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**C**RAIG MENDE authored an article about the National Football League's intellectual property enforcement in Forbes.com that appeared just prior to Super Bowl XLII. The article focuses on the question: When is a global brand owner overstepping the line of reasonable enforcement? The article discusses Craig's efforts last year, with **ROB BECKER**, to prevent the NFL from registering "The Big Game" as a trademark and from stopping other brand owners from using that term in their advertising. The article was also extensively referenced by a number of other online publications and blogs, including The Chicago Tribune's Washington Bureau Blog and The Hollywood Reporter Esquire. Craig was also quoted by the New York Post and Boston Herald concerning the New England Patriots' efforts to register the phrase "19-0 The Perfect Season" as a trademark.

**W**E ARE PLEASED TO WELCOME **KATE HAZELRIG** as an associate in our International Group. Kate comes to us from King & Spalding LLP where she was an associate since September 2006, and also for the summer of 2005. Previously, she was a summer associate at Maynard, Cooper & Gale, P.C. in Birmingham, Alabama. Kate is a 2006 graduate of Vanderbilt University Law School where she was on the Dean's List, participated in numerous moot court competitions, was a Representative to the Vanderbilt Bar Association, and was Managing Editor of the Vanderbilt Journal of Entertainment & Technology Law. Kate received her Bachelor's degree *cum laude* from Rhodes College in Memphis, Tennessee.

**W**E ARE ALSO PLEASED TO WELCOME **SUZANNE M. WHITE**, who has joined us as an Associate in the International Group. Suzanne comes to us from Paul Weiss Rifkind Wharton & Garrison, where she was a Staff Attorney since December 2003. Previously, Suzanne was an In-House Counsel Intern at Pinault-Printemps-Redoute in Paris; a Family Law Tutor and Senior Research Assistant at The National University of Ireland, Galway; and Junior In-House Legal Assistant at the Bank of Ireland. Suzanne has her 2001 LL.B. with top honors from The National University of Ireland, and received her LL.M. in Trade Regulation/Intellectual Property from N.Y.U. in 2003. She received her Bachelor's degree from The National University of Ireland, and the Universite de Poitiers, Poitiers, France.

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

# Information Letter

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## UNITED STATES

### COMMON LAW COPYRIGHT

- Punitive Damages

### RIGHT OF PUBLICITY

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### TRADEMARK DECISIONS

- New York Gives Foreign Trademark Owners Day in Court
- U.S. Court Compels Foreign Corporate Applicant to Produce Witness

### Common Law Copyright: PUNITIVE DAMAGES

*Bridgeport Music, Inc. v. Justin Combs Publ'g*, 507 F.3d 470 (6th Cir. 2007).

A recent decision of the U.S. Court of Appeals for the Sixth Circuit serves as an important reminder that “common law copyright” is alive and well in the U.S. – at least with respect to sound recordings fixed before February 15, 1972 – and that infringement of common law copyright can lead to an award of punitive damages.

Before January 1, 1978, the effective date of the U.S. Copyright Act of 1976, two sources of copyright protection were available for U.S. works: (i) *federal copyright*, for works that were published with a proper copyright notice, or that were not published but registered with the Copyright Office; and (ii) *common law copyright*, for works that were neither published nor registered. On January 1, 1978, however, common law copyright was

largely abolished, as all previously unpublished works were embraced by federal copyright and all state laws providing protection for works now covered by the federal scheme were preempted. There was one significant exception: common law copyright was maintained, and still exists, for any sound recording fixed *before* February 15, 1972. As a result, the individual U.S. states may continue to provide causes of action under state law for infringement of such pre-1972 sound recordings.

The case at issue involved the defendants’ unauthorized use of a sample from the Ohio Players’ song “Singing in the Morning” as part of the title track of the late Notorious B.I.G.’s album *Ready to Die* – an album that attained multi-platinum status and is one of the best-selling rap albums of all times. At trial, the two plaintiffs relied on different rights: Bridgeport Music, Inc. (“Bridgeport”) asserted a federal copyright infringement claim based on its ownership of the federal copyright to the musical composition of

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“Singing in the Morning”; while Westbound Records (“Westbound”) asserted a common law copyright infringement claim under New York State law based on its ownership of common law copyright in the actual, pre-February 15, 1972 recording from which the sample was taken.

After a nine-day trial, the jury found the defendants liable for federal and common law copyright infringement and awarded damages as follows: to Bridgeport, for federal copyright infringement, statutory damages of \$150,000 *or* compensatory damages and profits totaling \$366,939.00 subject to Bridgeport’s right to elect one or the other under Section 504 of the Copyright Act; and to Westbound, for common law copyright infringement, compensatory damages and profits totaling \$366,939.00 *and* punitive damages of \$3.5 million.

The great disparity in the jury’s total award to each plaintiff – i.e., an award of \$3.86 million for Westbound versus a maximum award of \$366,939.00 for Bridgeport – is due to the fact that while punitive damages *are* available for common law copyright infringement under New York State law, punitive damages *are not* available for copyright infringement under the federal Copyright Act. With respect to federal copyright infringement, most courts have held that punitive damages are not recoverable because the statute already takes into account a punitive element – i.e., by increasing the maximum statutory damages award from \$30,000 per work infringed for standard infringement to \$150,000 per work infringed for willful infringement.

On appeal, the defendants challenged (among other things) the amount of the punitive damages award, arguing that it was so excessive as to violate their right to due process under the U.S. Constitution. The Court of Appeals agreed, finding the award to be unconstitutionally excessive in

light of the U.S. Supreme Court’s three “guideposts” for evaluating the constitutionality of a punitive damages award – (1) the reprehensibility of defendant’s conduct, (2) the disparity between plaintiff’s harm and the award, and (3) a comparison of the award to civil penalties in comparable cases. Its analysis of the third factor was particularly interesting from a copyright perspective: the court noted that while the ratio of willful infringement to standard infringement under the statutory damages provisions of the Copyright Act is 4 to 1 (because the \$150,000 maximum for willful infringement is \$120,000 greater than the \$30,000 maximum award for standard infringement), the ratio of punitive damages to compensatory damages in this case was far greater – approximately 9.5 to 1.

Because it found the jury’s award to be excessive, the Court of Appeals remanded the case back to the district court for remittitur of the punitive damages award or a new trial on the issue of punitive damages. In so doing, the court suggested that a 1 to 1 ratio, or even 2 to 1 ratio, of punitive damages to compensatory damages may be acceptable under the facts of the case. Thus, while the \$3.5 million award did not survive, the defendants’ maximum exposure for common law copyright infringement still could be in the range of \$1 million, which is far greater than their exposure for federal copyright infringement. Those considering whether to use a pre-1972 sound recording without permission must take notice.

- NHE

### **Right of Publicity:** CALIFORNIA CLARIFIES POST MORTEM RIGHTS

*Milton H. Greene Archives, Inc. v. CMG Worldwide, Inc.*, No. 05-CV-02200, slip op. (May 14, 2007, C.D. Cal.); *Shaw Family Archives Ltd. v. CMG Worldwide, Inc.*, 486 F. Supp. 2d 309 (S.D.N.Y. 2007)

There is no federal right of publicity in the United States; rather the right of a person to prevent the commercial exploitation of his or her image is subject to the laws of the fifty states, which offer varying degrees of protection. In 1985, the State of California sought to bolster its right of publicity law significantly by adding a *post mortem* right of publicity, which permitted certain heirs to prevent commercial exploitation of a deceased person's name, voice, signature, photograph, or likeness for fifty years (later amended to seventy years) after death.

Two recent federal court decisions, however, significantly undercut the scope of the *post mortem* right. *Milton H. Greene Archives, Inc. v. CMG Worldwide, Inc.*, No. 05-CV-02200, slip op. (May 14, 2007, C.D. Cal.) ("Greene"); *Shaw Family Archives Ltd. v. CMG Worldwide, Inc.*, 486 F. Supp. 2d 309 (S.D.N.Y. 2007) ("Shaw"). Each case involved a dispute between the beneficiaries of Marilyn Monroe's estate and those seeking to exploit famous images of Ms. Monroe. Federal judges in the Central District of California and Southern District of New York found that since Ms. Monroe died prior to enactment of the statute in 1985, her will could not have included any bequest of her *post mortem* right of publicity and, as such, her beneficiaries could not seek relief under the California law. These decisions were significant – in effect they would cut off the right of publicity in California of any celebrity who died before 1985.

The California legislature responded swiftly to the two decisions, amending its right of publicity law to bolster protection for deceased celebrities. Under the revised law, the *post mortem* right of publicity provides retroactive protection, including to persons who died before 1985 when the *post mortem* right of publicity was originally created. (Due to the passage of time, *post mortem* rights are currently available to beneficiaries of estates where celebrities

died no more than seventy years before today.) Further, the amended act clarifies that the right of publicity may be validly bequeathed through a residuary clause in a will (as was the case with Ms. Monroe), and need not have been expressly granted by the celebrity.

The right is not, however, unlimited. Prior case law indicates that a celebrity must have been domiciled in California or another jurisdiction that recognized a post mortem right of publicity at the time of death in order to seek the protection of the California law. Moreover, the statute prohibits the recovery of damages unless the heirs to a post mortem right have registered their claim as a successor in interest with the state of California.

The State of California is highly protective of celebrity rights. The new law was sponsored by the Screen Actors Guild, introduced by a senator who was a former child actor, and signed into law by Governor – and former movie star – Arnold Schwarzenegger. Nevertheless, the new law also has many opponents, including, for example, the owners of large archives of celebrity photographs, who are concerned that the new law will greatly diminish the value of their property, as well as artists, who are concerned that the new law will inhibit their ability to incorporate famous people into their creative works. Appellate review of the statute could come quickly. Soon after passage of the bill, the U.S. District Court of the Central District of California granted a motion for reconsideration in the *Greene* case. *See Greene*, No. 05-CV-02200, slip op. (January 7, 2008, C.D. Cal.) The court held that to the extent Ms. Monroe was domiciled in California at the time of her death, her post mortem right of publicity under California law would be owned by the parties asserting such rights in the case. *Id.* An appeal is very likely. In addition, a similar bill is pending in the legislature of New York

State, which currently does not recognize any *post mortem* right of publicity. We will continue to monitor this area of law.

-BJN

**Trademark Decision:** NEW YORK  
GIVES FOREIGN TRADEMARK OWNERS DAY  
IN COURT

*ITC Limited v. Punchgini, Inc.*, --- N.E.2d ---, 2007 WL 4334177 (N.Y. Dec. 13, 2007)

In March 2007, the United States Court of Appeals for the Second Circuit issued its decision in *ITC Limited v. Punchgini, Inc.*, 482 F.3d 135 (2d Cir. 2007), holding that the Lanham Act cannot be used to provide protection even to well-known foreign marks if they have not been used in the United States, thereby rejecting recognition of the “well-known marks” doctrine under federal law. (This decision was reported in our June 2007 Information Letter.) Although the Second Circuit Court denied protection to the foreign mark at issue<sup>1</sup> under federal law, it left open the question of whether the foreign mark might nonetheless find protection under state law, and certified questions to the Court of Appeals of New York concerning whether the well-known marks doctrine was recognized under New York state law.

The Second Circuit Court’s certification of these questions to the New York Court of Appeals was particularly notable because, as the Second Circuit itself recognized, two early New York state court cases, *Maison Prunier v. Prunier’s Restaurant & Café, Inc.*, 159 Misc. 551 (Sup. Ct. 1936) (relating to the PRUNIER restaurant in Paris and London), and *Vaudable v. Montmartre, Inc.*, 20 Misc.2d 757 (Sup. Ct. 1959) (concerning

MAXIM’S restaurant in Paris), are “routinely identif[ied] ... as foundational in the development of the [well-known] marks doctrine.” 483 F.3d at 166.

The two questions certified to the New York Court of Appeals were:

1. “Does New York common law permit the owner of a famous mark or trade dress to assert property rights therein by virtue of the owner’s prior use of the mark or dress in a foreign country?” 482 F.3d at 166; and
2. How famous must a foreign mark or trade dress be to permit its owner to sue for unfair competition? 482 F.3d at 167.

In *ITC Limited v. Punchgini, Inc.*, --- N.E.2d ---, 2007 WL 4334177 (N.Y. Dec. 13, 2007), the New York court answered the first certified question in the affirmative, but was quick to point out that in doing so, it “was not thereby recognizing the famous or well-known marks doctrine, or any other new theory of liability,” but merely staying true to fundamental principles of common law unfair competition: “we simply reaffirm that when a business, through renown in New York, possesses goodwill constituting property or a commercial advantage in this State, that goodwill is protected from misappropriation under New York unfair competition law.” In reaching this conclusion, the court pointed out that the *Maison Prunier* and *Vaudable* cases “themselves in no way explain or proclaim – let alone rely on – any famous or well-known marks doctrine for their holdings,” but instead also rested on the basic tenets of common law unfair competition.

Notwithstanding the seeming aversion to the “well-known marks doctrine” rubric, the court’s holding incorporates the basic premise of that doctrine: even if a foreign mark has not been used in the United States, so long as the mark is sufficiently known in New York (under standards

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<sup>1</sup> As a brief background, in *ITC Limited v. Punchgini, Inc.*, the owner of the chain of BUKHARA Indian restaurants, which has locations in India and several other countries throughout the world but not in the United States, sued the owners of an identically-named restaurant in New York City.

discussed below), the owner can stop a newcomer from misappropriating it.

However, the circumstances in which a foreign mark holder will be able to do so may be limited. Under the standard set forth in the New York court's answer to the second certified question, to succeed on a claim for misappropriation under New York common law, foreign mark owners will be required to show that (i) the consumers of the defendant's goods or services "primarily associate the mark with the foreign plaintiff," and (ii) the defendant had "deliberately copied" plaintiff's mark. The court then identified the following nonexhaustive factors as relevant to whether consumers primarily associate the foreign mark with the foreign owner:

- (i) "evidence that the defendant intentionally associated its goods with those of the foreign plaintiff in the minds of the public, such as public statements or advertising stating or implying a connection with the foreign plaintiff";
- (ii) surveys "indicating that consumers of defendant's goods or services believe them to be associated with the plaintiff"; and
- (iii) "evidence of actual overlap between customers of the New York defendant and the foreign plaintiff."

With the advent of the New York Court of Appeals decision recognizing the well-known marks doctrine in everything but name, an owner of a mark used exclusively outside of the United States whose mark has been misappropriated in the United States now has at least two bona fide options for asserting a claim: it can sue in New York under the misappropriation prong of the common law of unfair competition (assuming the misappropriation occurred in New York), or it can bring suit anywhere in the Ninth Circuit, which is the only circuit court to recognize the well-known marks doctrine under federal law. *See Grupo*

*Gigante S.A. de C.V. v. Dallo & Co., Inc.*, 391 F.3d 2088 (9th Cir. 2004).

- LPR

### **Trademark Decision:** U.S. COURT COMPELS FOREIGN CORPORATE APPLICANT TO PRODUCE DEPOSITION WITNESS

*Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.*, 511 F.3d 437 (4<sup>th</sup> Cir. 2007)

#### Service on Foreign Trademark Applicant

As discussed in our June 2006 Information Letter, prior to the decision in *Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.*<sup>2</sup> ("*Rosenruist I*"), in a proceeding before the Trademark Trial and Appeal Board ("TTAB")<sup>3</sup> where a foreign trademark applicant has no U.S. contacts other than a domestic representative (appointed to receive service of process in proceedings affecting the mark), an opposer could generally serve process on the applicant only through the international procedures of the Hague Convention.<sup>4</sup> In *Rosenruist I*, however, the U.S. District Court for the Eastern District of Virginia held for the first time that a complaint or subpoena could be validly served on a foreign party by delivering it in the district to that party's U.S. domestic representative. In a recent federal appellate decision,<sup>5</sup> the Fourth Circuit Court of Appeals effectively affirmed the decision of the district court in *Rosenruist I* and further held that the foreign corporation was required to produce a witness to be deposed in the district in which the subpoena was issued.

<sup>2</sup> No. 1:06-MC-00007 (E.D.V.A. March 2, 2006).

<sup>3</sup> The administrative tribunal of the U.S. Patent and Trademark Office ("USPTO").

<sup>4</sup> Or possibly, through the Director of the USPTO.

<sup>5</sup> *Rosenruist-Gestao E Servicos LDA v. Virgin Enterprises Ltd.*, 511 F.3d 437 (4<sup>th</sup> Cir. 2007).

### Rosenruist I and II

Rosenruist-Gestao (“Rosenruist”), a company based in Portugal, filed an intent-to-use trademark application to register the mark “VIRGIN GORDA” in 41 categories of goods, including luggage, accessories and apparel. Rosenruist did not at that time have any businesses, offices, or representatives in the United States. Virgin Enterprises Ltd. (“Virgin”), a U.K. based company with various businesses in the United States, opposed Rosenruist’s application based on its use and registration of its own “VIRGIN” mark and served Rosenruist with an F.R.C.P. 30(b)(6) deposition subpoena.<sup>6</sup> The subpoena was issued pursuant to the Patent Act, 35 U.S.C. § 24, which empowers a federal district court to issue such subpoenas. Rosenruist declined to designate a witness for deposition in the opposition proceeding and Virgin moved to compel Rosenruist’s appearance. In the first district court decision, *Rosenruist I*, the court held that service of a federal subpoena upon the domestic representative of foreign applicant Rosenruist was valid.

The district court issued the subpoena pursuant to the Patent Act, 35 U.S.C. § 24, which states that a federal court has the power to “issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer of such district and authorized to take depositions and affidavits, at the time and place in the subpoena.” Rosenruist refused to produce a Rule 30(b)(6) designee at the deposition, and stated that it did not intend to do so as there was no appropriate designee

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<sup>6</sup> A 30(b)(6) subpoena is issued pursuant to Federal Rule of Civil Procedure (“F.R.C.P.”) 30(b)(6), which allows a party to notice or subpoena the deposition of a corporation or other organization in specific areas of inquiry, and the named organization is then required to designate one or more appropriate representatives, or witnesses, to testify as to those specific matters.

“residing or being” within the Eastern District of Virginia. Virgin moved the district court for an order compelling Rosenruist to obey the subpoena that the court had already deemed valid. In the second district court decision, (*Rosenruist II*), the court agreed with Rosenruist and concluded that even though Rosenruist had been properly served with a valid subpoena, it was not required to produce a Rule 30(b)(6) designee unless that designee resided within the district. The decision rested on the judge’s conclusion that the term “witness” as used in the statute applied only to natural persons. The court denied Virgin’s motion to compel and Virgin appealed to the 4<sup>th</sup> Circuit Court of Appeals.

### Rosenruist III

In the appellate decision<sup>7</sup> (*Rosenruist III*), the U.S. Court of Appeals for the Fourth Circuit reversed the district court and held that “witness” as used in the statute is not limited to natural persons, as argued by Rosenruist, but includes, as well, juristic persons such as corporations as well. The court stated that the Rosenruist “entity” had clearly already been deemed to be sufficiently “residing or being” in the Eastern District of Virginia for purposes of § 24 in *Rosenruist I*. The court also declined to consider Rosenruist’s argument that it could not be subpoenaed because it lacked sufficient contacts with the state, on the basis that this issue had not been raised on appeal and the court considered it settled by *Rosenruist I*. However, the court stated in a footnote that if the issue *were* properly before them, they would conclude that Rosenruist’s activities *were* sufficient to qualify it as “being within the district.” Finally, the court responded to Rosenruist’s arguments based on the TTAB Manual of Procedure (the “TBMP”) by stressing that the TBMP is “simply a

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<sup>7</sup> 511 F.3d 437 (4<sup>th</sup> Cir. 2007).

manual” which does not alter the underlying statutory law, “and is not binding upon” the TTAB or the court, and that in any case, “reading the statute to permit the issuance of [the] subpoena... does not expand or add to the procedures established by the PTO.”

#### Dissent

In a vigorous and lengthy dissent, Judge Wilkinson criticized the majority, labeling its decision the “first [to] hold that a foreign company that has no United States employees, locations, or business activities must produce a designee to testify at a deposition in the Eastern District of Virginia so long as it has applied for trademark registration with a government office located there.” He further condemned the majority opinion for incorrectly interpreting the relevant statute, 35 U.S. § 24, for disregarding “longstanding canons of construction that seek to protect against international discord,” and finally, for improperly discounting the procedural guidelines of the PTO, “for whose sole benefit testimony under § 24 is intended.”

#### Appointing a Domestic Representative

It is not clear from this case if, or to what extent, Rosenruist’s appointment of a domestic representative, the critical factor in *Rosenruist I*, played a part in the decision in *Rosenruist III*, since the appellate court declined to re-visit the issue of the validity of the original subpoena. In addition, under the new TTAB rules on service of process, effective November 1, 2007, the role of a domestic representative in receiving notices on behalf of a trademark registrant has been muddied. In short, it is not clear whether the potential benefit to the foreign trademark owner of appointing a domestic representative – obtaining notice of cancellations and avoiding loss of a registration by default – still outweighs the disadvantages mentioned above – easier service on the owner by plaintiffs in lawsuits

(*Rosenruist I*) and potentially greater vulnerability of the owner to deposition in the U.S. (*Rosenruist III*). The decision for a foreign trademark owner or applicant of whether to appoint a domestic representative should therefore be considered with counsel on a case-by-case basis.

- CGB

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# Information Letter

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## INTERNATIONAL

### BANGLADESH

- Service Marks Added

### COMMUNITY TRADEMARKS

- National Search Reports

### KOSOVO

- New Intellectual Property Law

### PERU

- Clarification of Non-Use Standard

### TAJIKISTAN

- Non-Use Period Changed

### UNITED KINGDOM

- Admissibility of Surveys and Expert Evidence

### **Bangladesh:** SERVICE MARKS ADDED

The government of Bangladesh has announced that service marks will be added to the Trade Mark Law, effective in or about early March of 2008.

- J LH

### **Community Trademarks:** NATIONAL SEARCH REPORTS

As of March 10, 2008, national search reports for trademark applicants will become optional, and not automatic. Under new Article 39 of the Community Trademark (CTM) Regulation, applicants who file CTM applications beginning March 10, 2008 will need to elect to receive national and regional searches, for an additional fee, within one month of the filing date. Most, but not all, of the member

states will provide this service. The fees are expected to be in the 150-300 Euro range.

- J LH

### **Kosovo:** NEW INTELLECTUAL PROPERTY LAW

On February 17, 2008, Kosovo declared independence. We note that Kosovo had already enacted its own intellectual property legislation and established an IP office in mid-November 2007. The new law provides for re-registering/filing Serbian registrations and pending applications. A deadline of **September 1, 2008** applies. We are carefully monitoring these developments.

- J LH

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**Peru:** CLARIFICATION OF NON-USE STANDARD

In a decision reversing non-use cancellation of the FAMILIA mark, the Administrative Court in Peru has clarified the "real and effective" use standard for such cases. In this case, Productos Familia SA sought to cancel a trademark registration for FAMILIA owned by Kimberly-Clark Worldwide Inc. The Trademark Office cancelled the mark based on market surveys showing that Kimberly Clark's FAMILIA goods represented a very small share of the market (less than 0.05% for the relevant goods). This level of use was not considered sufficient to establish rights in the mark. On appeal, the Administrative Court reversed, relying on decisions of the Andean Court of Justice holding that use of a mark must be "real and effective."

In Peru, a registration may be cancelled for non-use if there has been no "real and effective" use of a mark during the three years prior to the filing of the non-use cancellation action. Noting that the purpose of the law is to strengthen the role of trademarks as a source indicator and clear the Registry of marks no longer in the market, the Court observed that in assessing whether use of a mark is "real and effective," the Trademark Office need only consider the manner in which the goods are marketed, promoted, manufactured and distributed – not the size of the company or level of use. Accordingly, the Court held, a registration will be cancelled only where use of the mark is (1) not consistent with the normal nature and marketing of the products; or (2) token use only for purposes of maintaining trademark rights.

- JLH

**Tajikistan:** NON-USE PERIOD CHANGED

We remind our readers that, effective March 5, 2007, the non-use period in Tajikistan changed from five to three years. Thus, Tajikistan has joined certain other countries of the region (including the Russian Federation) in effectuating this change.

- JLH

**United Kingdom:** ADMISSIBILITY OF SURVEYS AND EXPERT WITNESSES

While the submission of surveys to establish likelihood of confusion has long been a widely accepted litigation strategy in U.S. trademark disputes, two recent decisions from the Chancery Division of the High Court of England and Wales (discussed below) serve to emphasize the higher degree of judicial scrutiny applied to this type of evidence in the U.K.

For many years British courts, much like their Canadian counterparts, displayed an overt disregard for survey evidence or, at least, an unwillingness to accept it at face value. It was routinely dismissed and considered as hearsay since it was gathered from unknown people who were not subject to the same degree of examination as those appearing in person before the court. For example, in the trademark dispute *Daimlerchrysler AG v Alavi* ([2000] EWHC (Ch) 37] a pre-trial survey was relied upon not to show confusion or deception in the minds of the public, but rather to identify particular individuals whose live evidence might be of assistance to the court. In commending this approach the court opined that a survey was useful, at most, to identify potential witnesses who were suitable to be cross-examined. Quoting from *Neutrogena Corp. v Golden Ltd* ([1996] RPC 473) the court stated, "It is of much more value to hear the evidence of the public than to see imperfect records of unsupervised interviews" and, further, that staged surveys

were likely to “*excite trains of thought or speculation*” as to the purpose of their existence and thus produce warped results.

While expert evidence and witness statements have not encountered quite the same level of resistance, they are still not as readily accepted as their U.S. equivalents. Indeed, under Rule 35 of the U.K. Civil Procedure Rules governing civil cases, each party must first obtain leave of court to submit any expert evidence, written or oral. This procedural burden has caused difficulty, especially in trademark cases, and has given rise to frequent judicial discussion of expert evidence.

*D. Jacobson & Sons Limited v Globe GB Limited and Globe Europe SAS ([2008] EWHC 88 (Ch))*: Commentators have been interested in this recent U.K. ruling because of its supposed about-face on the admission of survey and expert evidence. The facts of the case are fairly straightforward and center on the designs and logos placed on the side of running shoes. Jacobson claimed that Globe had wrongfully infringed Jacobson’s U.K. and Community “Wing Flash” Trade Marks, used for its Gola brand footwear line, by using similar markings on the sides of their shoes. Jacobson further alleged that this was likely to cause confusion among the public as to an association between the respective goods sold by the parties. Globe counter-claimed that Jacobson’s marks were invalid and that the Wing Flash logo had not acquired a distinctive character for footwear; moreover, Globe asserted that Globe’s Side Design was not confusingly similar to the Gola Trade Marks.

To demonstrate likelihood of confusion, Jacobson produced the results of a market research survey, conducted by MDL Research Limited for the purposes of the proceeding, as well as witness statements and oral testimony from Jacobson’s managing director and seven members of

the public who had participated in the survey. Expert evidence was also submitted by branding experts for both sides. The decision discusses and evaluates each type of evidence at length.

The court first described the expert witnesses in great detail, including the level and scope of their expertise and the ambit of matters upon which they were permitted to draw conclusions. In what could be seen as showing the court’s preference for live witnesses, the demeanor and impression of each witness were specifically delineated, with Jacobson’s and Globe’s branding experts being labeled “careful, cautious and balanced” and “overly cautious, and sometimes overly theoretical,” respectively.

The extent of leave granted to introduce evidence was also at issue in the case. Globe objected to the conclusions drawn by Jacobson’s expert witnesses when analyzing the survey data gathered by them, contending that the survey results could only properly be put into evidence by an expert in survey methodology and not by branding experts. Globe’s own expert witness emphasized that a survey methodology expert would need to have considerable knowledge of the statistical principles involved in quota sampling, and would also need to understand sampling errors in order to opine on their findings. The court overruled this objection and permitted the existing branding experts to testify about methodology matters.

The court also examined the surveys upon which the expert witnesses based their conclusions, taking into account Globe’s challenges to methodology and perceived inaccuracies – both in the execution of the surveys and the tabulation of their results. In admitting the survey evidence, the court noted that despite an “inevitable,” “*artificiality about the circumstances in which the Survey was conducted*” on the whole, the questions asked were

reasonable and as practicable as the context would allow. The judge added that such considerations would go the weight to be attributed to the survey, but no more.

Having considered the above issues and arguments, the court concluded that based on *"the surveys ... the oral evidence, the long history of Gola shoes, and the advertisements which are in evidence going back very many years,"* Jacobson had demonstrated the requisite likelihood of confusion.

*UK Channel Management Ltd. V E! Entertainment Inc ([2007] EWHC 2339 (Ch) and [2007] EWHC 2813 (Ch))*: The court has recently ruled on several procedural aspects of this ongoing trademark dispute. In this case, UK Channel, the holder of a community trademark (CTM) for the stylized word mark UKTV STYLE, opposed E!'s CTM application for a logo incorporating the word "style" and brought an infringement and passing off action against E! to enjoin the launching of their new station called *The Style Network*. In support of its claim, UK Channel offered into evidence an omnibus survey (an omnibus survey is a generic survey carried out on behalf of many clients who pay a market research organization to include questions on their behalf). E! Entertainment successfully argued to exclude this survey. UK Channel sought to submit at least portions of the survey to demonstrate the acquired distinctiveness of its mark. In ruling on the issue, the court observed that *"there are far better ways of establishing the reputation and goodwill of a business and/or mark than the adduction in evidence of an omnibus survey."* The court concluded, in any event, that *"the omnibus survey is of such little value that it is not worth the time and effort that would be expended in considering it."* Furthermore, in dismissing a second heavily criticized survey that was specifically prepared by UK Channel for the case, the court added that *relabelling "a survey as a witness*

*collection exercise...does not improve the quality of the survey."*

While excluding the particular surveys proffered in this case, it would appear that the court is beginning to accept the submission of survey results, at least as part of the evidence to be considered in an infringement and/or passing off action. What is more evident, however, is a marked preference for actual witnesses.

- SMW

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