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MARCH 2007

ON JANUARY 10, 2007, THE U.S. PATENT AND TRADEMARK OFFICE HELD AN AWARD CEREMONY commemorating the one millionth electronically filed trademark application, an honor going to Donald Junck of South Dakota. However, the PTO recognized that the one million milestone would not have been reached without significant contributions made by large law firms and corporate filers. **FROSS ZELNICK LEHRMAN & ZISSU** had the most e-filings by any law firm and was also honored at this event, as was Mattel Corporation for the most e-filings by a corporation. **SUSAN DOUGLASS**, the attorney at Fross Zelnick with the most e-filings, represented the firm in accepting the award at the PTO Museum in Alexandria, Virginia. In her remarks, Susan noted that the e-filing system has undergone many helpful changes over the years, making the system more user friendly. However, additional interactivity with existing PTO databases, such as the databases for Trademark Document Retrieval and the Trademark Trial and Appeal Board, as well as third-party document management systems, would enhance the system's usefulness. The private bar has long requested compatibility with the leading document management systems to avoid duplication of data entry. Susan concluded her remarks with the promise of continued collaboration between the private sector and the PTO to improve the online filing system.

ALLISON STRICKLAND will speak on "Advanced Prosecution Topics" at the Practising Law Institute's Advanced Seminar on Trademark Law in New York on **May 15, 2007**.

NADINE H. JACOBSON will be speaking about the Madrid Protocol at the upcoming INTA Annual Meeting in Chicago. The session, entitled Madrid Protocol Update, will be held on Tuesday, **May 1, 2007** from 11:45-1:00 PM. We hope to see you there!

JAMES D. WEINBERGER was on the faculty of the **February 22-23, 2007** Practising Law Institute (PLI) course entitled "Navigating Trademark Practice Before the PTO – From Filing Through the T.T.A.B. Hearing." James spoke on topics relating to discovery practice and motions at the program, which was conducted live in New York as well as via webcast.

ON WEDNESDAY, JANUARY 24TH, 2007, 20th Century Fox served a subpoena on YouTube, the high-flying video sharing website, to reveal the identity of a user who had posted full episodes of the hit TV show '24.' CNN recently sat down with partner **CARLOS CUCURELLA** to discuss intellectual property infringement on the Internet and the challenges that intellectual property owners are facing to protect their rights in the new digital environment. The piece aired on **January 26th, 2007**, on CNN en Español.

ON JANUARY 23, 2007 **BARBARA SOLOMON** spoke on the assertion of fair use as a defense in trademark and dilution claims during the Annual Meeting of the New York State Bar Association, Intellectual Property Law Section held at the Marriott Marquis Hotel in Times Square. The all-day meeting included presentations by other pre-eminent Intellectual Property attorneys including former US Patent and Trademark Office director Q. Todd Dickenson (now Corporate Vice President for Intellectual Property with General Electric) who spoke about the future of IP law, and James Dabney of Fried Frank Harris Shriver & Jacobson, who rehashed his recent Supreme Court oral argument in *KSR International Co. v. Teleflex, Inc.* Fross Zelnick Lehrman & Zissu helped sponsor the meeting which was attended by over 180 Intellectual Property attorneys.

CAROLINE G. BOEHM participated in Columbia Law School's Young Alumni in IP and Entertainment Law panel and reception on **January 23, 2007**, where alumni discussed their practices and fields with law students.

DAVID DONAHUE coordinated and moderated a panel discussion on the termination of transfer provisions of the U.S. Copyright Act before the Copyright Society of the U.S.A.'s New York Chapter on **January 10, 2007** at the Princeton University Club in New York City. The event was sold out and received positive coverage in *Billboard* magazine.

RICHARD LEHV, who has been teaching an advanced seminar at Columbia Law School on Litigation of Trademark and Copyright Cases, and is this year teaching Trademark Law, is featured in Columbia Law School's new brochure on intellectual property courses and seminars. The brochure will also be posted on the School's website, www.law.columbia.edu.

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Information Letter

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UNITED STATES

U.S PATENT AND TRADEMARK OFFICE

- Grant of Registration for "Touch" Trademark
- "Use" But Not "Use in Commerce" Required for Opposition (*Niagara* Case)

TRADEMARK INFRINGEMENT

- Related Goods - Real Trucks and Toy Versions of Real Trucks

TRADEMARK SEARCHES

- Tips for Ordering U.S. Searches

TRADEMARK TRIAL AND APPEAL BOARD

- Change in Citation Practice

U.S. Patent and Trademark Office:

GRANT OF REGISTRATION FOR "TOUCH" TRADEMARK

On October 17, 2006, the USPTO granted registration to American Wholesale Wine & Spirits, Inc. ("American Wholesale") for "a velvet textured covering on the surface of a bottle of wine." (U.S. Reg. No. 3,155,702). American Wholesale had applied for this mark to cover velvet casings directly attached to bottles of wine.

The USPTO had initially requested a specimen of the mark so that it could examine the surface. After the applicant submitted such a sample, the USPTO refused registration on the ground that it was not inherently distinctive product packaging. The Office Action noted that

Wal-Mart Stores, Inc. v. Samara Brothers, Inc., 529 U.S. 205 (2000), specifically distinguished between product design (which is not inherently distinctive, and would require proof of secondary meaning) and product packaging (which is inherently distinctive). Only the latter would be eligible for registration on the Principal Register. In close cases, "courts should err on the side of caution and classify ambiguous trade dress as product design, thereby requiring secondary meaning." *Wal-Mart*, 529 U.S. at 215. The Examining Attorney, pointing to other velvet sacks used to encase wine that were currently on the market, as well as straw casings for bottles of Chianti, found that Applicant's mark was not inherently distinctive.

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The applicant successfully argued that the velvet fabric was distinguishable from other velvet sacks for wine bottles, since it was turgid and attached to the bottle; therefore, the “feel” of the mark was distinctive from the “feel” of a loosely rotating velvet bag around a glass bottle of wine. The applicant also argued that the velvet covering was a non-functional portion of a wine bottle, did not “package” the wine bottle itself, and served only to distinguish Applicant’s wine bottles from others. The USPTO accepted these arguments and registered the mark.

- VHL

U.S. Patent and Trademark Office:

“USE” BUT NOT “USE IN COMMERCE”
REQUIRED FOR OPPOSITION

In *First Niagara Insurance Brokers, Inc. v. First Niagara Financial Group, Inc.*, 81 U.S.P.Q. 2d 1375 (Fed. Cir.2007), the Court of Appeals for the Federal Circuit reversed the decision of the Trademark Trial and Appeal Board (the “Board”), and held that a non-U.S. opposer without a foreign registration can prevail by proving prior use of its mark in the U.S., even if that use is not technical trademark use that would constitute use “in commerce.”

The opposer, First Niagara Insurance Brokers, Inc. (“FN-Canada”), is an insurance broker that has used the mark FIRST NIAGARA in various forms since 1984. It is based in Ontario, Canada, and has no offices or physical presence in the U.S. However, it sells insurance policies issued by U.S.-based companies to Canadian customers, and sells policies through U.S. brokers to U.S. citizens owning property in Canada. FN-Canada also sells insurance policies to Canadian customers that cover them while driving in the U.S., and also sells liability and other types of insurance to Canadian customers with business interests in the U.S. FN-

Canada’s advertising campaigns have spill-over effect, reaching U.S. markets.

First Niagara Financial Group, Inc. (“FN-US”) filed intent-to-use applications to register the mark FIRST NIAGARA in 2000. FN-US is based in New York, and offers insurance services similar to those offered by FN-Canada.

In the course of the ensuing oppositions based on FN-Canada’s priority and likelihood of confusion, the Board dismissed the oppositions on the ground that FN-Canada could not establish the priority necessary to prevail on the likelihood-of-confusion claim because it had not used its marks “in commerce” as defined in Section 45 of the Lanham Trademark Act. In that section of the statute, “commerce” is defined as “all commerce which may lawfully be regulated by Congress;” Congress has no authority to regulate a Canadian-based insurance company.

The Court of Appeals for the Federal Circuit (“Court”), which reviews the Board’s legal conclusions “de novo,” held that the parties and the Board had applied the incorrect standard. The correct standard for determining standing to oppose is Section 13(a) of the Lanham Act, which provides that any party who believes that it would be injured by registration may file an opposition, stating the grounds and paying the applicable fee. Among the grounds set forth in the statute is likelihood of confusion under Section 2(d), which provides, in relevant part, that no trademark shall be refused registration unless it:

[c]onsists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark or trade name previously *used in the United States* by another and not abandoned, as to be likely, when used on or in connection with the goods of the applicant, to cause confusion, or to

cause mistake, or to deceive...
[Emphasis in the original case citation.]

Thus, the statute requires nothing more than that the mark be used in the United States; the higher standard of proving use that may be regulated by Congress is not necessary to prevail in an opposition.

In its briefs and arguments, FN-Canada had alleged use in commerce (assuming that this was required), and thus the Board decided the case as though FN-Canada had waived its right to prove mere use of the mark in the U.S. – a standard clearly met by the facts. Nonetheless, the Court stated that it would be “imprudent” to render a decision based on an incorrect reading of the requirements to prove a claim under Section 2(d). The case was reversed and remanded.

- SUD

Trademark Infringement: RELATED GOODS – REAL TRUCKS AND TOY VERSIONS OF REAL TRUCKS

Automobile companies have long requested that toy companies take licenses, and pay royalties, when they make toy versions or scale model kits of the automobile companies’ actual cars, trucks and motorcycles. Many toy companies have entered into such licenses. However, there is very little case law on whether it is trademark infringement for a toy company to make such toys without a license. On October 25, 2006, in the case of *General Motors Corp. v. Lanard Toys, Inc.*, 80 U.S.P.Q. 2d 1608 (6th Cir. 2006), the United States Court of Appeals for the Sixth Circuit held in favor of the auto company on that issue.

The toy company produced a military vehicle toy which closely resembled the actual HUMVEE vehicle of General Motors, including the overall configuration of the vehicle and its unusual radiator grille design. Even though the toy company did

not use the mark HUMVEE in connection with the toy, the district court found that the toy infringed both General Motors’ registered trademark in the grille design of the actual vehicle and General Motors’ trade dress in the overall appearance of the vehicle. The appeals court affirmed, and observed that consumers “will merely recognize the grille shape, recognize the general shape, and purchase based on that recognition,” without carefully evaluating whether or not the toy actually comes from the maker of the full size vehicle. Without further explanation on the issue of relatedness of goods, the appeals court held that “the toy car is quite closely related to the actual car.” 80 U.S.P.Q. 2d at 1613. The court also affirmed the district court’s holding that the trade dress concerned, the appearance of the HUMVEE military vehicle and the very similar appearance of the HUMMER civilian truck, was sufficiently famous and non-functional to be protected. Under the Supreme Court decision in *Wal-mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205 (2000), a product configuration trade dress is not protectable, in a trade dress infringement suit, unless it has attained secondary meaning (fame), and is also non-functional.

For additional information, see David Ehrlich’s article, “Do I need a license to make this toy?,” published in the February 2006 issue of Playthings magazine. The original text of the article – published with minor edits – is in the “Our Insights” section of the frosszelnick.com website.

- DWE

Trademark Searches: TIPS FOR ORDERING U.S. SEARCHES

Our clients frequently ask us to do searches to see if a particular trademark is available for use or registration in the U.S. U.S. practice on searching is different from the practice in many other countries.

Clients can help us serve them better, and more quickly, by keeping the following tips in mind when instructing searches:

1. Indicate which type of U.S. search is desired: (a) a “full” search, which is prepared by a search firm and which we then review, consisting of selected federal registrations and applications, state registrations, unregistered marks and names, company names, and domain names, or (b) a less expensive search of federal trademark applications and registrations only (a “preliminary” search or “database” search) which we do in-house. Keep in mind that a full search can be performed only for pure word marks or pure number marks. It is not possible to do a full search for logos or designs or combination marks that include logo or design matter plus words. It is possible to search the database of federal trademark registrations and applications for logo or design matter, if such searches are desired.
2. Indicate the deadline for the search. Do not use general phrases such as “as soon as possible.” Keep in mind that, if a full search is desired, and the deadline is less than about a week, it will be necessary for us to order an expedited search, at a higher charge. Indicate whether your deadline date is New York time, or your country’s local time.
3. State the name of the client.
4. Describe the actual goods of interest as specifically as possible, including the specific nature and function of the goods and whether they are sold to the general public or to specific kinds of industrial or commercial consumers. Asking us to search marks for vague phrases (such as “printed matter” or “foods and beverages”), whole class headings (such as “all goods in Class

16”) makes it virtually impossible to give focused and helpful advice, given the huge numbers of prior marks in the U.S. If you can send a brochure or link describing the goods, that often helps.

5. If the mark will be used for a product component or feature, rather than a whole finished product, please so indicate. If the mark is for a product which has subject matter content, such as a TV show, magazine or video game, please describe the subject matter content.
6. State whether the goods will be very expensive or very inexpensive examples of their type. It is much easier, for example, to clear a mark for a very expensive mainframe computer, costing \$50,000, than it is to clear a mark for an inexpensive personal computer costing \$500.
7. Please indicate what other marks, if any, will appear on the goods, such as a house mark.
8. State how the mark was derived. If the mark is, for example, a descriptive term in the industry, strongly suggests a product feature, or has a meaning in a foreign language, please include that information in your instructions.

All this information is pertinent to whether confusion is likely and to inherent registrability of the mark and greatly helps us to advise you. Sometimes, extra information of this kind allows us to clear a mark that would otherwise appear unavailable.

- DWE

Trademark Trial and Appeal

Board: CHANGE IN CITATION PRACTICE

In a notice published in the Patent and Trademark Office's Official Gazette of January 23, 2007, the Trademark Trial and Appeal Board (TTAB) announced an

important change in its rule regarding the citation of its decisions. Formerly, the rule had been that decisions designated as precedential were citable to the TTAB, but those designated as non-precedential were not allowed to be cited to the TTAB--indeed, if a party did cite a non-precedential decision, the TTAB was supposed to disregard it. This caused much consternation among the members of the trademark bar, because over the past three decades the number of precedential decisions had plummeted from over 400 per year to 13 (out of more than 600 cases decided) in 2004.

Under the rule just announced, non-precedential decisions may now be cited to the TTAB, although, unlike precedential decisions, they are not considered binding on the TTAB, and "may be cited for whatever persuasive value [they] might have." Nevertheless, this change should have a salutary effect on the development of trademark law in the US, and its adaptation to a changing business world. Under the old rule, the TTAB's jurisprudence could almost be said to be retrogressing: a recent study found that in 2004 the TTAB cited more cases from the 1980's than from the 1990's and the present decade combined. And many of the non-precedential cases were decided in long opinions that reflected the substantial labor put into them by the parties and the TTAB judges themselves--yet they could not be used by anyone else.

In addition to this step forward, the TTAB has begun to deal with the underlying problem: it has reversed the trend toward designating fewer and fewer of its opinions as precedential. In 2006, it designated roughly three times as many of its opinions as precedential as it had in 2005.

- RAB

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Information Letter

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INTERNATIONAL

AUSTRALIA

- Trade Mark Laws Amendment

DUBAI

- Trademark Recordation Service

EUROPEAN UNION

- Relevant Public for Likelihood of Confusion Analysis

GREECE

- Consents to Registration

ICANN

- Two New General Top Level Domains

INDIA

- Accession to Madrid Protocol

JAPAN

- Retail Store Services

UNITED KINGDOM

- Role of Opposition Proceedings

Australia: TRADE MARK LAWS AMENDMENT

The Australian "Trade Mark Laws Amendment Act of 2006," enacted by the Australian Parliament on October 12, 2006, received royal assent on October 23, 2006, its principal effective date. Several other changes in Australia's trademark statute will not become effective until March 27, 2007.

Significant changes in the law now effective include:

1. Section 41(6) of the 1995 Act relating to when it is necessary to prove secondary meaning to secure registration was amended to require evidence of the mark's use and

reputation when the mark is "not to any extent" adapted to distinguish the designated goods or services from those of others. Prior to the 2006 amendment, evidence of secondary meaning was required when the "trademark is not inherently adapted to distinguish" the applicant's goods and services. The amendment is intended to eliminate the need to prove secondary meaning for suggestive marks and to require such proof only when the mark is simply and unarguably descriptive of the goods or services to be covered.

2. The grounds for rejecting an application or for opposing registration were

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expanded to include any grounds found anywhere in the Act and not just in Section 39 of the 1995 Act.

3. New grounds for opposition were added to Division 2, sections 57 to 62 of the Act of 1995, namely:
 - (i) Where an application has been accepted based on use prior to the date of registration of a cited mark, the application may be opposed on the basis of first use by the proprietor of the cited mark.
 - (ii) The famous mark ground for opposition now provides that a mark may be opposed where one trademark has a reputation and the registration of the other mark will cause confusion or deception in the marketplace. The requirement that the marks in question be deceptively similar has been eliminated.
 - (iii) Marks containing a geographic indication may only be opposed where the goods concerned are similar to those covered by the geographic indication or otherwise would be likely to deceive or confuse.
 - (iv) Of particular significance is the passage of new Section 62A which provides that an application may be opposed on the ground that the applicant filed the application in bad faith. This provision will cover situations of "Register squatting" on trademarks of non-Australian trademark owners.
4. Section 86 of the 1995 Act had provided that only an aggrieved party could seek a court order that the Register be rectified by canceling a trademark registration or removing or amending any entry in the Register relating to the trademark. Section 86

has now been amended to provide that, in addition to any aggrieved party, the Registrar may also file such an application to cancel a registration or for corrective action if it is in the public interest to do so.

5. With respect only to applications for removal of a registration from the Registry for non-use filed after October 23, 2006 (and not to applications for cessation of protection for non-use of protected international marks under the Madrid Protocol), the applicant need not be an aggrieved person, but may be any person.
6. In defending a non-use action, the owner of a registered trademark will be able to rely on use of the mark with respect to goods or services closely related to those covered by the registration.
7. If, in an opposition proceeding, an application is found to have been wrongly amended under the Act, the Registrar may revoke acceptance and the application will be reexamined. This will not apply to international registrations designating Australia under the Madrid Protocol.
8. The definition of "originate" with respect to wine in section 15(a) of the statute has been amended to apply only to wine made in a country from grapes grown in that country. Previously, it was possible for wine to "originate" in one country even though it was made from grapes grown in a second country. This is significant to the issue of registrability for wine trademarks with respect to a mark's capability to distinguish and a trademark likely to deceive based upon a geographic connotation contained in the mark. It is also relevant to the opposition ground applicable to trademarks containing a false geographical indication.

9. The power of a registered owner to deal with a trademark will not be limited by common law rights vested in another person, unless those rights are recorded on the Register. A new section provides that equities in relation to a right may be enforced against the registered owner unless it prejudices a purchaser in good faith, i.e., a bona fide purchaser for value. This amendment brings the Trademarks Act into line with similar provisions in Australia's Patents and Designs Acts. There is a transitional or grace period of six months after commencement of the Amendment Act for unregistered interests to be recorded.
10. Another amendment makes it clear that only persons having a legal "personality" can apply for a trademark. This means that applications cannot be filed in the name of a trust, business name, partnership or other unincorporated body. The validity of marks having a date of registration (effectively, the date of application) before the commencement of the Amendment Act will not be affected. This new provision will not apply to collective marks.
11. Customs watches are to remain in force for a period of four years, instead of the present two years.

The amendments to the Trademarks Act of 1995 which will become effective on March 27, 2007 are as follows:

- It will be possible for any association, whether incorporated or not, to own a collective mark.
- A divisional application will be allotted the filing date of the oldest application for the same mark in the filing chain.
- It will be possible to file multi-class applications for a series of trademarks.

- The period during which an expired registration can be restored to the Register for renewal purposes will be reduced from 12 months to 6 months.
- The requirement for a cash security for a Customs watch will be replaced with a requirement for an undertaking to be given to repay any expenses incurred by Customs. Entities who presently have lodged cash securities may replace such security with an undertaking.

- PTS

Dubai: TRADEMARK RECORDATION SERVICE

On December 24, 2006, the Dubai Customs Department introduced the Trademark Recordation service, which adds a mechanism for protecting and enforcing intellectual property rights in the United Arab Emirates ("UAE"). Trademark owners can now protect against the unauthorized importation of goods bearing similar trademarks or logos by recording their UAE trademark registration(s) with the Customs Department.

In a communique issued by the Customs Department, the Department advised that it is now possible to register UAE trademark registrations with the customs authority in Dubai. Once the registrations are recorded, customs officials across all Dubai Customs border points shall have the right to stop and seize any goods found bearing similar or identical trademark(s). When faced with suspicious goods, the Customs Department will inform the trademark owners through their UAE agent of record. The trademark owners can then consider what type of legal action to take against the parties responsible for importing the goods in question to Dubai.

Until now, the only option was to seek and wait for judicial authority orders to request customs officials to seize infringing goods, which used to take a long time. Now,

customs officials can take action quickly to seize infringing and counterfeit goods.

To complete the recordation, it is necessary to submit a certified copy of the registration and an electronic copy of the trademark as it is used. The recordation with the Customs Department will remain valid until the underlying registration expires and it will be necessary to re-record the registration with the Customs Department upon renewal of the underlying trademark registration.

- CAB

European Union: RELEVANT PUBLIC FOR LIKELIHOOD OF CONFUSION ANALYSIS

T-483/04 Armour Pharmaceutical Co. v. OHIM – Teva Pharmaceutical Industries Ltd. (GALZIN) [2006]

Recent decisions issued by the OHIM Opposition Division, the OHIM Boards of Appeal, and the European Court of First Instance (“CFI”) have been characterized by inconsistency in the standards applied to the likelihood of confusion analysis in prescription pharmaceutical matters. Some prior decisions have emphasized medical professionals as the relevant public for the analysis and required a higher degree of similarity in light of the stated extra attentiveness used by physicians, pharmacists and their patients when dealing with prescription pharmaceuticals. A recent CFI ruling, however, recognized end-user consumers as part of the relevant public for the analysis. This decision suggests post-sale consumer confusion (i.e., consumers choosing among products in their medicine cabinets) as a possible factor to be considered in prescription pharmaceutical mark cases going forward.

In *Armour Pharmaceutical Co. v. OHIM*, Armour Pharmaceutical opposed a CTM application by Teva Pharmaceutical Industries Ltd. for GALZIN for “pharmaceutical preparations for the

treatment of Wilson’s disease.” Armour based the opposition on its prior 1983 French registration for CALSYN for “pharmaceutical and medical preparations, more specifically calcium-based preparations.” The OHIM Opposition Division found a likelihood of confusion between the marks. The OHIM’s Fourth Board of Appeal then overturned the decision, finding that the phonetic differences between the marks and the fact that the products treated distinct disorders to be sufficiently distinguishing characteristics.

On appeal to the CFI, Armour argued, among other things, that the potential for post-sale confusion should be taken into account and that the relevant public for the likelihood of confusion analysis should include both consumers and medical professionals. While the CFI did not directly accept Armour’s post-sale confusion argument, the CFI did state that the relevant public for the analysis should include both consumers and medical professionals. With this standard in mind, the CFI found that although the products were designed to treat distinct conditions, the products were sufficiently similar and the marks were sufficiently close, both phonetically and visually, that confusion was possible. Notably, the court stated that although the level of attention of the average consumer in the prescription pharmaceutical context is generally high, the higher level of attention could not preclude the possibility that some consumers could still believe that the products derived from an economically linked undertaking. Part of this concern stemmed from the fact that the court found the products to be of a similar nature, function and purpose, directed to similar consumers, distributed in similar channels, and potentially available for use as complementary products.

Whether this decision suggests an actual consumer-focused shift by OHIM in the prescription pharmaceutical mark context is not clear. As stated above, this decision is inconsistent with several prior decisions that focused primarily on medical professionals in the likelihood of confusion analysis. Future decisions should shed light on how significant a factor post-sale consumer confusion may play in such analysis.

-CK

Greece: CONSENTS TO REGISTRATION

The Athens Administrative Court has issued a decision altering the deference accorded consent to register agreements in the Greek Trademark Office. Prior to this ruling, the Trademark Office policy was to refuse applications *ex officio* that conflicted with a prior registered mark on the grounds of public interest and avoidance of confusion, even if the applicant filed a letter of consent from the registered mark's owner and whether or not that owner belonged to the same group of companies as the applicant. The case arose out of an application to register the mark KINDER MERENDERO by Soremartec S.A., a Belgian company, for goods in Class 30. The Greek Trademark Office refused registration based on a prior registration for the mark KINDER for goods in Class 30 of Ferrero S.p.A., notwithstanding Soremartec's letter of consent from Ferrero, who is a member of the same group of companies as Soremartec. Soremartec appealed.

In finding for Soremartec, the Athens Administrative Court reversed two prior decisions that had ruled against applicants in similar circumstances. The court determined that the previous interpretation of the statutory prohibition against registration of similar marks on similar goods did not apply when the marks were owned by related companies and consent was given. The court further determined

that the statutory provision allowing for waiver of the bar to registration in the event a consent is obtained, unless public interest and the avoidance of confusion dictate otherwise, had been misconstrued. The court opined that the spirit of Greek law is to prevent confusion, and that such risk does not exist when the companies belong to the same group. Furthermore, the court noted that it is within corporate discretion to determine which corporate entity should own trademark registrations. The decision should provide applicants an important alternative to obtain registrations for potentially conflicting marks.

-DCA

ICANN: TWO NEW GENERAL TOP LEVEL DOMAINS

The Internet Corporation for Assigned Names and Numbers ("ICANN") has recently approved two new General Top Level Domains ("GTLDs"), .ASIA and .MOBI. In December 2006, ICANN entered into a contract with the DotAsia Organization to permit the introduction of the new .ASIA domain name suffix. Although the registration requirements and availability dates have not yet been announced, the DotAsia registry has advised that it will offer a "sunrise" period during which trademark owners will be able to register .ASIA domain names corresponding to their trademarks before the "land rush" period – i.e., when registration is open to general public. By some estimates, demand for .ASIA domain names will meet, if not surpass, the demand for the .EU TLD, which has attracted more than two million domain name registrations since it was launched in December 2005. Stay tuned for further developments. The .MOBI TLD has been available for general registration since late 2006. The domain name suffix is specifically designed for websites on

mobile devices (e.g., cellular telephones). Accordingly, while registration is not restricted, certain content-based requirements must be met before a .MOBI domain name will be directed to the registrant's website. The website content (i) must comply with the standards of the XHTML Mobile Profile markup language, (ii) cannot utilize "frames" or nested web design schemes, and (iii) must offer a second-Level domain site (i.e. the server must respond to requests in the absence of a "www" prefix). *For more information about the .ASIA and .MOBI GTLDs, please contact CRAIG S. MENDE, Partner, of our New Media Group.*

- DD

India: ACCESSION TO MADRID PROTOCOL

On February 9, 2007, the Indian Union Cabinet ratified that country's accession to the Madrid Protocol. A bill will be introduced in the Indian Parliament to effectuate such ratification, in due course.

- JLH

Japan: RETAIL STORE SERVICES

We remind our readers that applications for retail or wholesale services will be acceptable in Japan beginning **April 1, 2007**. There will be a three-month period, April 1-June 30, 2007, during which applications for identical or similar marks in respect of retail services or wholesale services will be deemed to have been filed on the same date. In such cases, only one applicant may ultimately secure the registration. Applicants that have been actually using the mark in Japan for such services prior to March 31, 2007 will receive preferential treatment in this regard.

- SB

United Kingdom: ROLE OF OPPOSITION PROCEEDINGS

Special Effects Limited v. L'Oréal SA and L'Oréal (UK) Limited [2007] EWCA Civ 1 (12 January 2007)

In a recent ruling, the UK Court of Appeals has overruled a decision of the High Court, and re-established the role of opposition proceedings as a lesser expensive and non-preclusive alternative to later-filed revocation and/or infringement proceedings. The decision comes at an important time as the UK Trademark Registry considers abandoning its citation practice in favor of relying on opposition practice to keep confusingly similar marks off the register.

Background Facts and Trademark Office Proceedings

L'Oréal was the owner of several UK registrations for composite marks that included the FX term, including an FX & Device mark, for goods in Class 3. L'Oréal had also used the FX mark throughout the UK in connection with hair care products. In May, 2000, L'Oréal launched a new product in the UK under the name SPECIAL FX. On June 30, 2000, Special Effects (through its predecessor in interest) applied to register the mark SPECIAL EFFECTS for goods and services in Classes 3 and 42. L'Oréal opposed registration in November, 2000. In support of the opposition, L'Oréal filed a declaration asserting use of the FX mark in the UK since 1995, and describing a highly publicized launch of the SPECIAL FX product in the UK one month prior to the Special Effects application. The declaration was not supported by any corroborating documentary evidence. In its response, Special Effects claimed to have searched unsuccessfully for any use by L'Oréal of the SPECIAL FX mark in the months preceding its application.

The matter came before a Hearing Officer of the UK Registry in August, 2002. The Hearing Officer found no evidence that the L'Oréal products were commonly known simply as FX products, nor that L'Oréal had used the SPECIAL FX mark in the UK prior to the June 30, 2000 application date. He thus found no confusion between the marks, and the mark registered in October, 2002.

High Court Proceedings

In May, 2005, Special Effects brought trademark infringement proceedings against L'Oréal, alleging that L'Oréal's use of SPECIAL FX on hair care products would cause confusion. In defense, L'Oréal claimed that the Special Effects registration was invalid and should be revoked, citing the same grounds alleged in support of its opposition proceedings. L'Oréal sought to introduce further evidence of its pre-June 2000 use of the SPECIAL FX mark. The High Court was asked to determine whether L'Oréal was barred by cause of action estoppel, issue estoppel, and abuse of process from challenging the validity of the SPECIAL EFFECTS registration, and from alleging use of the SPECIAL FX mark as a defense or in support of a counterclaim for passing off. In support of its position, L'Oréal argued that preclusion should not apply because the causes of action in opposition and revocation proceedings differed, opposition proceedings were not final decisions, and the context, practice and procedure of opposition proceedings differed from infringement proceedings. The High Court acknowledged the differences in practice and procedure between opposition proceedings before the Registry and revocation proceedings before the High Court, but found no relevant differences between the causes of action or issues. Thus, L'Oréal was barred by the High Court from asserting the arguments it had raised or could have

raised in the Trademark Registry proceedings.

Court of Appeals

In its January ruling, the Court of Appeals overturned the High Court's decision. The court found that as there is no "cause of action" in an application to register a trademark, opposers do not have a cause of action to prevent registration. Thus, cause of action estoppel does not apply. Looking to guidance from the European courts, the Court of Appeals also rejected the argument that an unsuccessful opposition gave rise to issue estoppel. In finding against issue estoppel, the court found several factors supporting the position that an opposition proceeding is not a full and final decision of the validity of the trademark. The court noted that if a party unsuccessfully opposed registration of a mark, a third party could subsequently file revocation proceedings on the same grounds, and a court would need to decide the same issues. Moreover, if the third party revocation claimant were successful, there would be no continuing effect of the estoppel against the unsuccessful opponent, who would then be able to use his mark with impunity. In addition, the fact that procedures for opposition and revocation actions coexist demonstrates that opposition proceedings are inherently not final. Given these points, the court found that opposition proceedings are not full and final judgments, and that issue estoppel does not apply. With respect to Special Effects' abuse of process claim, the Court of Appeals found it would be inconsistent with its ruling that oppositions are not final decisions to hold that an invalidity action amounted to an abuse of process. The Court of Appeals did point out that had the issues in the prior opposition proceedings been litigated and decided in the manner of a High Court litigation, it is conceivable that L'Oréal's

counterclaim could amount to an abuse of process.

Implications

The Court of Appeals decision confirms that opposition proceedings differ from invalidity claims in infringement actions, and that these differences in proceedings are worth preserving. The High Court's decision was widely viewed as having a chilling effect on opposition proceedings in that it would have eliminated a low cost, less formal, and less evidence intensive option for preventing trademark registration of confusingly similar marks. Prospective opposers would have been forced to decide whether to delay their objection until a mark has registered, or be prepared to conduct the opposition proceeding as a full blown litigation within the limits of Trademark Registry procedure and the circumstance that adjudication in the Trademarks Registry is by administrative officials. The Court of Appeals decision has preserved the ability of opponents to seek remedies before the courts.

- DCA

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