

**International
Comparative
Legal Guides**



Practical cross-border insights into trade mark law

**Trade Marks
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USA

1 Relevant Authorities and Legislation

1.1 What is the relevant trade mark authority in your jurisdiction?

The United States Patent and Trademark Office (“USPTO”).

1.2 What is the relevant trade mark legislation in your jurisdiction?

The primary federal trade mark statute is the Lanham Act of 1946, also known as the U.S. Trademark Act, 15 U.S.C. § 1051 *et seq.* Trade marks are also governed by state law and common law.

2 Application for a Trade Mark

2.1 What can be registered as a trade mark?

Any word, name, symbol, or device that distinguishes the goods and/or services of one source from those of others may be registered as a trade mark. The majority of registered trade marks consist of words or logos, but non-traditional marks are also registrable if they are non-functional and, usually, if they have acquired distinctiveness. *See* further information at question 2.7.

2.2 What cannot be registered as a trade mark?

The following are statutorily barred from registration under the Lanham Act without exception:

- flag, coat-of-arms, or other insignia of a governmental agency or foreign nation;
- name, portrait, or signature identifying a particular living individual without written consent;
- a mark that so resembles a registered mark, or a mark previously used in the U.S. by another and not abandoned, as to be likely, when used on or in connection with the goods/services of the applicant, to cause confusion, or to cause mistake, or to deceive;
- primarily geographically deceptively misdescriptive marks; and
- functional matter.

The following marks are statutorily barred from registration on the Principal Register absent acquired distinctiveness, but may be registered on the Supplemental Register, the register of lesser protection:

- merely descriptive or deceptively misdescriptive;

- primarily geographically descriptive; and
 - primarily merely a surname.
- The USPTO also refuses registration to:
- matter that is incapable of functioning as a mark, such as generic terms;
 - titles of single artistic works; and
 - trade names.

2.3 What information is needed to register a trade mark?

Minimum filing requirements:

- applicant’s name and address;
- whether the applicant is a natural person or juristic person (if the latter, the legal entity type);
- applicant’s citizenship;
- a clear drawing of the mark;
- identification of goods and/or services; and
- filing fee for at least one class.

In an application based on use “in commerce”, the dates of first use anywhere and in U.S. commerce must be stated, and at least one specimen showing current use of the mark in the U.S. must be submitted for each class. The applicant must verify that the mark is in use in the U.S. for all the claimed goods/services as of the filing date.

In an application based on intent to use, home-country registration, or an extension of protection under the Madrid System, the applicant must verify that it has a *bona fide* intent to use the mark in the U.S. for all the claimed goods/services as of the filing date.

Colour must be specifically claimed by submitting a colour drawing of the mark, a claim that colour is a feature of the mark, and a colour location statement.

For non-English marks, a statement providing the English translation of the words or that the mark has no meaning in English is required.

See question 2.17 for priority claims.

2.4 What is the general procedure for trade mark registration?

The USPTO assigns a serial number to applications that meet the minimum filing requirements (*see* question 2.3). About six to eight months later, an examining attorney reviews the application on absolute and relative grounds. For minor technical or procedural issues, the examining attorney may email or telephone the applicant to resolve the issues by Examiner’s Amendment. For substantive issues, the examining attorney generally issues an Office action with a six-month response deadline.

If no objections are raised or all objections are overcome, the application is approved for publication. Any party that believes that it may be damaged by registration of the mark has 30 days to oppose or request an extension of time to oppose. If there are no such filings, applications based on use or home-country registrations, or extensions of protection under the Madrid System, are approved for registration. Registration certificates issue about two to three months after publication.

For intent-to-use applications, a Notice of Allowance issues about two months after publication. The applicant then has six months to submit a Statement of Use or request a six-month extension of time to file a Statement of Use. Five extension requests are permitted. About two to three months after the Statement of Use is approved, the registration certificate issues.

2.5 How is a trade mark adequately represented?

Words and 2D designs: One clear drawing of the mark must be submitted, whether the mark is in standard characters or a special form, such as stylised and design marks. If colour is claimed, the drawing must reflect the colour(s); if not, the drawing must be in black and white.

3D marks: The drawing can consist of an illustration or photograph showing a single rendition of the mark in three dimensions, with disclaimed matter delineated in dotted lines.

Non-visual marks: Instead of drawings, detailed descriptions are required. For sound marks, audio files are submitted to supplement and clarify the description of the mark. For scent and flavour marks, a specimen that contains the scent or flavour is submitted.

2.6 How are goods and services described?

The U.S. classification system is mostly consistent with the Nice Classification. U.S. applications usually cannot cover whole class headings because all claimed goods/services must meet the use or *bona fide* intent-to-use requirement. Identifications must also meet the USPTO's specificity requirements. The USPTO's Manual of Acceptable Identifications at <https://idm-tmng.uspto.gov/id-master-list-public.html> provides examples of approved identifications.

2.7 To the extent 'exotic' or unusual trade marks can be filed in your jurisdiction, are there any special measures required to file them with the relevant trade mark authority?

The following non-traditional marks may be registered:

- product packaging (*e.g.* Coca-Cola bottle, Reg. 1057884);
- three-dimensional product design (*e.g.* Hermes' Birkin bag, Reg. 3936105);
- repeating patterns (*e.g.* Burberry plaid, Reg. 3529814);
- single colour or combination of colours (*e.g.* Tiffany's robin's-egg blue, Reg. 2359351);
- sounds (*e.g.* Tarzan yell, Reg. 2210506);
- scent (*e.g.* cherry scent for vehicle lubricants, Reg. 2463044);
- texture (*e.g.* velvet texture on wine bottle, now-cancelled Reg. 3155702);
- motion marks (*e.g.* 20th Century Fox Films' floodlights, Reg. 1928424);
- holograms (*e.g.* hologram on American Express credit cards, Reg. 3045251); and
- design and layout of a store (*e.g.* Apple store, Reg. 4277914).

For all the above except product packaging, a showing of acquired distinctiveness is required to achieve registration. Such a showing may also be required for product packaging that is deemed to lack inherent distinctiveness.

See question 2.11 for further information on showing acquired distinctiveness.

2.8 Is proof of use required for trade mark registrations and/or renewal purposes?

Proof of use is required to register marks when the application is based on use in U.S. commerce or intent to use, but not for applications based on home-country registration or extensions of protection under the Madrid System. Proof of use is always required to maintain or renew a registration, regardless of the basis of the original application.

2.9 What territories (including dependents, colonies, etc.) are or can be covered by a trade mark in your jurisdiction?

All 50 states, Washington, D.C., Guam, Puerto Rico, American Samoa, and the U.S. Virgin Islands. No separate application or fee is required.

2.10 Who can own a trade mark in your jurisdiction?

Natural persons and juristic persons such as corporations, partnerships, joint ventures, unions, associations, and any other entities capable of suing and being sued in a court of law.

2.11 Can a trade mark acquire distinctive character through use?

Marks that are not inherently distinctive may be registered by showing acquired distinctiveness. This showing may be made by a declaration that the mark has been in substantially exclusive and continuous use in U.S. commerce for at least the preceding five years. If the examiner does not consider a declaration sufficient (*e.g.* for highly descriptive or non-traditional marks), actual evidence such as nationwide sales and advertising figures, media and third-party commentary, and survey evidence may be required.

2.12 How long on average does registration take?

If there are no or only very minor objections raised, registration issues on average about 12–15 months after filing.

2.13 What is the average cost of obtaining a trade mark in your jurisdiction?

The filing fee is US\$350 per class. A reasonable budget for an application in one class is US\$1,500 to \$2,000 from filing to registration, including USPTO and professional fees.

2.14 Is there more than one route to obtaining a registration in your jurisdiction?

National filings may be based on use or intent to use. Additionally, applicants may base an application on a foreign registration by claiming a home-country registration basis or

through a Madrid extension. For such applications, use of the mark in the U.S. is not required for registration, but the applicant must state that it has a *bona fide* intent to use the mark in the U.S. for all the claimed goods/services.

2.15 Is a Power of Attorney needed?

No Power of Attorney is required, but a signed application must be submitted at filing or later as a Voluntary Amendment or in response to an Office action.

2.16 If so, does a Power of Attorney require notarisation and/or legalisation?

This is not applicable.

2.17 How is priority claimed?

In a national application filed within six months of the first-filed foreign application, priority is claimed by selecting a Section 44(d) filing basis and providing the number and date of the foreign application. No priority document or extra fee is required.

2.18 Does your jurisdiction recognise Collective or Certification marks?

Both Collective and Certification marks are recognised and registrable.

3 Absolute Grounds for Refusal

3.1 What are the absolute grounds for refusal of registration?

See question 2.2.

3.2 What are the ways to overcome an absolute grounds objection?

The applicant can argue, with appropriate supporting evidence, that the absolute ground is inapplicable. Refusals on the grounds of descriptiveness, deceptive misdescriptiveness, primarily geographic descriptiveness, or that the mark is primarily merely a surname, may be overcome by showing that the mark has acquired distinctiveness for the claimed goods/services.

3.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

Refusals of registration may be appealed to the Trademark Trial and Appeal Board (“TTAB”) of the USPTO.

3.4 What is the route of appeal?

The applicant must file a timely Notice of Appeal with the TTAB followed by a brief within 60 days. An unfavourable TTAB decision may be appealed to the U.S. Court of Appeals for the Federal Circuit or to a federal district court. Federal Circuit

review is based on the TTAB record; federal district court review is *de novo* and additional discovery is possible. A Federal Circuit decision may be appealed to the Supreme Court of the United States. A federal district court decision may be appealed to the U.S. Court of Appeals in that Federal Judicial Circuit, and thereafter to the Supreme Court of the United States.

4 Relative Grounds for Refusal

4.1 What are the relative grounds for refusal of registration?

A prior application or registration for a confusingly similar mark for the same or related goods/services.

4.2 Are there ways to overcome a relative grounds objection?

The applicant may argue, with appropriate supporting evidence, that confusion is not likely. Alternatively, the applicant may submit a co-existence agreement obtained from the owner of the blocking mark. The agreement should state why the parties believe that confusion is not likely, and specify that they will cooperate to take steps to avoid confusion in the unlikely event that confusion arises.

4.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

See question 3.3.

4.4 What is the route of appeal?

See question 3.4.

5 Opposition

5.1 On what grounds can a trade mark be opposed?

Any of the grounds set forth in question 2.2 above, as well as dilution, fraud, lack of use in commerce, and (for intent-to-use applications) lack of a *bona fide* intention to use the mark in the U.S.

5.2 Who can oppose the registration of a trade mark in your jurisdiction?

Any person who believes that he or she would be damaged by a registration may oppose. Ownership of a prior registration is the easiest way to satisfy this requirement, but the opposer need not own a registration.

5.3 What is the procedure for opposition?

An opposer has 30 days from publication to file an opposition or request an extension of time. Total extensions of time cannot exceed 180 days from publication. A notice of opposition setting forth the bases for opposing must be filed with the TTAB with the required filing fee (currently US\$600 per class). The TTAB then issues a scheduling order giving the applicant 40 days to answer and setting deadlines for discovery and trial.

About six months are allowed for discovery, including document requests, interrogatories, depositions, and expert reports. The trial phase of about four months begins after discovery. During trial, each party may file testimony, usually in the form of written trial declarations of its witnesses, and submit evidence such as website printouts. Each party then submits a trial brief making legal and factual arguments. The TTAB's written decision is usually issued many months later.

6 Registration

6.1 What happens when a trade mark is granted registration?

When registration is granted, the USPTO automatically sends a certificate of registration to the applicant without payment of further fees.

6.2 From which date following application do an applicant's trade mark rights commence?

An applicant's right to oppose a third-party application commences from its filing date or its date of first use of the mark in U.S. commerce, whichever is earlier. An applicant's right to sue for infringement commences after registration has issued (but dates back to its filing date) or from its date of first use of the mark in U.S. commerce, whichever is earlier.

6.3 What is the term of a trade mark?

The registration term is 10 years. A declaration of use (supported by at least one specimen of use for each class), or excusable non-use, must be filed between the fifth and sixth year after registration, or within the six-month grace period after expiration of the sixth year, to keep the registration in force for the remainder of the first 10-year term.

6.4 How is a trade mark renewed?

A declaration of use (supported by at least one specimen of use for each class), or excusable non-use, and a renewal application must be filed within one year before the end of every 10-year period after the registration date, or within the six-month grace period thereafter.

7 Registrable Transactions

7.1 Can an individual register the assignment of a trade mark?

Trade mark assignments may be recorded with the USPTO by completing the appropriate cover sheet and submitting a copy of the assignment deed.

7.2 Are there different types of assignment?

Both partial assignments for only certain goods/services in a registration, and assignments of entire applications or registrations, are possible, but assignments must be with the goodwill of the assigned mark. Changes of name of a business and mergers of businesses are also regularly recorded as they affect the chain of title.

Intent-to-use applications may not be assigned in whole or in part before the applicant files a Statement of Use, except to a successor to the applicant's business, or portion of the business to which the mark pertains, if that business is ongoing and existing.

7.3 Can an individual register the licensing of a trade mark?

Yes, but licence records are not necessary or customary.

7.4 Are there different types of licence?

The U.S. recognises non-exclusive and exclusive licences, free and royalty-bearing licences, and licences for a term of years or indefinite terms.

7.5 Can a trade mark licensee sue for infringement?

Exclusive and non-exclusive licensees may sue for infringement.

7.6 Are quality control clauses necessary in a licence?

Licences must include quality control clauses. Licences without these clauses are "naked" licences, and may result in a finding that the owner has abandoned its rights in the mark.

7.7 Can an individual register a security interest under a trade mark?

Security interests in a trade mark may be recorded with the USPTO by completing the appropriate cover sheet and submitting a copy of the underlying instrument.

7.8 Are there different types of security interest?

Security interests are not differentiated for purposes of recordal with the USPTO.

8 Revocation

8.1 What are the grounds for revocation of a trade mark?

Cancellation actions instituted within five years after registration may be based on any of the grounds listed in question 5.1 above. For registrations more than five years old, cancellation grounds are limited to: (i) genericness; (ii) functionality; (iii) abandonment; (iv) fraud; (v) a mark that falsely suggests a connection with someone living or dead or with an institution or national symbol; (vi) geographic deceptiveness; (vii) a mark that consists of a flag or coat of arms; or (viii) a mark that consists of the name or signature of a living individual without consent. Moreover, pursuant to a new cancellation ground created by the Trademark Modernization Act of 2020 (discussed in question 17.1 below), a registration that is more than three years old can be cancelled in whole or in part based on a finding that the mark has never been used in U.S. commerce in connection with some or all of the products or services covered by the registration.

8.2 What is the procedure for revocation of a trade mark?

A cancellation petition must be filed with the TTAB with the filing fee (currently US\$600 per class). Cancellation procedures are similar to those described for oppositions in question 5.3 above.

8.3 Who can commence revocation proceedings?

Any person who believes that he or she would be damaged by the continued registration of a mark may file a cancellation.

8.4 What grounds of defence can be raised to a revocation action?

Defences include no likelihood of confusion or dilution, and equitable defences such as laches, acquiescence, equitable estoppel, and unclean hands.

8.5 What is the route of appeal from a decision of revocation?

See question 3.4.

9 Invalidity

9.1 What are the grounds for invalidity of a trade mark?

See question 8.1.

9.2 What is the procedure for invalidation of a trade mark?

See question 8.2.

9.3 Who can commence invalidation proceedings?

See question 8.3.

9.4 What grounds of defence can be raised to an invalidation action?

See question 8.4.

9.5 What is the route of appeal from a decision of invalidity?

See question 8.5.

10 Trade Mark Enforcement

10.1 How and before what tribunals can a trade mark be enforced against an infringer?

A trade mark infringement civil action under the Lanham Act can be brought in federal district court. State courts have concurrent jurisdiction over such actions, but defendants can remove actions brought in state court to federal court.

10.2 What are the key pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

Once a plaintiff files a complaint for trade mark infringement in federal district court, generally a four- to eight-month discovery phase begins where the parties can request documents, ask interrogatories, and conduct depositions. Trial generally commences within 12–15 months after the filing of the complaint, but may be much later if the parties stipulate to extend discovery or engage in summary judgment practice.

10.3 Are (i) preliminary, and (ii) final injunctions available and if so, on what basis in each case?

Both are available. To obtain a preliminary injunction, a party must show: (1) a likelihood of success on the merits of its claim; (2) that it will suffer irreparable harm in the absence of the injunction; (3) that any hardship on the non-moving party by granting the injunction is outweighed by the hardship on the moving party if the injunction is not granted; and (4) that the public interest is not disserved by the issuance of an injunction. Once a party prevails at trial, that party can obtain a permanent injunction if it can demonstrate factors (2)–(4) listed above. There is a rebuttable presumption of irreparable harm when infringement has been shown.

10.4 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so, how?

As part of discovery, a party *must* produce relevant, non-privileged documents to its adversary, if properly requested. A party can be compelled to comply by court order.

10.5 Are submissions or evidence presented in writing or orally and is there any potential for cross-examination of witnesses?

During discovery, witness statements can be taken orally by way of a deposition, which is transcribed. At trial, witnesses are normally required to appear in court and testify orally. A witness can be cross-examined at both a deposition and at trial.

10.6 Can infringement proceedings be stayed pending resolution of validity in another court or the Intellectual Property Office?

An infringement action in federal court is unlikely to be stayed pending resolution of an opposition or cancellation proceeding before the TTAB. However, the TTAB routinely stays opposition and cancellation proceedings pending civil actions in federal court involving the same parties and marks. An infringement action proceeding pending in one court may, in certain circumstances, be stayed pending resolution of another prior-filed infringement action pending before another court if the case involves the same parties and issues.

10.7 After what period is a claim for trade mark infringement time-barred?

The Lanham Act contains no statute of limitations to bring an infringement action. However, courts apply the most analogous

statute of limitation from the state in which the federal court sits to determine whether the plaintiff's infringement action is possibly time-barred by laches.

10.8 Are there criminal liabilities for trade mark infringement?

Criminal liability can only attach to someone who intentionally produces or traffics in counterfeit goods/services.

10.9 If so, who can pursue a criminal prosecution?

Only the U.S. government can pursue a criminal prosecution.

10.10 What, if any, are the provisions for unauthorised threats of trade mark infringement?

There is no provision for unauthorised threats of trade mark infringement in the Lanham Act.

11 Defences to Infringement

11.1 What grounds of defence can be raised by way of non-infringement to a claim of trade mark infringement?

Non-infringement defences include: (i) no likelihood of confusion; (ii) abandonment; (iii) genericness; (iv) plaintiff's mark is descriptive and lacks acquired distinctiveness; (v) plaintiff lacks priority of right in the mark; (vi) fair use (classic and nominative); and (vii) functionality. Certain of these defences may be precluded if the plaintiff's trade mark is incontestable.

11.2 What grounds of defence can be raised in addition to non-infringement?

Additional defences include: (i) laches; (ii) acquiescence; (iii) equitable estoppel; (iv) unclean hands; (v) fraud; and (vi) First Amendment protection if the plaintiff's mark is used by the defendant in connection with an artistic work.

12 Relief

12.1 What remedies are available for trade mark infringement?

Remedies under the Lanham Act include injunctive relief, recovery of defendant's profits, and recovery of actual damages (with the court having discretion to treble actual damages and enhance profits as circumstances require). In counterfeiting cases, a plaintiff may elect to recover statutory damages instead of actual damages and profits.

12.2 Are costs recoverable from the losing party and, if so, how are they determined and what proportion of the costs can usually be recovered?

A prevailing plaintiff may recover its reasonable costs associated with litigating the action. However, such costs do not automatically include attorneys' fees, since a court may award a prevailing party its "reasonable" attorneys' fees only in "exceptional" cases. Wilful infringement, bad faith, or other misconduct in litigating the case are typically present when a case is

deemed "exceptional". If a court finds a case to be "exceptional" and awards fees, it has discretion to determine whether the fees charged to the prevailing party are "reasonable", and it may award an amount less than the amount requested by the prevailing party.

13 Appeal

13.1 What is the right of appeal from a first instance judgment and is it only on a point of law?

A losing party can appeal a final judgment of a district court and all underlying adverse rulings to the pertinent Court of Appeals. The losing party on appeal may petition the U.S. Supreme Court to review the case, and the Supreme Court has complete discretion as to whether it wants to review a case. Interlocutory appeals (*i.e.* appeals of district court rulings that are not final judgments) are typically not permitted. However, a district court's grant or denial of a preliminary injunction is immediately appealable.

13.2 In what circumstances can new evidence be added at the appeal stage?

New evidence cannot be presented on appeal.

14 Border Control Measures

14.1 Is there a mechanism for seizing or preventing the importation of infringing goods or services and, if so, how quickly are such measures resolved?

The United States Customs and Border Protection ("CBP") may detain goods at borders, ports, or airports on suspicion that they are counterfeit (identical marks on identical goods) or infringing (similar marks on similar goods). Only marks that have been registered on the USPTO's Principal Register may be recorded with the CBP for such action. After the CBP detains the goods, it notifies the importer, who has 30 days to deny that the goods are counterfeit or infringing. Absent a timely denial, the goods are subject to seizure and forfeiture.

After seizure, the CBP must disclose to the trade mark owner the importation date, port of entry, a description of the goods, and the importer and exporter's names and addresses. The owner may obtain a sample of the goods and packaging on satisfaction of bond and indemnity requirements, and has 30 days from the seizure notification to consent to the importation of the goods. Absent consent, the CBP disposes of the goods.

Trade mark owners may also submit allegations of infringing shipments or conduct to the CBP online. The CBP may then target these activities and refer cases for criminal investigation.

15 Other Related Rights

15.1 To what extent are unregistered trade mark rights enforceable in your jurisdiction?

Trade mark rights in the U.S. are based on use of the mark in commerce and, thus, unregistered marks are enforceable under Lanham Act Section 43(a) and the common law.

15.2 To what extent does a company name offer protection from use by a third party?

Company names are considered unregistrable "trade names" in

the USPTO unless they are also used as trade marks, but may be protected from infringement under Lanham Act Section 43(a) and the common law. The protection accorded to company names is therefore analogous to that for trade marks generally.

15.3 Are there any other rights that confer IP protection, for instance book title and film title rights?

A single book title, film title, or song title is not protectable as a trade mark unless it has acquired distinctiveness. However, trade mark rights can be claimed in a television series title or in a series of books and movie titles.

16 Domain Names

16.1 Who can own a domain name?

Any individual or entity may own a domain name in the U.S.

16.2 How is a domain name registered?

Domain names are registered by applying through an accredited registrar.

16.3 What protection does a domain name afford *per se*?

Mere ownership of a domain name does not create trade mark rights in the domain name in whole or in part. However, trade mark rights arise in domain names used as source identifiers.

16.4 What types of country code top level domain names (ccTLDs) are available in your jurisdiction?

.US is the official ccTLD for the U.S.

16.5 Are there any dispute resolution procedures for ccTLDs in your jurisdiction and if so, who is responsible for these procedures?

There are three different dispute procedures available for .US registrations, each of which can be brought before the Forum: (1) the usDRP, which is similar in many regards to the UDRP procedure; (2) the usRS, which is similar in many regards to the URS procedure; and (3) the usNDP, which is an action that can be brought if the registrant lacks a sufficient nexus to the U.S. to be eligible to register a .US domain name.

17 Current Developments

17.1 What have been the significant developments in relation to trade marks in the last year?

A significant development over the last year was the implementation of the Trademark Modernization Act of 2020 (“TMA”). Of particular import, the TMA codified a rebuttable presumption of irreparable harm when a claim of trade mark infringement has been shown. This allows trade mark owners to more easily obtain preliminary injunctions. In addition, the TMA includes new procedures aimed at removing marks from the register that are not entitled to be registered. Specifically, the TMA created two new *ex parte* proceedings that went into effect

in December 2021 – an expungement proceeding and a re-examination proceeding. A petition seeking “expungement” of all or part of a registration can be filed between three and 10 years after the registration issues on the basis that the mark has never been used in commerce for specified products or services covered by the registration. A petition seeking “re-examination” of all or part of a use-based registration can be filed during the first five years after the registration issues on the basis that the mark was not in use in commerce on the relevant date when the applicant claimed that it was.

To combat fraud, as of April 9, 2022, the USPTO will require identity verification for all filers using the Trademark Electronic Application System (“TEAS”). The following persons must verify their identity:

- Trade mark owner or corporate officer not represented by an attorney.
- U.S.-licensed attorney, including in-house counsel.
- Canadian attorney or agent.

Verification can be done by paper or online. See <https://www.uspto.gov/trademarks/apply/identity-verification>.

17.2 Please list three important judgments in the trade marks and brands sphere that have been issued within the last 18 months.

On September 30, 2021, the TTAB issued its decision in *Chutter, Inc. v. Great Management Group, LLC*, which lowered the standard required to prove fraud on the USPTO. In *Chutter*, the plaintiff’s pleaded fraud claim, and the TTAB’s finding of fraud, was the result of a false statement made by defendant’s counsel in a combined Section 8 & 15 declaration for defendant’s DANTANNA’S mark. In particular, counsel declared that “there is no proceeding involving said rights pending in the United States Patent and Trademark Office or in a court” – which is a required statement in a Section 15 declaration. However, this statement was false since, at that time, there was both a pending cancellation proceeding and a federal litigation regarding defendant’s right to register DANTANNA’S. Defendant’s counsel knew of both of these proceedings, but he candidly admitted he “did not read the Section 15 affidavit carefully” and thus did not know this statement was even in the affidavit. The TTAB held that counsel acted in “reckless disregard” of the truth or falsity of the statements made in the declaration. The TTAB then answered the question that the Federal Circuit left unanswered in its 2009 decision in *In re Bose Corp.*, namely whether reckless disregard for the truth or falsity of a material statement satisfies the intent-to-deceive requirement. The TTAB answered “yes”. The TTAB noted that the Supreme Court has held that “wilful” behaviour includes “reckless” behaviour in the context of violations of several federal statutes (*e.g.* the Fair Labor Standards Act) and there was no reason the same should not be true with regard to the Lanham Act.

On February 25, 2021, in *Ohio State Univ. v. Redbubble*, the U.S. Court of Appeals for the Sixth Circuit issued a decision concerning the possible liability of companies like Redbubble that operate online marketplaces for facilitating transactions between consumers and vendors when those transactions involve trade mark-infringing products. In the case, Ohio State University (“OSU”) filed suit against Redbubble alleging it was liable for direct trade mark infringement based on the sale of merchandise on the Redbubble website that infringed OSU trade marks. The District Court issued summary judgment for Redbubble on the grounds that Redbubble did not “use” OSU’s trade marks because Redbubble did not design, manufacture or handle the products. The Sixth Circuit reversed and held that,

in determining whether Redbubble had “used” OSU’s trade marks, the District Court failed to consider the ways in which Redbubble participates in the creation, shipping, and sale of the allegedly infringing products. The Court of Appeals contrasted Redbubble’s level of involvement with that of Amazon, which does not bring products into existence. The Court of Appeals remanded the case for further fact-finding about “the degree of control and involvement exercised by Redbubble over the manufacturing, quality control, and delivery of goods to consumers” and “whether the infringing goods can fairly be tied to Redbubble for the purpose of liability”. On remand, the parties are currently engaged in discovery on these issues.

On December 10, 2021, the USPTO issued an order for sanctions in *In re Yusha Zhang and Shenzhen Huanyee Intellectual Property Co., Ltd.* The order was issued against Huanyee Intellectual Property Co., Ltd. and its Executive Director, Yusha Zhang. The order resulted from an extensive administrative investigation into more than 15,000 trade mark applications Zhang and her team filed in violation of the USPTO’s attorney representation rules and signature requirements. Pursuant to the order, pending applications subject to the order were terminated. For resulting registrations subject to the order, the USPTO’s electronic records will be updated to indicate that the registration was subject to an order for sanctions. Registrants were cautioned that findings from the sanctions order may affect the validity of their registrations. The decision arose from one of the USPTO’s fraud-fighting efforts.

17.3 Are there any significant developments expected in the next year?

The *Chutter* case discussed in question 17.2 has been appealed to the Federal Circuit, so it remains to be seen whether the Federal Circuit will agree with the TTAB’s decision.

On February 24, 2022, the Federal Circuit issued its decision in *In re Steve Elster*, holding that the USPTO’s refusal to register the mark TRUMP TOO SMALL for t-shirts under Section 2(c) of the Lanham Act, which prohibits the registration of marks that consist of or comprise a name, portrait, or signature identifying a particular living individual except by his written consent, was unconstitutional as applied. The Federal Circuit held that

application of Section 2(c) to bar registration of Elster’s mark unconstitutionally restricted free speech in violation of the First Amendment. In 2017, the Supreme Court struck down the Lanham Act’s prohibition on the registration of disparaging marks in *In re Tam*, and in 2019, the Court struck down the Lanham Act’s bar on the registration of immoral or scandalous marks in *In re Brunetti*, both for violating the First Amendment. It remains to be seen whether the USPTO will appeal this decision to the Supreme Court.

17.4 Are there any general practice or enforcement trends that have become apparent in your jurisdiction over the last year or so?

The last few months have seen a spike in filings for marks that cover non-fungible tokens (“NFTs”), fuelled by trade mark owners’ haste to secure their rights in the metaverse. Just since October 1, 2021, about 9,000 applications have been filed with the USPTO with identifications that include the terms “metaverse” or “NFTs”. The applications cover, among others, software in Classes 9 and 42, the provision of non-downloadable virtual goods in Class 41, and operation of a marketplace for buyers and sellers of blockchain non-fungible assets. Very few of the applications are based on use, and very few of the use-based applications have been examined. We are awaiting insight into the types of specimens that the USPTO will accept to show use for NFTs and virtual goods.

Related to the USPTO’s efforts to combat fraud, scrutiny of Section 8 declarations of use filed in support of maintaining or renewing registrations has become increasingly stringent since the USPTO launched its Post-Registration Audit Program in 2017. Additionally, as of January 2021, a US\$250 fee per class is payable to delete goods, services, or classes from a registration during examination of a maintenance/renewal filing or during an audit. The penalty for failure to satisfactorily respond to a Section 8 audit is cancellation of the entire registration, even if the registrant had submitted acceptable proof of use for some of the covered goods/services. Therefore, registrants should carefully consider whether their marks are in use for all claimed goods and services, and delete any for which there is no use before submitting a Section 8 declaration.



Karen Lim brings an international perspective to the selection, prosecution, and enforcement of trade marks globally, leveraging international treaties to her clients' benefit. She also brings this perspective to counselling clients on copyrights, unfair competition, and domain names, and negotiating intellectual property agreements. From crafting a startup's worldwide filing programme to streamlining a mature portfolio to meet digital challenges and changing business objectives, Karen takes a forward-looking approach, weighing upfront costs against long-term value. She draws on the interplay among trade marks, copyrights, and design patents to achieve multifaceted, robust protection. Karen has spoken on trade mark panels for the American Bar Association, Asian Patent Attorneys Association, International Trademark Association, New York City Bar, and New York State Bar. She was recognised in *World Trademark Review's WTR 1000*, 2021–22 and *Who's Who Legal* as a Global Leader, 2020–21.

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