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MARCH 2019

**W**TR 1000 named **FROSS ZELNICK** Trademark Litigation Firm of the Year in the United States for 2019. The firm was also ranked in the top tier nationally and in New York. The publication lauded the firm as “simply the best,” noting “there is nothing the firm cannot do for a brand” and commending the firm’s “tremendous team spirit,” with each practitioner being “impeccably trained, steeped in the law and extremely practical.” Seventeen Fross Zelnick attorneys were specifically mentioned: [LARRY APOLZON](#) (“a top name in the music industry”), [CARA BOYLE](#) and [CRAIG MENDE](#) (“give clients a start-to-finish service”), [CARLOS CUCURELLA](#) and [ALLISON STRICKLAND RICKETTS](#) (“superb on international portfolio management”), [DAVID DONAHUE](#) (“litigates in the spotlight without flinching”), [SUSAN UPTON DOUGLASS](#) (“a role model for all lawyers” and “simply amazing”), [DAVID EHRlich](#) (“sage counsellor”), [LYDIA GOBENA](#) (“in hot demand among fashion and luxury clients”), [JANET HOFFMAN](#) (“global clearance supremo and international protection and enforcement ace”), [NADINE JACOBSON](#) (“super-smart and meticulous”), [RICHARD LEHV](#) (“specialist expertise” in litigation), [JOHN MARGIOTTA](#) (“does rock-solid work”), [PETER SILVERMAN](#) (“supervis[es] worldwide protection efforts for a prominent player in the wine and spirits industry”), [BARBARA SOLOMON](#) (“smart, direct and very formidable”), [JAMES WEINBERGER](#) (“the most efficient and practical person you could possibly choose”), and [ROGER ZISSU](#) (“fabulous copyright lawyer”).

**SUSAN UPTON DOUGLASS** was awarded the 2018 Trademarks – Lawyer of the Year – USA award from Lawyer Monthly.

**CRAIG MENDE** served as a judge at the International Trademark Association (INTA) Saul Lefkowitz Moot Court Competition East Regional Oral Arguments held February 9, 2019 at the U.S. Courthouse for the Eastern District of New York in Brooklyn, where top teams from law schools in the Eastern U.S. argued an appeal in a hypothetical case concerning trademark rights in a videogame character.

**JULIA BELAGORUDSKY** spoke at the University of Geneva’s “Yearly Conference on Intellectual Property” on February 14, 2019. The conference, organized by the university’s Faculty of Law with support from INTA, was dedicated to 3D trademarks and other non-traditional trademarks. Julia focused her discussion on the legal requirements for protection of non-traditional trademarks in the United States and discussed recent examples demonstrating both successful and unsuccessful applications to protect various types of non-traditional trademarks.

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

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# Information Letter

FROSS ZELNICK LEHRMAN & ZISSU, P.C.

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## UNITED STATES

### U.S. COPYRIGHT

- Numerous Works Enter Public Domain for First Time in Over Two Decades

### USPTO

- Launch of Expedited Cancellation Pilot Program

### U.S. Copyright: NUMEROUS WORKS ENTER PUBLIC DOMAIN FOR FIRST TIME IN OVER TWO DECADES

Last month, for the first time since 1998, a large collection of books, films, musical compositions, paintings, and other works entered the public domain in the United States. Works such as Charlie Chaplin's *The Pilgrim*, Cecil B. DeMille's *The 10 Commandments*, Khalil Gibran's *The Prophet*, and Robert Frost's *Stopping by Woods on a Snowy Evening* can now be copied, built upon, and shared without permission or fee.

The cause for the 21-year drought can be traced to changes in the copyright term. The U.S. Constitution gives Congress the right to bestow exclusive rights on the creator of an original work for "limited times." Under the first Copyright Act of 1790, copyrights lasted 14 years with the option of an additional 14-year renewal term. In 1909, both terms were doubled to 28 years, allowing for up to 56 years of copyright protection.

The law changed significantly under the Copyright Act of 1976, which initially

provided for a copyright term equal to an author's life plus 50 years, or for works made for hire, a term of 75 years from publication. In 1998, Congress passed the Sonny Bono Copyright Term Extension Act ("CTEA"), which extended the 50 years of protection after death to 70 years, and the term for works made for hire to 95 years.

The grant of retroactive extensions to existing copyrights effected by the 1976 and 1998 laws resulted in numerous works moving into the public domain in 1998 and then again in 2019, but not in the interim. When the 1976 law was implemented in 1978, the earliest works still to have copyright protection were registered or first published with a copyright notice ("copyrighted") in 1922. The renewal copyright term for these works (and those copyrighted between 1922 and 1977) was extended from 28 years to 47 years, yielding a total term of protection of 75 years. As a result, the final year of protection for many works copyrighted in 1922 was 1997 (i.e., 1922 + 75), meaning they moved into the public domain in 1998.

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Works that had retained copyright protection since 1923 were set to move into the public domain in 1999, but the CTEA extended the renewal term of pre-1978 subsisting copyrights by another 20 years. As a result, works copyrighted in 1923 entered the public domain in 2019—hence the 21-year gap between works from 1922 and works from 1923 entering the public domain.

Going forward, a new wave of works will enter the public domain on January 1 each year. So while it was once safe to assume that anything copyrighted before 1923 is in the public domain, the cutoff year will now need to be adjusted each year.

[-SH](#)

## **USPTO:** LAUNCH OF EXPEDITED CANCELLATION PILOT PROGRAM

In June 2017, the United States Patent and Trademark Office (“USPTO”) proposed streamlined cancellation procedures in an effort to save practitioners and trademark owners both time and money. In January 2019, that vision became a reality when the USPTO announced the launch of its Expedited Cancellation Pilot Program (the “Pilot Program”). The program—which is limited to cancellation proceedings based on abandonment or nonuse—combines the current cancellation process with existing Accelerated Case Resolution (“ACR”) procedures. Through this Pilot Program, the USPTO hopes to study how these pre-existing ACR mechanisms can help streamline cancellation proceedings.

ACR is an expedited alternative to a traditional cancellation or opposition proceeding that involves full discovery, trial, and briefing. Introduced in 2007 when the Trademark Trial and Appeal Board (TTAB) amended its rules to adopt a mandatory disclosure model similar to the one used by U.S. federal courts, ACR has not been used widely by parties in *inter partes* proceedings. Some of the features of the

ACR model include: (i) a separate pleadings phase; (ii) a streamlined discovery phase; and (iii) a streamlined briefing phase where the TTAB treats summary judgment motion filings and accompanying evidence as the final record and briefing. The standards of proof are the same as in a traditional proceeding, and final decisions may be appealed in the same manner as non-ACR decisions. Under the Pilot Program, the TTAB will identify cancellations that may be eligible for speedier resolution under the TTAB’s existing ACR procedures. For such cases, both the Interlocutory Attorney (an attorney advisor responsible for setting the trial schedule and deadlines) and a TTAB Administrative Trademark Judge will join the parties’ discovery conference to inform the parties that their case is eligible for the use of the summary judgment ACR model. In addition to the required subjects for discussion, the discovery conferences will include discussions related to potential stipulations of fact, evidentiary stipulations, ways to limit discovery, and the possible use of the ACR model. If ACR is agreed upon, employing the procedures listed above, the TTAB will try to issue a decision within 50 days from when the case is ready for a final decision.

Note that parties may still elect to participate in the program, even if their case is not selected by the TTAB, by contacting the assigned Interlocutory Attorney to schedule a conference. While ACR is currently not mandatory, it appears that by initiating this program, the USPTO is trying to steer more parties toward these type of expedited procedures. It remains to be seen if the USPTO makes such procedures mandatory in similar proceedings pending the efficacy of this program.

The USPTO’s stated goals for the program are to measure or assess the following:

- The frequency of parties’ willingness to agree to ACR in some form.
- Concerns expressed about ACR.

- The types of ACR measures preferred.
- How effective such measures are in developing the record and issues.
- The progress and timing of ACR pilot cases.
- The rates of default judgment.
- The role of ACR in withdrawals and settlements.

In December 2018, the Board ruled on a petition for cancellation based on abandonment following expedited proceedings akin to those promulgated under the Pilot Program. *TV Azteca, S.A.B. de C.V. v. Martin*, Cancellation No. 92068042 (T.T.A.B. Dec. 7, 2018). Under the expedited cancellation, the parties dispensed with formal discovery. In finding that the Petitioner failed to meet its burden of proving non-use, the Board cautioned that “even in expedited proceedings, inferences must be based on proven foundational facts.” *Id.* This ruling indicates that without full discovery, it will be extremely difficult for parties to obtain the necessary evidence to prevail on a claim for abandonment or non-use and is something parties should bear in mind when deciding whether to participate in the Pilot Program.

This Pilot Program is part of a broader initiative by the USPTO to promote accuracy and integrity on the Trademark Register. Other efforts include: (i) random audits of post-registration maintenance / renewal filings and (ii) increased readability of use declarations. This program will continue indefinitely until “sufficient information has been collected.” The USPTO plans to eventually share the results of the Pilot Program publicly.

[-MG](#)

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

# Information Letter

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## International

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### **China:** NATIONAL IP COURT OF APPEALS ESTABLISHED

In an October 2018 decision, China's National People's Congress ("NPC") approved a proposal to establish a new specialized intellectual property appeals court within the Supreme People's Court (the "SPC") in Beijing, effective as of January 2019. The IP Tribunal will serve as a national IP appellate court overseeing patent disputes, similar to the role played by United States Court of Appeals for the Federal Circuit.

According to a statement by the NPC, establishment of the new IP Tribunal within the SPC is intended "to unify the standards of IP cases, further strengthen the judicial protection of intellectual property rights, optimize the environment for scientific and technological innovation, and accelerate the implementation of the innovation-driven development strategy."

The tribunal will only hear appeals regarding patent and other technology-related matters, namely, invention patents, utility model patents, new plant varieties, integrated circuit layout designs, technical

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trade secrets, and computer software. The tribunal will also hear administrative appeals involving design patents (but will not hear civil appeals). Trademark, unfair competition and copyright related appeals will continue to be heard by intermediate courts, specialized IP courts, or high courts of different provinces, and will not go before the new IP tribunal.

The tribunal will operate as a pilot program for three years, and will recruit judges from IP tribunals in 10 provinces with the relevant expertise (about 30% of whom will have a science or engineering educational background). The new court will offer litigants conveniences such as the ability to submit arguments and read materials online.

[-MS](#)

### **Czech Republic:** IMPORTANT CHANGES TO TRADEMARK LAW

Effective January 1, 2019, the Czech Industrial Property Office ceased rejecting trademark applications ex officio based on prior conflicting identical registered trademarks. Rather, trademark owners must monitor published marks and oppose any conflicting marks within three months of publication. Additional changes include the ability to register certification marks, as well as “non-conventional” marks, such as sounds, smells, holographs and other representations as long as they can be clearly identified. Among other changes, the owner of an opposed mark may now require proof of use of marks on which an opposition is based if they have been registered for five years or more. We are monitoring these developments and will report further as necessary.

[-JLH](#)

### **Denmark:** NEW TRADEMARK ACT

A new Danish Trademark Act was implemented on January 1, 2019. Among the significant changes are:

- Filing fees are now charged per class (previously, the same fee was charged for the first three classes).
- The following types of marks may now be registered: Shape, position, pattern, single colors or combination of colors, sound, motion, multimedia (combination of image and sound), holograms.
- Fast-track applications are possible without extra official fees if the application covers only official Nice Classification terms and the applicant does not request a search report.
- The PTO will make search reports available for non-fast track applications, consisting of hits without comment, as part of the standard fee. For an additional fee of about US \$108 on filing, applicants can also order search reports with comments.
- Registration certificates will issue on final registration (previously, they issued on publication).
- The 10-year renewal period is now calculated from the application date.
- As of July 1, 2019, renewal fees will be charged per class.
- A trademark used in connection with counterfeit goods in transit constitutes infringement if the mark is registered and the goods in transit are part of a commercial operation (as opposed to goods for private purposes).
- Trademark rights based on use without registration continue to be recognized under specific conditions.

[-KL](#)

## **Israel:** BLOCKING ORDERS PERMISSIBLE AGAINST ISPs

On January 1, 2019, the Knesset (Israeli Parliament) approved Amendment No. 5 to Israel's Copyright Law, which adds the following provisions:

1. Indirect copyright infringement by making copyright-protected content available to the public (new Section 48A);
2. Restriction of access to an internet site by court order (new Section 53A); and
3. Exposing the identity of copyright infringers on the internet and use of "orphan" works (new Part H1).

### **I. Indirect Infringement**

An indirect infringer is a "person" who makes copyright-protected work available to the public after the work has already been made available to the public in an infringing manner by another party. A court can issue blocking orders against an indirect infringer if the infringer knew or should have known that the work was copyright-protected and that the original display of the work was an infringement.

Under this provision, courts may issue blocking orders to internet service providers (ISPs) to block access to websites that display or make available to the public content that infringes copyright-protected work. The ISP must then take reasonable steps to limit or block access to their website as to content that directly or indirectly amounts to copyright infringement.

### **II. Restriction of Access**

District Courts may order an ISP to limit access to a website where the majority of the content constitutes copyright infringement, or where an action taken in connection with the source provided on the website could constitute indirect copyright infringement. Courts may take into account

the effect of the order on the public, the severity of the infringement, whether the order is required, the efficacy of other remedies available, and the possible harm to the privacy of internet users.

### **III. Identity of Infringers/Use of "Orphan" Works**

District Courts are permitted to order a respondent to provide the identity and "user information" of unknown persons whose actions have infringed the petitioner's copyright online. Where it is not possible to locate the copyright owner of the infringed work, the Amendment allows use of the work so long as the rights-holder remains unknown.

This Amendment is in line with the Knesset's track record in recent years of putting in place increased security measures to police ISPs. For example, the Knesset passed a law in July 2017 permitting District Courts to force ISPs to block access to websites with content that promotes criminal activity, including gambling and pedophilia sites, websites that promote prostitution or illegal drugs, and websites that support acts of terror. The new Amendment also follows a global trend where courts are increasing efforts to combat internet piracy. (See also our Newsletters of [December 2014 \(United Kingdom\)](#); [September 2017 \(Canada\)](#) and [September 2018 \(United Kingdom\)](#)).

*-MK*

## **Malawi:** NEW TRADEMARK ACT

On October 1, 2018, Malawi implemented the Trademarks Act, 2 of 2018, replacing the Trade Marks Act 1957. The new Act effects the following salient updates to trademark law in Malawi:

- Concept of "trademark" is broadened to include non-visual signs.

- Service marks are now protectable, as are collective marks, certification marks, and Geographical Indications.
- Refusals can be based on earlier registrations covering similar goods or services, and on well-known marks.
- Infringement claims may be based on unauthorized use for similar goods/services (previously, limited to actual goods covered by the registration).
- Registration and renewal terms are now ten years (previously, the registration term was seven years and renewal terms were fourteen years).
- Registrations can be cancelled based on five years of non-use.
- Use by a licensee, if recorded, is sufficient to withstand non-use cancellation.
- Unfair competition actions are recognized.
- It appears that ARIPO registrations designating Malawi will be valid going forward.

[-KL](#)

## **Mexico:** UPDATE ON DECLARATION OF USE

We update our [September 2018](#) article on the requirement to file Declarations of Actual and Effective Use under the amendments to the Mexican Industrial Property law. At that time, it was unclear whether the requirement would apply (i) only to registrations granted as of August 10, 2018, or (ii) to marks for which the third anniversary of registration fell after August 10, 2018 (i.e., registrations that issued after August 10, 2015). We have since obtained confirmation that the requirement applies only to registrations granted as of August 10, 2018.

[-KL](#)

## **Myanmar:** NEW TRADEMARK AND INDUSTRIAL DESIGN LAWS

The new Myanmar Trademark and Geographical Indication and Industrial Design Laws were signed by the President on January 30, 2019. Now for the first time, there will be an Intellectual Property Office to handle IP matters, including registration. While the laws have been signed, neither will come into force until further notification by the President. While it is not clear when such notification will issue, it is important to be aware of certain features of this new legislation, once enforcement is confirmed. The most important feature of the new Trademark and GI Law, assuming it proceeds through final formalities, is institution of a first-to-file system. There will be **no automatic conversion of current trademark registrations to the new system. Accordingly, it will be necessary to refile to maintain coverage.** While we expect that there may be a short transition period to re-register marks after the law comes into force, it is not yet clear whether trademark owners will be able to claim the priority of their older registrations. We therefore advise clients to **review current coverage now** and coordinate re-filings in anticipation of filing on day 1 of the effective date of the new law. In addition, there is reference in the law to the need to show evidence of use to support a trademark application; accordingly, trademark owners should begin to gather such evidence, including cautionary notices (still publishable), ads, office documents and other evidence of use.

Among additional features of the new Trademark and GI law are: (1) institution of formal and substantive examination, (2) recognition and registration of well-known marks and GIs, (3) a 10-year registration term (renewal available 6 months prior to expiration), (4) provision for oppositions to be filed 60 days of publication, (5) non-use cancellation for marks not used for three consecutive years,

(6) possible license recordal requirement (details not yet clear) (7) acceptance of priority claims, though Myanmar has not yet acceded to the principal IP treaties, (8) criminal penalties for trademark infringement and counterfeiting, including up to three years in prison and a fine of MMK 5 million (about \$3250 US) and (9) establishment of a Central Committee for Intellectual Property and an Intellectual Property Rights Agency, which, together, will have jurisdiction over the trademark registration system. The law also has given the judiciary the right to set up specialized IP courts, though it is uncertain whether this might occur.

Among the main features of the new Industrial Design Law are (1) institution of a first-to-file system, (2) a five-year term, renewable for up to 15 years, (3) availability of invalidation and cancellation actions, (4) a possible license recordal requirement (details not yet clear), (5) six-month Paris Convention priority (though adherence to Paris has not yet taken place), (6) additional enforcement (including criminal) provisions, (7) domestic and international novelty requirement for registration, and (8) employee rights to register under certain circumstances, though generally provision for employer ownership if the design was created within the scope of employment and at employer instruction.

While procedures and administrative bodies for these new laws are not yet in place, requirements for registration are set out. Accordingly, we recommend that rights owners audit their current, and consider any new, holdings so that (for example) evidence will be readily available when the laws become effective and procedures implemented. We will keep clients apprised of further developments, including timing of implementation, but recommend taking steps now to arrange for continued protection.

-JLH

## **Samoa:** ACCESSION TO MADRID PROTOCOL

Samoa acceded to the Madrid Protocol on December 4, 2018. The Protocol will enter into force with respect to Samoa on March 4, 2019. Samoa will be the 103rd member of the Madrid System. See more [www.wipo.int](http://www.wipo.int)

-KL

## **Spain:** TRADEMARK LAW REFORM

Pursuant to Royal Decree 23/2018, approved by the Spanish government on December 21, 2018, the Spanish Trademark Law was amended to conform to the amendments to EU Harmonization Directive 2015/2436 ("Directive"). The principal changes include: (1) Any individual, regardless of nationality, residence or structure, may secure a national Spanish trademark registration; (2) Absolute grounds for refusal will include prohibitions on filing for (a) marks that could be considered "functional," and (b) designations of origin and geographical indications consistent with those in the Directive; (3) Only "reputed marks" (as opposed to "well-known" marks) will be recognized as warranting special protection, though protection for unregistered well-known marks pursuant to Article 6*bis* of the Paris Convention will be retained; (4) Proof of use may now be sought in oppositions if the opposer relies on a mark that has been registered for five years or more; (5) The five-year User period will now commence from final grant of registration rather than date of publication; (6) Non-use actions will now be brought before the Spanish Patent and Trademark Office rather than the Spanish Civil Courts, though cancellation and revocation actions based on non-use that are brought as counterclaims in infringement actions will still be handled in the Courts. These changes entered into force on January 14, 2019, except for those

set out in (6) above, which will become effective on January 14, 2023.

-JLH

### **United Kingdom:** REGISTERED EU RIGHTS PROTECTED IN UK EVEN IF NO BREXIT DEAL

According to the UK Department for Business, Energy & Industrial Strategy (see [www.gov.uk](http://www.gov.uk)), the UK government is taking steps to prepare to leave the EU on March 29, 2019 in a process known as Brexit. However, with that date drawing ever nearer, and with no clear end to Brexit negotiations in sight, the government must also plan for a “no deal” scenario.

It is now part of British law that the UK will leave the EU on March 29, 2019, regardless of whether a deal has been reached with the EU as to how the separation will actually work. Currently, there is a lengthy withdrawal agreement setting the terms of divorce, including financials (who owes money to whom) and what happens to the residency of affected UK and EU citizens. There is also a much shorter statement on future relations, which is not legally binding but sets forth the kind of relationship that the UK and EU envision in several areas, including trade. The current proposed deal was voted down by the UK Parliament, however, on January 15, 2019, so further negotiations will take place in the days and weeks ahead.

If the UK leaves the EU in March without a deal, the current guidance provides that all existing registered EU trademarks and Registered Community Designs will continue to be protected and enforceable in the UK through a new UK equivalent right that will come into force at the moment of exit. Minimal administrative burden is anticipated, and the new right will be treated as if it had been a UK right all along. Therefore, these trademarks and designs will be subject to renewal in the

UK, can form the basis for proceedings before the UK courts and the UKIPO, and can be assigned and licensed independently from the corresponding EU rights. No fees are expected to be charged for this “cloning” process. For pending but unregistered applications, owners will be able to refile in the UK, and for a period of nine months post-exit, the UK government will recognize the earlier filing dates from the corresponding EU applications. It is unclear whether a fee will be charged for these re-filings. These same provisions apply to IRs designating the EU. And, post-Brexit, UK applicants will still be allowed to file EU applications just as they do now.

While other implications of Brexit (political and/or economic) may be uncertain, brand owners now have at least some assurance that their EU rights will remain protected in the UK post-Brexit, even if the separation is not preceded by a fully-negotiated agreement.

-RNB

### **WIPO:** DIVISIONS AND MERGERS OF IRs ALLOWED

Effective February 1, 2019, the new Rule 27*bis* of the Common Regulations under the Madrid Agreement and Protocol allows holders of International Registrations (IRs) to request the division of an IR within a designated jurisdiction. For example, some goods/services may remain in the existing IR, whereas others may be divided into a divisional IR. This provision may be useful where, for example, a particular designated country refuses an IR for only some of the goods/services claimed in the IR. The refused items may now remain in the IR for further handling, while the allowed items may be divided and allowed to proceed toward protection.

Such requests are to be filed with the relevant jurisdiction’s local trademark office rather than with WIPO. Form MM22 is

available for making division requests, and a fee of 177 Swiss francs must be paid to the International Bureau of WIPO. Local offices may also charge additional fees, and they may examine division requests for compliance with local law. WIPO will also examine such requests for compliance with Rule 27*bis* and will notify any irregularity to the relevant trademark office; the local office then has three months from the date of notification to remedy the irregularity. If approved, the division will be recorded with the date on which WIPO received the request or on the date the irregularity was remedied, as applicable. Following recordal, WIPO will create a divisional IR for the goods/services specified in the division request, and the relevant jurisdiction will be the sole designated party of that divisional IR.

Also effective February 1, 2019 is new Rule 27*ter*, which deals with the merger of IRs resulting from the recording of a partial ownership change, whereby part of the IR (i.e., only some goods/services, or only some extension countries) had previously been assigned to a different entity. Merger of multiple IRs will be allowed, so long as they are all held by the same owner. Form MM23 is available for this purpose and may be submitted either to WIPO or through the local trademark office of the IR holder. There is no fee payable to WIPO. This new rule also provides that in the case of division (i.e., along the lines of goods/services), an IR may be merged with the IR from which it was divided. Form MM24 is available for this purpose and must be presented through the local trademark office that presented the request for division. The main benefit of a merger is that it allows for the consolidated tracking and handling of multiple IRs, thus bringing them together under a single unitary record.

Divisions under Rule 27*bis* and mergers under Rule 27*ter* will be published in the WIPO Gazette.

*-RNB*

**Fross Zelnick Lehrman & Zissu, P.C.**