was barred by the United States' embargo in force against Cuba from acquiring property rights in United States trademarks. The Second Circuit expressly declined to address the general applicability of the famous marks doctrine in its decision.

- SUD, DD, JW

Trademark Decisions: EVIDENCE OF ACTUAL DILUTION NOT NEEDED: *SAVIN CORP. V. THE SAVIN GROUP*

In a decision helpful to owners of well-known trademarks, *Savin Corp. v. The Savin Group*, No. 03-9266 (2d Cir. Dec. 10, 2004), the Second Circuit Court of Appeals, interpreting the U.S. Supreme Court's decision in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003), held that where a senior user can prove that its mark is distinctive and famous, it need not provide evidence of actual dilution to prevail on a federal dilution claim against a junior user of an identical mark.

Plaintiff, a company that had used the trade name and mark SAVIN in various forms for

various goods and services since 1959, had several incontestable registrations for the mark, and had extensively advertised and promoted the mark, brought suit in the U.S. District Court for the Southern District of New York against defendants, who had used the mark SAVIN since 1987. The action alleged trademark infringement under the Lanham Act, 15 U.S.C. § 1114, and dilution under both the Federal Trademark Dilution Act (“FTDA”), 15 U.S.C. § 1125(c), and New York General Business Law § 360-1. Both sides moved for summary judgment. The district court denied plaintiff’s motion, granted defendants’ motion in its entirety, and dismissed all of plaintiff’s claims. *Savin Corp. v. Savin Group*, 02 Civ. 9377, 2003 WL 22451731 (S.D.N.Y. Oct. 24, 2003).

The Second Circuit affirmed the portion of the district court’s opinion addressing plaintiff’s trademark infringement claim, agreeing that that claim could not survive summary judgment. On plaintiff’s state law dilution claim, the Second Circuit vacated and remanded, finding that the district court had erred in dismissing the claim solely on the basis that plaintiff had “failed to produce sufficient evidence to create a triable issue under the FTDA,” since dilution under the FTDA requires evidence of actual dilution, while the New York dilution statute only requires a showing of likelihood of dilution.

On plaintiff’s FTDA claim, plaintiff argued that the district court had erred by requiring it to offer circumstantial evidence of actual dilution, even though the marks were identical. The Second Circuit noted that to establish a violation of the FTDA, a plaintiff must show that (1) its mark is famous, (2) defendant is making commercial use of the mark in commerce, (3) defendant’s use began after the mark became famous, and (4) defendant’s use of the mark dilutes the quality of the mark by diminishing its capacity to identify and distinguish goods and services. The court also noted that, after the Supreme Court’s decision in *Moseley*, an FTDA plaintiff must show “actual dilution, rather than a likelihood of dilution,” and under Second Circuit law, an FTDA plaintiff must show that the senior mark has both a “significant degree of *inherent* distinctiveness” and, to qualify as

famous, “a high degree of . . . *acquired* distinctiveness.”

The court agreed with the district court that plaintiff had shown sufficient evidence of fame and distinctiveness to withstand summary judgment. On fame, plaintiff had shown its expenditure of over \$20 million annually on advertising, as well as \$675 million in annual revenues. The court also agreed with the district court that plaintiff’s marks were entitled to a presumption of inherent distinctiveness by reason of their incontestability, and noted that the word Savin, the surname of a relative of plaintiff’s founder, was not merely descriptive as a surname, since “savin” also has a dictionary meaning (a Eurasian juniper plant), and was “not patently used as a surname.”

On the issue of actual dilution, the Second Circuit noted the Supreme Court’s statement in *Moseley* that “direct evidence of dilution such as consumer surveys will not be necessary if actual dilution can reliably be proved through circumstantial evidence,” as “where the junior and senior marks are identical,” but that “[w]hatever difficulties of proof may be entailed, they are not an acceptable reason for dispensing with proof of an essential element of a statutory violation.” After surveying other courts on whether the commercial use of an identical junior mark was sufficient to prove actual dilution, the court “interpret[ed] *Moseley* to mean that where a plaintiff who owns a *famous* senior mark can show the commercial use of an identical junior mark, such a showing constitutes circumstantial evidence of the actual-dilution element of an FTDA claim.” The court held, essentially, that “an identity of marks creates a presumption of actual dilution.” The court noted further that “[i]t cannot be overstated, however, that for the presumption of dilution to apply, the marks must be identical. In other words, a mere similarity in the marks – even a close similarity – will not suffice to establish per se evidence of actual dilution. Further, ‘where the marks at issue are not identical, the mere fact that consumers mentally associate the junior user’s mark with a famous mark is not sufficient to establish actionable dilution.’”

The court noted that “[o]ftentimes, the issue of whether the marks are identical will be context- and/or media-specific and factually intensive in nature. For instance, marks that are textually identical may appear very different from one another (e.g., in terms of font, size, color, etc.) where they are used in the form of dissimilar corporate logos, either in traditional media or on the Internet. . . . Similarly, marks that are textually identical may be pronounced differently, which also could be relevant under certain circumstances, such as, for example, when the marks are used in radio advertising. Indeed, the need for careful and exacting analysis of the identity issue highlights the basis for our emphasis of the famousness factor as a more expeditious avenue of resolution, given the case law in this Circuit limiting application of the FTDA to only the most famous of marks.”

In light of the district court’s findings, which it found “somewhat ambiguous,” the Second Circuit vacated and remanded on plaintiff’s FTDA claim “for clarification and specific findings as to whether the junior and senior marks are identical.” The court cautioned that although differences between the marks “may be inconsequential” in the context of trademark infringement, “such differences may indeed be relevant in the analysis of the dilution issue.” While stating that “[t]he fact that Defendants have used the marks somewhat differently,” (as in *savin.com* rather than *thesavinggroup.com*) “may also be relevant,” “it is the identity of the marks themselves that is germane in the dilution context, and the modifying of the mark – by adding one or more generic descriptors to the mark in a website address, for example – will not necessarily defeat a showing that the marks themselves are identical in specific contexts.”

- EG

U.S. Patent and Trademark Office:

DESIGN PATENT FEES

Design patent fees have been revised by a law enacted on and effective December 8, 2004. The law provides for a new filing fee structure, which includes a separate \$200 “basic filing fee,” a \$100 “search fee,” and a \$130 “examination fee.” All of these fees, totaling

\$430, are due on filing. As always, a small entity is entitled to pay half the regular amount.

There is no real practical effect to the new fee structure, which includes three separate fees. Before December 8, 2004, a single \$350 filing fee was due on filing.

The new law also serves to raise the regular design patent issue fee amount to \$800, up from \$490.

- DIG

U.S. Patent and Trademark Office:

TRADEMARK DOCUMENT RETRIEVAL

As of **January 27, 2005**, the complete contents of all pending U.S. trademark application files and Madrid Protocol filings became available online through the U.S. Patent and Trademark Office’s new Trademark Document Retrieval (TDR) portal. The TDR portal can be accessed via the PTO’s home page, www.uspto.gov, by clicking on the “View Documents” link under the Trademarks category. To access TDR directly, the Web address is <http://portal.uspto.gov/external/portal/tow>.

The file contents for some U.S. trademark registrations are also available through TDR, and the database will gradually be updated to add others. According to the PTO website, the paper files of the remaining active trademark registrations will be converted into digital format and made available via TDR over the next five years.

Trademark documents can be viewed, downloaded and printed from the TDR portal without charge. Materials that include color, such as specimens and drawings, are available in color via TDR.

With the launch of the TDR portal, Internet users worldwide can now enjoy trademark file access similar to that which is already available for dispute proceedings via the Trademark Trial and Appeal Board portal, TTABVue.

- NdiC

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INTERNATIONAL

BAHRAIN

- New Trademark Regulations

EUROPEAN UNION

- Database Directive Limited by *British Horseracing Board Case*
- Registrability of Slogans in the EU

GHANA

- Service Marks

SINGAPORE

- Changes to Copyright Law

SOUTH AFRICA

- Dilution: *Laugh It Off Promotions CC v. South African Breweries International*

Bahrain: NEW TRADEMARK REGULATIONS

On **December 25, 2004**, the Bahraini Trademark Office issued new procedural regulations in anticipation of the new Trademark Act, which is expected to be enacted by the Parliament of Bahrain in the first half of 2005.

Key provisions of the new regulations include the following:

- Applications will now be accepted using the revised classifications under the Eighth Edition of the Nice Agreement, which divided Class 42 into Classes 42 through 45. However, any applications filed using the new Classes will be held for publication until after the new Trademark Act is enacted.
- Trademark renewal applications must now be filed within the twelve months prior to

the expiration of the present term of protection. All renewal applications must be accompanied by a photocopy (the original is not necessary) of the Certificate of Registration, or, for previously renewed registrations, the most recent Certificate of Renewal.

- Counterstatements to oppositions must be filed within one month from the notification date. However, such deadline may be extended one time for sixty additional days.

- JV

European Union: DATABASE DIRECTIVE LIMITED BY *BRITISH HORSE RACING BOARD CASE*

In the United States, databases and other collections of factual information are given a very narrow scope of protection extending

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only to the creative and original (and not factual) elements of such collections which qualify for copyright protection. By contrast, in the European Union, database owners are given explicit statutory protection against unauthorized extraction and reutilization of data taken from databases under the EU Database Directive (Directive 96/9/EC). However, in a recent case, *British Horseracing Board v. William Hill*, the European Court of Justice (ECJ) has significantly limited the scope of protection enjoyed by database owners under this directive.

The case involved a dispute between the British Horseracing Board (BHB), a government agency that regulates the sport of horseracing in the UK, and William Hill, a leading bookmaker. BHB maintains a database of horseracing statistics, which includes information on horses, jockeys, owners, results of races and the like. BHB incurs significant costs in maintaining the database, which are only partially offset by licensing fees that are charged for access to the database. William Hill extracted certain elements of data from the database and made the information available to users of its online gambling service without proper authorization from BHB. BHB sued in UK court and won a decision holding that William Hill had infringed BHB's data rights under the EU Database Directive. William Hill appealed this decision to the UK Court of Appeal, which referred certain questions of interpretation of the directive to the ECJ.

The ECJ initially noted that the goal of the directive was to protect the investment made by the database owner in the "obtaining, verifying and presenting of" the contents of the database, and not the investment made in the creation of the contents of the database itself (protection which is afforded under copyright law provided that the contents qualify for such protection). Thus, to establish database rights under the directive, the owner of the database must demonstrate that it has made a substantial investment in the obtaining, verifying and presenting of preexisting data. Investments made in the creation of the data are not relevant for this purpose.

If the database owner can establish its rights in the database, it is then entitled to prevent the unauthorized extraction or reutilization of data from the database. The ECJ explained that "extraction" refers to the transfer of the data from one medium to another, and that "reutilization" refers to the disclosure of the data to the public. However, such acts of extraction or reutilization are only actionable, according to the decision, if directed to a substantial portion of the database or if the acts are committed in such a repeated and systematic manner with respect to insubstantial portions of the database that the overall effect is a reconstitution of the whole or at least a significant portion of the database. Additionally, the ECJ held that the database owner must show that the acts of extraction or reutilization of the data resulted in substantial detriment to its investment made in the obtaining, verifying and presenting of the data.

The ECJ found that BHB had not invested significant resources in the obtaining, verifying and presenting of the horseracing data because the bulk of the expenses that it had incurred involved the creation of the data itself. The ECJ found also that William Hill's activities made available to the public only a small amount proportionally of the data in BHB's database. Thus, the ECJ held that William Hill's acts were only directed to an insubstantial portion of the database, and although such acts were repeated and systematic, there was no way that the amount of data made available to the public could have amounted to a reconstitution of the whole of or even a substantial portion of BHB's database as a whole. Therefore, the ECJ held that William Hill had not violated BHB's database rights under the directive.

This decision limits the statutory protection afforded to database owners in the European Union. Accordingly, companies that offer access to commercial databases in the E.U. may be advised to employ other methods to secure their data, such as technological copy protection measures or contractual restrictions on the permissible use of data in subscriber agreements.

- JV

European Union: REGISTRABILITY OF SLOGANS IN THE EU

OHIM v. Erpo Möbelwerk GmbH

Unlike in the United States, where there is a relatively liberal standard for registrability of slogans, in the European Union, applications for slogans are frequently rejected under Section 7(1)(b) of the Community Trademark (CTM) Regulation, which precludes registration of marks that are “devoid of distinctive character.” The rationale for such rejection has generally been that slogans are merely language used in advertising to extol the virtues of the products or services and are not generally recognized by the public as an indication of the source of the products or services. For example, in the *Sykes Enterprises v. OHIM* case, which was profiled in our June 2003 newsletter, The European Court of First Instance (CFI) found the slogan REAL PEOPLE, REAL SOLUTIONS non-registrable for telemarketing and computer services because it merely indicated that the applicant’s services consist of “providing pragmatic solutions devised by and for real people.”

However, in a recent European Court of Justice (ECJ) decision in the *OHIM v. Erpo Möbelwerk GmbH* case, the court held that the slogan DAS PRINZIP DER BEQUEMLICHKEIT (German for “THE PRINCIPLE OF COMFORT”) is registrable for furniture and related goods and services. The case addressed an application for this mark that was initially rejected by the Examiner, and such rejection was affirmed by the Board of Appeal, but then overturned by the CFI.

In its decision, the ECJ initially stated that slogans are subject to the same standards as any other trademark for which registration is sought, thus rejecting the Board of Appeal’s holding that required a showing of an additional element of “imaginativeness or even conceptual tension, which would create surprise and so make a striking impression so as not to lack the minimal level of distinctiveness” for registration. All that is required to be shown, according to the ECJ, in assessing distinctiveness of a slogan is that it

“must be capable of identifying the product as originating from a particular undertaking, and thus distinguishing it from those of other undertakings”. However, the ECJ stated that since average consumers do not usually make assumptions about the origin of products on the basis of slogans, it might be more difficult to establish that a slogan has sufficient distinctiveness than other types of marks.

The ECJ then rejected the Court of First Instance’s holding that slogans should be deemed registrable unless it is established that similar expressions are commonly used in business communications by other traders. The ECJ stated that if it were shown that a given slogan was in common use by other traders, this would be evidence that the slogan was devoid of distinctiveness. However, the ECJ did not accept that the absence of evidence of common use of similar slogans meant that the slogan should necessarily be accepted for registration. However, the ECJ summarily found that the slogan at issue was sufficiently distinctive for registration and, therefore, held that the CFI’s decision amounted to a harmless error.

The upshot of this decision is that the ECJ, having rejected both the Board of Appeal and CFI’s efforts to clarify the criteria under which the registrability of slogans should be analyzed, chose instead to maintain the present ambiguous standard, which gives little guidance to trademark owners, practitioners and examiners with respect to the registrability of slogans in the EU.

- JV

Ghana: SERVICE MARKS

Service mark registration is now available in Ghana effective **December 1, 2004**. Further, the Nice Agreement version (8th Edition) of the International Classification of Goods and Services has now been adopted.

Although the implementing regulations under the Trademarks Act 2004 have not yet issued, the Registry as a matter of practice is now accepting applications for the registration of service marks as of the effective date mentioned above.

- SB

Singapore: CHANGES TO COPYRIGHT LAW

The Singapore copyright law was recently amended and updated to bring it into line with technological advances. The key changes, effective as of **January 1, 2005**, are as follows:

New Rights

The new law gives copyright owners an exclusive right over the exploitation of their works to the public on the Internet/digital networks. It also gives producers of sound recordings a new right to publish a sound recording, and the right to make available to the public a sound recording by means of, or as part of, a digital audio transmission. In addition, performers now have the right to control indirect recordings of their performances, the right to be attributed, the right to publish and the right to communicate a recording of their performances to the public.

Anti-Circumvention Measures

Civil remedies and criminal penalties are now available for the circumvention of technological measures used by copyright owners in connection with the exercise of their copyright. A copyright owner can bring a civil action against a person who manufactures, sells or imports circumvention devices, or offers services related to the circumvention of a technological measure. If the person does these acts willfully and for the purpose of obtaining a commercial advantage, s/he may also be guilty of a criminal offence.

Protection for Digital Rights Management Information

Rights Management Information or "RMI" refers to information which may identify the work, the author, or the terms and conditions of use of that work. Civil remedies are now available against the unauthorized distribution or importation for distribution of altered RMI. Civil remedies are also available against the unauthorized distribution, importation for distribution, communication or making available to the public, works in respect of which RMI has been removed or altered

without consent. In addition, criminal proceedings may be brought in cases where any of the prohibited acts in relation to RMI are carried out willfully, and for the purpose of obtaining a commercial advantage.

Presumption of Copyright

The amendments refine the presumption of copyright in infringement actions. The presumption in favor of the copyright owner plaintiff, namely that copyright subsists in the copyrighted work and that s/he is the owner of the copyright, applies as long as the defendant does not satisfy the court that s/he puts these matters in issue in good faith. Under the new law, if the defendant puts these matters in issue in good faith, the plaintiff may now, by affidavit, assert relevant facts attesting to the ownership and subsistence of the copyright. Such affidavit will serve as prima facie proof of the matters asserted unless the defendant proves otherwise.

New Criminal Offences

Criminal sanctions have been introduced for infringement that is willful, significant and for commercial advantage. The penalty for a first offence is \$20,000 and/or a 6 month jail term. Subsequent offences may result in fines of \$50,000 and/or 3 years. Factors to assist courts in determining if the extent of an infringement is significant include the volume of articles that are infringing copies, the value of these infringing copies, and whether the infringement has a substantial prejudicial impact on the copyright owner. The types of action which now may attract criminal sanctions include: uploading/downloading from the internet; multiple installations of software without sufficient licenses; and copying materials to advance one's business, such as preparing marketing materials using copyrighted works.

Statutory Damages

Copyright owners in an infringement action now have the option to choose statutory damages in lieu of actual damages suffered. The courts have been given the discretion to award statutory damages up to \$10,000 for each work or subject matter infringed or \$200,000 total. If the loss can be shown to

exceed \$200,000, higher damages may be awarded.

Limitation of Liability for Network Service Providers (NSPs)

Under the old law, NSPs enjoyed blanket immunity for acts of infringement of copyright or copyright infringing material on their networks. Under the new law, NSPs must meet certain criteria in order to benefit from the immunity. Specifically, an NSP will be able to rely on the immunity provided in the Copyright Act only if it:

- a) does not receive any financial benefit directly attributable to the unauthorized use of the performance; and
- b) knowing or receiving notice of the unauthorized performance, it takes expeditious and reasonable steps to rectify the situation

Border Enforcement

The new law enables authorized officers to detain infringing imports, infringing goods consigned to a local party and infringing goods that are to be exported from Singapore.

- AK

South Africa: DILUTION DECISION

The Supreme Court of Appeal in South Africa has handed down a significant decision on the issue of dilution in the matter of *Laugh It Off Promotions CC v. South African Breweries International (Finance) BVTA Sabmark International*.

This case concerned the well-known Carling Black Label trademark of South African Breweries ("SAB") and a mark reproduced on a t-shirt, with the same format as the former mark, with the words "Black Label" replaced by "Black Labor," and the words "Carling Beer" replaced by "White Guilt." Additionally the t-shirt label contained the words "Africa's Lusty, Lively Exploitation since 1652" and also "No regard given worldwide."

In the court below, SAB relied on Section 34 (1)(c) of the South African Trademarks Act of 1993 which contains an anti-dilution provision, which holds that if a trademark is

well-known in South Africa, and the use of a third party mark would be likely to take unfair advantage of, or be detrimental to the distinctive character or repute of the well-known trademark, notwithstanding the absence of confusion or deception, such conduct constitutes infringement of the trademark in question.

The court below found against the Defendant, which on appeal, relied on the provisions of South African Constitution protecting the right to freedom of expression. The Appeal Court agreed that the Defendant was exploiting the fame of the Carling mark for commercial gain.

In a wide-ranging decision, the Appeal Court reviewed numerous foreign decisions and commentaries on the issue of dilution, and came to the conclusion that the Defendant's conduct constituted dilution, and that its freedom of expression was not unduly restricted by the injunction. The court stated that it was appropriate to prevent usages in the course of the trade, such as those here, which took unfair advantage of the distinctive character and repute of the mark in question. In a comment that obviously looked to South Africa's past, the decision noted that ". . . . unfair or unjustified racial slurs on a trademark owner (even if not hate speech or approximating it) should in general not be countenanced, more so in a society such as ours."

Interestingly the court rejected a defense based on parody, and referred, in that regard, to the U.S. Supreme Court Copyright decision, in the *Campbell v. Acuff-Rose Music Inc.*, the "Pretty Woman" case, 510 U.S. 569 (1994).

Of some interest in relation to this firm is the fact that the decision cites several passages from Frederick Mostert's work "Famous and Well-Known Marks," and also his doctoral thesis on Unlawful Competition, Frederick Mostert having commenced his connection with Intellectual Property practice as a Fross Zelnick Associate.

Additionally the court cited decisions in the U.S., which were litigated by Partners of the firm, namely Richard Lehv in the case of *Anheuser-Busch Inc. v. Balducci Publications*, 28 F. 3d 769 (8th Cir. 1994), the "Michelob

Oily” case, and Janet Hoffman, *American Express Co. v. Vibra Approved Laboratories Corp.* 10 U.S.P.Q. 2nd 2006 (S.D.N.Y. 1989).

Finally, it is of note that Justice Harms, who delivered the Opinion of Appeal Court, has long maintained a special interest in Intellectual Property.

- MID

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