

# FROSS ZELNICK LEHRMAN & ZISSU, P.C.

866 UNITED NATIONS PLAZA  
AT FIRST AVENUE & 48<sup>TH</sup> STREET  
NEW YORK, N. Y. 10017

TELEPHONE: (212) 813-5900  
FACSIMILE: (212) 813-5901  
E-MAIL: fzlz@frosszelnick.com  
EDITOR: JANET L. HOFFMAN

MARCH 2009

**J**OHAN MARGIOTTA and MICHAEL CHIAPPETTA prevailed after trial, winning in excess of \$2 million dollars for a copyright infringement claim brought on behalf of Kam Hing Enterprises, Inc. *Kam Hing Enterprises, Inc. v. Wal-Mart Stores, Inc. et al.*, Case No. 07 CV 2316 (S.D.N.Y.). Prior to trial on damages, in what the Court noted was a rare instance of granting summary judgment to a plaintiff on liability in a copyright infringement case, the Court found the copyrighted works at issue (quilts) strikingly similar, and defendants liable for copyright infringement. The Court rejected defendants' motion for summary judgment seeking a finding that Plaintiff's quilt design was not subject to copyright protection.

**R**OGER ZISSU was an invited panelist at the Fourteenth Annual Conference of the American Bar Association Forum on Communications Law in Scottsdale, Arizona, on February 5-7. He participated in one of the Forum's two Plenary Sessions, "Harper & Row v. The Nation, 25 Years Later: The Taking of President Ford's Memoirs and the Internet Age." Roger successfully tried this case for copyright infringement on behalf of the book's publishers. After the Second Circuit ruled the Nation's copying from the chapters recounting the resignation and pardon of President Nixon to be fair use, the Supreme Court reversed and reinstated the trial judgment of infringement. The Nation's editor Victor Navasky and his counsel also participated.

**E**IGHT FROSS ZELNICK ATTORNEYS were selected for inclusion in the 2009 International Who's Who of Trademark Lawyers, "including the 'excellent' RONALD LEHRMAN, a 'dean of the New York bar,'" and STEPHEN BIGGER, MICHAEL I. DAVIS, SUSAN UPTON DOUGLASS, DAVID W. EHRLICH, JANET L. HOFFMAN, PETER J. SILVERMAN and ROGER L. ZISSU. Ron was also mentioned among the 20 "most highly regarded individuals" internationally.

**W**E ARE PLEASED TO REPORT THAT FROSS ZELNICK was selected for inclusion in the March/April 2009 Corporate Counsel Edition of Super Lawyers, recognizing our International practice and, specifically, partners **RON LEHRMAN** and **JANET HOFFMAN**.

**S**PECIAL COUNSEL **MICHAEL I. DAVIS** participated as a judge at the Yale Invitational Mock Trial rounds on December 6-7, 2008 at Yale's campus in New Haven, Connecticut.

**D**AVID **DONAHUE** was quoted extensively in an article entitled "Obama Dolls Pose Presidential Pickle," which appeared in *Managing Intellectual Property* magazine's *MIP Week* newsletter on January 29, 2009. David analyzed whether President Barack Obama's family had viable claims under right of publicity and false endorsement theories against Ty, Inc. for selling dolls incorporating the names of President Obama's daughters – "Sweet Sasha" and "Marvelous Malia."

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

# Information Letter

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

Tel: 212-813-5900  
E-Mail: fzlz@frosszelnick.com  
Editor: Janet L. Hoffman

## UNITED STATES

### COPYRIGHT DECISION

- Works Created Prior to January 1, 1923 – Public Domain or Not?

### TRADEMARK DILUTION DECISION

- TDRA Applied Retroactively  
(*Visa Int'l Service Ass'n v. JSL Corp.*)

### TTAB

- Fraud Case Limits Medinol Rule in Multi-class Applications

### Copyright Decision: WORKS CREATED PRIOR TO JANUARY 1, 1923 – PUBLIC DOMAIN OR NOT?

*Société Civile Succession Richard Guino v. Renoir*, 549 F.3d 1182 (9th Cir. 2008)

It is a commonly held but mistaken belief even among some experienced lawyers that all works *created* before January 1, 1923 are in the public domain in the United States.<sup>1</sup> A recent decision of the United States Court of Appeals for the Ninth Circuit, *Société Civile Succession Richard Guino v. Renoir*, 549 F.3d 1182 (9th Cir. 2008) (*"Société Civile"*), is a good reminder that this is not necessarily so.

The case addresses whether copyright subsists in certain sculptures created by Pierre-Auguste Renoir, who died in 1919.

<sup>1</sup> By operation of various statutes, pre-1923 works received a maximum seventy-five-year copyright term, while post-January 1, 1923 works received a ninety-five-year term.

Simplified, the facts are as follows: Between 1913 and 1917, Renoir created in France with the help of his young assistant Richard Guino a series of eleven sculptures. The sculptures were first published in France in 1917 solely under Renoir's name and without a U.S.-style copyright notice. In 1973, the year of Guino's death, a French court determined that Guino was a co-author of the sculptures and awarded him one-half interest therein. The sculptures were first published as joint Renoir-Guino works in Paris in 1974, again without a U.S.-style copyright notice. In 1982, the Guino family and certain members of the Renoir family (not including the defendant Renoir in *Société Civile*) entered into an agreement in which the Guino family was given exclusive rights to create subsequent editions of the sculptures. *Société Civile Succession Richard Guino* ("Société") was the trust created to implement the rights under the agreement. In 1984, Société obtained

**DISCLAIMER:** This Information Letter is provided as a public service to interested persons and its receipt does not create an attorney-client relationship, or revive a concluded attorney-client relationship, between the firm and recipients. It is designed to highlight items of current interest and is not intended to be a full review of any subject matter, for which specific legal advice should always be obtained.

United States copyright registrations for the sculptures. There was no debate between the parties that the sculptures had never been published in the United States prior to that date.

In 2003, one of the defendants, Jean-Emmanuel Renoir, the great-grandson of the artist, sold some of the sculptures or molds or castings thereof to another defendant, Beseder, Inc., an art gallery in Arizona. Société sued Jean Emmanuel Renoir and Beseder, Inc. later that year in the U.S. District Court for the District of Arizona, alleging a series of intellectual property violations, including copyright infringement. Defendants defended the copyright claim by asserting that the sculptures were in the public domain.

The district court granted summary judgment to Société on its copyright infringement claim, *Société Civile Succession Richard Guino v. Beseder, Inc.*, 414 F. Supp. 2d 944 (D. Ariz. 2006), and the Ninth Circuit affirmed, holding that the sculptures are not in the public domain and are entitled to copyright protection through at least 2043 – 126 years or more after the sculptures were created.

In its opinion, the Ninth Circuit noted first that both the 1909 Copyright Act and the 1976 Copyright Act had implications for the case. Under the 1909 Act, federal copyright protection began only upon registration with the Copyright Office or publication with a proper copyright notice. (Before registration or publication, common law copyright protection existed for the works under state law.) Under the 1909 Act, publication in the United States without a proper notice would thrust a work into the public domain.

The 1976 Act changed the basis for federal copyright protection for all works created on or after January 1, 1978 from *registration or publication* (as had been required under the 1909 Act) to *creation*. The 1976 Act

also addressed copyright protection for subsisting works created prior to 1978. Later, as part of the Uruguay Round Agreements Act, Congress restored protection for certain foreign works that had entered the public domain for failure to follow statutory formalities, including the failure to use a proper copyright notice. Accordingly, the Ninth Circuit concluded that under the 1976 Act, as amended, U.S. copyright law currently protects four categories of works:

1. Works *created* on or after January 1, 1978. 17 U.S.C. § 302.
2. Works *copyrighted* (i.e., registered or published with notice) before January 1, 1978. 17 U.S.C. § 304.
3. Works “created before January 1, 1978, but not theretofore in the public domain or copyrighted” (i.e., unpublished works) 17 U.S.C. § 303(a).
4. Foreign works not in the public domain in their home country but formerly in the public domain in the United States for failure to follow certain statutory formalities. 17 U.S.C. § 104A.

After concluding that category (1) did not apply because the sculptures at issue were created in 1913 to 1917, and that category (2) did not apply because the sculptures at issue were not copyrighted under U.S. law until after 1978 (by their U.S. registration in 1984), the court then considered whether the sculptures fell into category (3), category (4), or no category at all (*i.e.*, were not protected by U.S. copyright).

In analyzing whether the sculptures were protected by copyright or in the public domain, the Ninth Circuit followed its 1996 decision in *Twin Books v. Walt Disney Co.*, 83 F.3d 1162 (9th Cir. 1996). At issue in *Twin Books* was a book (*Bambi*) that had been published in Germany in 1923 *without* copyright notice and then again published in Germany in 1926 *with* copyright notice.

Copyright in the book was registered in the U.S. in 1927 and renewed in 1954. The question was whether the 1954 renewal was timely: if the copyright term began when the book was published with notice in 1926, the 1954 renewal was within the 28-year renewal window applicable under the 1909 Act; if the copyright term began when the book was published in 1923 without notice, then the 1954 renewal was late and ineffective and the work was in the public domain. Following the accepted rule laid down fifty years earlier in *Heim v. Universal Pictures Co.*, 154 F.2d 480 (2d Cir. 1946), the *Twin Books* court first concluded that the 1923 publication in Germany without notice did not put the work in the public domain in the United States. The *Twin Books* court then held that the 1923 publication also did not constitute “publication” for purposes of starting U.S. copyright protection under the 1909 Act. The court therefore concluded that U.S. copyright protection did not attach to the work until it was published with proper copyright notice in 1926, making the 1954 renewal timely. In effect, the *Twin Books* holding means that under the 1909 Act, works published outside of the United States without notice remained outside the bounds of U.S. copyright law for all purposes.

Applying the holding from *Twin Books*, the Ninth Circuit court in *Société Civile* easily determined that foreign publication of the Renoir-Guino without copyright notice neither divested the sculptures of U.S. copyright protection nor invested the sculptures with such protection. Thus, because the sculptures were not in the public domain in the United States by virtue of their foreign publication without copyright notice, they did not fall under category (4) above. They did fall, however, into category (3) because the sculptures were created prior to January 1, 1978, and were neither copyrighted nor in the public domain as of that date. Under Section

303(a), the sculptures are entitled to protection for at least seventy years after the last surviving author’s death – that is, until 2043, seventy years following Guino’s death in 1973.

For reasons that concern Section 104A’s copyright restoration scheme but are beyond the scope of this article, the *Twin Books* decision has been criticized. Although the district court in *Société Civile* was very vocal in its criticism of *Twin Books*, it was nonetheless required to follow the rule set down in that case. The Ninth Circuit Court, though acknowledging the possible validity of the criticism, also found itself constrained to follow *Twin Books*. *Société Civile*, 549 F.3d at 1190 (“Although the reasoning of *Twin Books* can be, and has been, criticized, it is still binding in this circuit. We are thus bound to follow it.”). At the end of 2008, the *Société Civile* defendants accepted the Ninth Circuit panel’s invitation to take up the matter with the entire Ninth Circuit bench of judges, filing a petition for rehearing or, in the alternative, for review *en banc*. So, stay tuned!

- LPR

## **Trademark Dilution Decision:**

### **TDRA APPLIED RETROACTIVELY**

*Visa Int’l Service Ass’n v. JSL Corp.*, 01 Civ. 00294 (D. Nev. Dec. 15, 2008)

A Ninth Circuit district court recently amended its ruling to apply the Trademark Dilution Revision Act of 2006 (“TDRA”) retroactively to a suit filed before the TDRA’s enactment.

The case involved a protracted trademark dispute between plaintiff Visa International Service Association (“Visa”) and defendant JSL Corporation (“JSL”) over JSL’s use of the mark EVISA in connection with a travel website, [www.evisa.com](http://www.evisa.com). In the 2001 suit filed in the U.S. District Court for the District of Nevada, Visa alleged, among other

things, claims for trademark infringement and dilution against JSL.

On October 22, 2002, District Court Judge Larry R. Hicks granted partial summary judgment in favor of Visa on its dilution claim, finding that, as a matter of law, Visa had shown JSL's use of the EVISA mark likely diluted Plaintiff's VISA mark. JSL appealed this decision. On January 16, 2004, the Ninth Circuit vacated and remanded the case (*see Visa Int'l Serv. Ass'n v. JSL Corp.*, 90 F.Appx. 484 (9th Cir. 2003)), noting that after the district court issued its October 22, 2002 ruling, the U.S. Supreme Court, in *Moseley v. V. Secret Catalogue, Inc.*, 537 U.S. 413 (2003), clarified that the legal standard required to prove a dilution claim under the Federal Trademark Dilution Act of 1996 ("FTDA") was actual dilution. Prior to the *Moseley* decision, circuit courts were split as to whether the FTDA required a showing of actual dilution or merely a likelihood of dilution.

On October 6, 2006, Congress enacted the TDRA which established likelihood of dilution as the legal standard for a federal dilution claim – effectively overruling *Moseley*. In a December 27, 2007 decision on remand from the Ninth Circuit, Judge Hicks again granted summary judgment to Visa on its trademark dilution claim applying the actual dilution standard under the FTDA, pursuant to *Jada Toys, Inc. v. Mattel, Inc.*, 496 F.3d 974 (9th Cir. 2007), a Ninth Circuit decision applying the FTDA to a case filed before the TDRA's enactment in 2006. The EVISA lawsuit was filed in 2001.

On February 1, 2008, Visa filed a motion for relief from final judgment on the ground that the district court mistakenly applied the FTDA rather than the TDRA standard in its December 27, 2007 decision. On February 21, 2009, the Ninth Circuit amended its original *Jada Toys* opinion (*see Jada Toys, Inc. v. Mattel, Inc.*, 518 F.3d 628 (9th Cir.

2008)), applying the TDRA to a dilution claim despite the fact that the plaintiff had filed the action before the TDRA's enactment. On February 28, 2008, Judge Hicks issued a memorandum to the Ninth Circuit, requesting an opportunity to consider Visa's motion for relief from final judgment, in light of the Ninth Circuit's amended *Jada Toys* opinion. The Ninth Circuit remanded, accordingly.

In a December 15, 2008 decision, Judge Hicks granted Visa's motion for relief from final judgment, amending the court's December 27, 2007 order to grant injunctive relief to Visa on the basis of likelihood of dilution pursuant to the TDRA rather than the FTDA and enjoined JSL from using or registering the EVISA mark and the *www.evisa.com* domain name.

In light of this decision and the amended *Jada Toys* opinion of the Ninth Circuit, clients are advised that courts may apply a likelihood of dilution standard under the TDRA retroactively even to claims filed before the TDRA's enactment. Clients should consult with counsel regarding specific federal dilution queries.

- GK

### **TTAB:** FRAUD Case Limits Medinol Rule in Multi-class Applications

In many fraud cases during the past several years, beginning with *Medinol Ltd. v. Neuro Vasx Inc.*, 67 U.S.P.Q.2d 1205 (TTAB 2003), the Trademark Trial and Appeal Board ("TTAB") has held that a false claim of use on one product, in a U.S. trademark application or registration for multiple products, renders the whole application or registration invalid. That strict rule has just been limited in a precedential opinion, dated January 29, 2009 in *G&W Laboratories, Inc. v. G W Pharma Limited*, Opposition no. 91169571, \_\_\_ U.S.P.Q. 2d \_\_\_. The opposition included a cancellation counterclaim against two of the opposer's registrations,

which covered medicinal products in Class 5 and distributorship services for those medicinal products in Class 35. The applicant/cancellation counterclaimant sought cancellation of those registrations on grounds that the opposer/registrant never used the mark for distributorship services rendered to others, and that the claim of use for the Class 35 services in those two registrations was, therefore, false and fraudulent, thus rendering both registrations invalid as to all goods and services in all classes. The opposer/registrant admitted that it never used the mark for those services. However, it moved to dismiss the counterclaims against Class 5 in the registrations for failure to state a claim.

The TTAB granted that motion and dismissed the cancellation counterclaim against the Class 5 goods in the registrations. The opinion distinguishes Medinol, and other fraud cases that held registrations completely invalid, by indicating that those cases involved registrations only in a single class. As to applications in multiple classes, the opinion states that such an application “can be viewed as a series of applications for registration of a mark in connection with goods or services in each class, combined into one application” and that “the filer of such an application is in the same position as it would be had it filed several single-class applications instead.” Therefore, for purposes of determining fraud and its consequences in a multiple class registration, the TTAB held that each class must be considered separately and that a fraud finding as to one class “does not in itself require cancellation of all classes in a registration.” In a footnote, the opinion also said that the TTAB did not want to encourage trademark owners to file single-class applications instead of multi-class applications in order to have greater security against fraud attacks.

Another practical reason for this result, although it is not stated in the opinion, might be that the TTAB believes that extending the Medinol rule to all classes in multi-class registrations would simply produce too harsh a result. Even in the context of single-class registrations, the TTAB has come under some criticism for invalidating whole registrations for minor, and sometimes inadvertent, overclaiming on goods.

The TTAB correctly recognizes that a fraud rule that invalidates an application or registration merely as to excess goods, for which use was claimed falsely, while leaving the registration in place as to other goods, encourages careless or intentional overclaiming on goods. Since the TTAB has no authority to levy fines for overclaiming, or award attorney fees, this makes invalidity on fraud grounds the only practical penalty for overclaiming available to the TTAB. The TTAB’s limitation of fraud invalidity to the class concerned may seem a retreat from the bright line (total invalidity) rule of Medinol, and may also seem somewhat arbitrary. However, the issue of where to draw the line on penalizing fraud is a complex one. This new TTAB case has at least modified the bright line rule of Medinol with another bright line rule that is easy to apply.

- DWE

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

# Information Letter

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

Tel: 212-813-5900  
E-Mail: fzlz@frosszelnick.com  
Editor: Janet L. Hoffman

## INTERNATIONAL

### DOMINICA

- New Trademarks Act – Deadline February 1, 2010

### EUROPEAN COURT OF JUSTICE

- EU Trade Marks Directive re Protection of Marks with Reputation Against Dilution
- Use on Promotional Goods Does Not Constitute Genuine Use

### MONTENEGRO

- Revalidation of Serbian Intellectual Property Rights Deadline May 28, 2009

### PERU

- Changes in Industrial Property Laws

### SOUTH KOREA

- Expedited Examination for Trademark Applications

### UNITED KINGDOM

- Company Names Tribunal Issues First Decision

### VENEZUELA

- Trademark Office Returns to Old Industrial Property Act of 1955

### **Dominica:** NEW TRADEMARK ACT – DEADLINE FEBRUARY 1, 2010

The New Marks, Collective Marks and Trade Names Act of 1999 came into force in Dominica on February 1, 2009. The Act abolishes the dual system of local applications, and those based on United Kingdom marks. The final deadline by which marks that have been granted in the United Kingdom can be registered in Dominica is February 1, 2010. Existing registrations in Dominica will remain in force for their remaining terms and may be

renewed under the new Act. Among the important features of the new Act are:

1. The initial term of a registration will be reduced from 14 to 10 years, from the date of application. Renewals will also be for 10 years.
2. Pending applications filed under the old Act (before February 1, 2009) but published and/or registered on or after February 1, 2009, will be considered granted under the new Act
3. Paris Convention priority may now be claimed, and the International

**DISCLAIMER:** This Information Letter is provided as a public service to interested persons and its receipt does not create an attorney-client relationship, or revive a concluded attorney-client relationship, between the firm and recipients. It is designed to highlight items of current interest and is not intended to be a full review of any subject matter, for which specific legal advice should always be obtained.

Classification of Goods and Services (9th Edition) will apply; existing national registrations will be re-classified upon renewal.

4. The Act introduces a non-use provision whereby failure to use a mark for any continuous three-year period will make it vulnerable to cancellation for non-use.
5. License agreements must contain quality control provisions; absent such provision and control exercised by the licensor, the agreement will be considered invalid.

- J/LH

## **European Court of Justice: EU** TRADE MARKS DIRECTIVE RE PROTECTION OF MARKS WITH REPUTATION AGAINST DILUTION

*Intel Corporation Inc. v. CPM United Kingdom Ltd (European Court of Justice (First Chamber))*

On November 27, 2008, the European Court of Justice (the "ECJ"), upon reference to it by the English Court of Appeal, issued guidelines for interpreting the E.U. Trade Marks Directive (transposed in the U.K. by the Trade Marks Act of 1994) regarding the protection of marks with reputation against dilution caused by use of later identical or similar marks for unrelated goods and services. The context was an invalidity action brought by Intel Corporation Inc. (proprietor of the mark INTEL, which has a huge reputation in the U.K. for computer related goods and services) against CPM United Kingdom Ltd's UK registration for INTELMARK for marketing-related services. The Directive and the Act provide for the invalidation of a trademark registration if the registered mark at issue is identical or similar to an earlier trademark which has a reputation in the E.U. or U.K. (as applicable) and "the use of the later mark without due cause would take unfair advantage of, or be detrimental

to, the distinctive character or the repute of the earlier trade mark."

The ECJ held that even where the earlier mark is unique and strongly distinctive, has a huge reputation, and there is a "link" between the conflicting marks in the mind of the average consumer, these factors alone are not sufficient to invoke the protection against dilution provided for by the Directive and the Act. Instead, the proprietor of the earlier mark must also provide "evidence of a change in the economic behavior of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future" to establish that use of the later mark would be detrimental to the distinctive character of the earlier mark.

The ECJ also further clarified the Directive by holding that the determination as to whether there is a link between the earlier conflicting marks must be a global assessment, taking into account all relevant factors and circumstances of the case, and that in such determination the relevant perspective is the average consumer who is reasonably well informed and reasonably observant and circumspect.

This holding is of particular significance for owners of famous marks in the E.U. The holding makes it more difficult for famous mark owners to protect their marks against dilution, as such owners will be required to establish the negative economic impact made (or likely to be made) by use of later identical or similar marks which cover unrelated goods.

- CMD

**European Court of Justice: USE ON PROMOTIONAL GOODS DOES NOT CONSTITUTE GENUINE USE**

*Silberquelle GmbH v. Maselli-Strickmode GmbH* (European Court of Justice (First Chamber))

On January 15, 2009, the European Court of Justice (ECJ) held that use of a registered mark on goods which the proprietor of the mark gives to consumers free of charge does not constitute genuine use in the class covering such goods, for purposes of defending against non-use cancellation. In this case, the ECJ found that, in affixing its mark to Class 32 goods (alcohol-free drinks) which it gave free of charge to purchasers of its Class 25 goods (clothing), Maselli-Strickmode GmbH did not make genuine use of its mark in Class 32. The ECJ reasoned that "where promotional items are handed out as a reward for the purchase of other goods and to encourage the sale of the latter," such promotional items are not "distributed with the aim of penetrating the market for goods in the same class" and thereby do not create an outlet for or distinguish the proprietor's goods in that particular class.

In contrast, in the U.S., the requisite "use in commerce" to support a trademark registration is defined by the Lanham Act as goods "sold or transported" in commerce, and U.S. courts have taken the more expansive view (particularly in the context of well-known marks) that use in commerce can include promotional gifts or other such uses in which goods are transported but not necessarily sold. This divergence between E.U. and U.S. practice reflects the more traditional interpretations often applied in E.U. civil law countries, and is likely particularly important to U.S. trademark owners of internationally licensed marks for which use abroad is limited to licensees' manufacturing and distribution of promotional goods.

- CMD

**Montenegro: REVALIDATION OF SERBIAN INTELLECTUAL PROPERTY RIGHTS**

We remind our readers that the deadline to file re-applications and record national Serbian registrations for trademarks in Montenegro has been officially extended to **May 28, 2009**. Since we doubt any further extensions will be approved, this is likely to be the final deadline

- J LH

**Peru: CHANGES IN INDUSTRIAL PROPERTY LAWS**

On August 13, 2008 the Andean Pact Community countries (Bolivia, Colombia, Ecuador and Peru) approved Decision 689, amending certain provisions of Decision 486 governing Intellectual property matters in the Andean Community. In addition, Peru and the United States entered into a Trade Promotion Agreement, which came into effect this year (2009). In an effort to implement its obligations under Decision 689 and the Trade Promotion Agreement, Peru has issued a new Industrial Property Act ("new Act"). Summarized below are some of the more salient features aspects of the new Act:

Trademarks/Appellations of Origin

- a. Fines of up to USD\$62,500 will be imposed for frivolous oppositions. However, the law does not define the term "frivolous oppositions".
- b. Multi-class applications are now available and multi-class applications and/or registration may subsequently be divided.
- c. An appellation of origin may be rejected if it infringes a prior registered trademark or a well-known but unregistered mark (filed or registered prior to the appellation of origin or previously well-known mark).
- d. e. The term "Appellation of Origin" or its Spanish equivalent ("*Denominación*")

*de Origen* ("D.O.") cannot be used on a product that does not meet the requirements for obtaining the appellation of origin protection.

- e. The phrase "Registered Trademark" or ® may not be used on marks that are not registered with the Peru Trademark Office. Using such term or symbol on an unregistered mark may result in seizure of the goods bearing the mark.

#### Infringement Proceedings

- a. The Trademark Commission will have jurisdiction over cases of unfair competition, trademark infringement, and misappropriation of reputation in connection with registered industrial property rights, well-known marks (registered or unregistered) or trade names. The law has also established criteria to determine the penalty where a party obtains a wrongful benefit from an infringing act. The law also includes a fine for falsely accusing a third party of committing an infringing act (a form of "groundless threats").
- b. Trademark infringement cases must be decided in one hundred eighty business days. Stays will be ordered if a decision is appealed.

#### Border Measures

- a. Border protection measures will apply to counterfeit goods that are exported, imported or in transit in Peru.
- b. A trademark owner and/or a third party can request border protection measures upon posting a bond to cover any potential damages caused to the owner of the goods.
- c. The Customs Authority can also enforce border protection measures on its own if there are reasonable grounds to presume that the goods are counterfeit.
- d. Availability of border protection measures will become effective in 2010.

This new Act also changes prior laws relating to patents, data protection for pharmaceutical and agricultural chemicals, copyrights and labeling of goods.

- XT

#### **South Korea:** EXPEDITED EXAMINATION FOR TRADEMARK APPLICATIONS

As of April 1, 2009 it will be possible to seek expedited examination of trademark applications in South Korea, pursuant to the Implementation Regulations to the Trademark Act announced on Dec. 31, 2008. As of this writing, the Korean Intellectual Property Office ("KIPO") had not yet issued regulations and guidelines for such requests. It is likely, however, that such requests will be permitted for applications still pending on April 1, 2009. The two basic grounds for seeking expedited examination are: (1) The applicant is using or planning to use the mark for the specified goods/services or (2) A third party is engaging in unauthorized use of the mark. Further details should be available in the next month or two.

- JLH

#### **United Kingdom:** COMPANY NAMES TRIBUNAL ISSUES FIRST DECISION

Following up on the item in our December 2008 Information Letter, we report that the newly established Company Names Tribunal issued its first decision on December 3, 2008, ruling in favor of The Coca-Cola Company ("Coca-Cola") in its objection to company name Coke Cola Limited, which had been incorporated on February 29, 2008. Coke Cola Limited did not file a defense within the requisite one-month period; accordingly, the Tribunal required the company to change its name within a month of the decision, undertake not to register another "offending" company name, and to pay £700 towards the costs incurred by Coca-Cola. Since Coke Cola Limited did not change the company name

within the one-month period, the adjudicator assigned a new company name, as permitted by the rules, namely, 06519140 Limited (the company registration number). No appeal was filed. This ruling confirms, among other things, that the new procedure will apply to names registered prior to the effective date of the new rules (October 1, 2008).

- J/LH

### **Venezuela:** TRADEMARK OFFICE RETURNS TO OLD INDUSTRIAL PROPERTY ACT OF 1955

On September 12, 2008 Venezuela's Trademark Office issued a notice officially adopting the position that Decision 486 of the Andean Pact is no longer enforceable in Venezuela. Accordingly, going forward all intellectual property matters will be governed by the old domestic Industrial Property Act of 1955 ("1955 Act").

In April, 2006 Venezuela withdrew from the Andean Pact Community, questioning the enforceability in Venezuela of Decision 486, which regulates intellectual property matters in the Andean Pact (Bolivia, Colombia, Ecuador, Peru and Venezuela before its withdrawal). Some scholars have commented that under Venezuela's Constitution, Decision 486 preempted all other domestic intellectual property laws; others have opined that upon withdrawal from the Andean Pact Community, Decision 486 was no longer applicable, and the 1955 Act was to be reinstated. We note that Venezuela's withdrawal does not affect the enforceability of Decision 486 in the other Andean Pact member countries.

While Venezuela's Trademark Office has no authority to determine the enforceability of Decision 486, Venezuela's Supreme Court has yet to rule on the issue of preemption. Consequently, until the Supreme Court decides the issue, the Official position of Venezuela's Trademark Office is that the applicable law is the 1955 Act.

Some important differences between Decision 486 and the 1955 Act follow:

1. The 1955 Act establishes its own local classification of goods and services, rendering the Nice Classification inapplicable. Consequently, any application that would fall under a single class under the Nice Classification may now fall into two or more local classes. Under Decision 486, the Nice Classification applies.
2. The 1955 Act does not provide a grace period for renewals. Thus, if a trademark owner does not renew within six months prior to the expiration date, the mark will be deemed abandoned. Decision 486 provides for a six-month grace period.
3. Under the 1955 Act, if an applicant does not timely respond to oppositions and/or objections to an application, the corresponding application is deemed abandoned. However, under Decision 486 if a response to an opposition is not filed, the Trademark Office will decide the matter on the merits - either granting or rejecting the registration.
4. The 1955 Act provides that a registration becomes vulnerable to non-use cancellation within two years of registration, if not used in Venezuela during that period. Under Decision 486, the period is three years.
5. Under Decision 486 once an application is filed and the Trademark Office had confirmed that all the formalities had been met, the application is published in the Official Gazette for opposition and further examination for prior marks. While the 1955 Act has a similar procedure; it requires the application to be published twice. Accordingly, upon filing, the applicant must publish the application in a local newspaper and then file a copy of such publication with the

Trademark Office within a peremptory two month term. Thereafter, the mark is published in the Official Gazette for opposition and examined for prior marks. Failure to comply with the first publication requirement renders an application abandoned.

6. Under the 1955 Act, trademark coexistence agreements are not accepted, whereas they are pursuant to Decision 486, provided that the Trademark Office is persuaded that the parties have taken all necessary steps to avoid confusion among the public.
7. Pending applications may not be assigned under the 1955 Act, which is not the case under Decision 486, which does allow assignment of applications.

-X7

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