

## Int'l IP

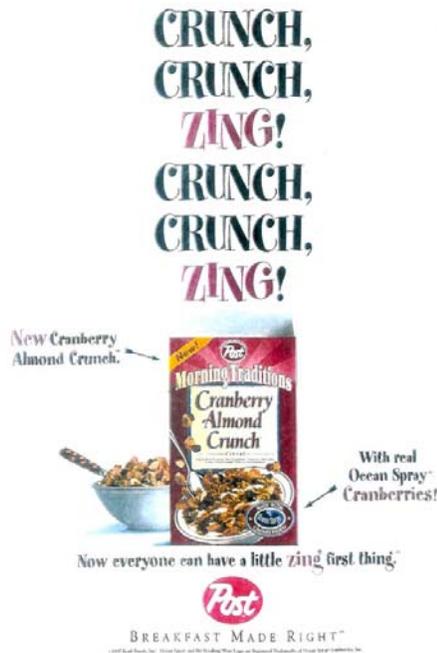
- Module 4
- Trademarks and Geographical Indications

## Trademark

	Generic	Descriptive	Suggestive	Arbitrary / Fanciful / Coined
aspirin				
		"Brilliant" for diamonds	"Brilliant" for shoe polish	"Brilliant" for canned apple sauce

## Descriptive?

- character
- function
- feature
- quality
- ingredient
- nature
- purpose
- use
- characteristics
  - dimensions, color, odor.
  - . .



## Generic -ness

**It's just not BOTOX<sup>®</sup>  
without the ®.**

The ® after BOTOX<sup>®</sup> Cosmetic means it's a registered trademark of Allergan, Inc.  
Not a nickname. Or a generic term for other botulinum toxins.  
It's the BOTOX<sup>®</sup> you and your patients trust.  
And the one we trust you'll always use with an ®.

**BOTOX<sup>®</sup>**  
—Cosmetic  
Botulinum Toxin Type A

## Likelihood of Confusion factors

1. strength of the mark
  - Based on the continuum of distinctiveness
2. proximity of the goods
  - The closer the goods, the greater danger the public will mistakenly assume an association between the producers of the related goods, so the less tolerance for close marks
  - Sold to the same class of purchasers?
3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
8. likelihood of expansion of the product lines

## Likelihood of Confusion factors

1. strength of the mark
2. proximity of the goods
3. similarity of the marks
  - Sight, sound and meaning
  - Tested as encountered in the marketplace
  - Compare the marks as a whole, don't dissect unless trying to eliminate trademark coverage for generic, functional or disclaimed portions of a trademark or trade dress
  - Similarities weigh more heavily than differences
4. evidence of actual confusion
  - Persuasive proof, but difficult to prove, often brought by parties in unclear or insubstantial form
  - Actual or anecdotal evidence, or with a survey, strictly screened
5. marketing channels used
  - Similarities and differences of channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
7. defendant's intent in selecting the mark
8. likelihood of expansion of the product lines

## Likelihood of Confusion factors

1. strength of the mark
2. proximity of the goods
3. similarity of the marks
4. evidence of actual confusion
5. marketing channels used
6. type of goods and the degree of care likely to be exercised by the purchaser
  - Standard is typical buyer exercising ordinary caution – the “reasonable purchaser” of the products at issue is who must be likely confused
    - Wholly indifferent excluded, ignorant and credulous included
    - Buyers with expertise in the field, or expensive product, may allow for a higher standard
  - Effect of quality differences or equivalence
7. defendant's intent in selecting the mark
  - Bad faith or intent to “palm off” is presumptive evidence that defendant will accomplish its purpose – deceive customers
8. likelihood of expansion of the product lines
  - When goods are closely related, any expansion is likely to result in direct competition

## Trademarks and GIs

- Marks
- Brands
- GIs
  - TRIPS Art. 22-24
- Treaties
  - TRIPS
  - Paris
  - Madrid Protocol
- Types of Trademark systems
  - Use based
    - U.S. intent to use system
  - Mere registration
  - Pros/cons of each?

#### Problem 4-1

- TRIPS Art. 15(3)
  - Members may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. An application shall not be refused solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application.
- Paris Art. 5(C)(1)
  - If, in any country, use of the registered mark is compulsory, the registration may be cancelled only after a reasonable period, and then only if the person concerned does not justify his inaction.
- 15 USC 1051(d)
  - Under the Lanham act an Intent to Use (ItoU) application requires a statement of use within 6 months, automatically extensible upon applicant request for an additional 6 months; and extensible for 24 additional months upon filing a statement showing good cause why use has not started, and paying administratively determined fee
- Does the Lanham act implementation meet the spirit or letter of TRIPS Art. 15(3), or both?

#### SCM Corp. v. Langis Foods (D.C. Cir. 1976)

- Langis activity
  - 3/28/1969 filing in Canada: AppleTree, OrangeTree, LemonTree
  - 5/15/1969 use in Canada begins
  - 9/19/1969 filing in US: AppleTree, OrangeTree, LemonTree (Sec. 44)
  - August 1971, AppleTree, OrangeTree publish by USPTO
  - October 1971, LemonTree issues from USPTO
- SCM activity
  - 5/15/1969 begin LemonTree use
  - 6/18/1969 filing in US: LemonTree
  - June 1970, begin OrangeTree, LimeTree use
  - 6/22/1970 filing in US: OrangeTree, LimeTree
  - October 1971, oppose (AppleTree, OrangeTree) and petition to cancel (LemonTree) at USPTO
- US PTO
  - 5/7/1973: ???
- Dist. Ct.
  - ???

Issue: what does it take to "perfect" constructive date of original Canadian filing:

- Use in US?
- Use in Canada before use in US?
- Is Use even necessary?



### Havana Club (WTO 2002)

- CubaExport
  - Cuba filing for HavanaClub mark in 1974
  - US Sec. 44 filing for HavanaClub w/ registration in 1976 to CubaExport
  - In 1993, CubaExport J/V w/ French Company
- Bacardi
  - 1996, begin exports of Bermuda HavanaClub rum to US
  - 1997, buys original rights of mark from family unable to produce since 1960
  - 1998 – Sec. 211 Omnibus Appropriations Act
- WTO on Sec. 211
  - Negative ownership rule
  - Does not address form of the mark



### Madrid System

- Madrid Agreement (1891)
  - Allows registration in all member countries through filing in an Int'l Bureau, via local member country office as intermediary
    - The Bureau is administered by WIPO in a program entitled:
      - The Madrid System for the International Registration of Marks
  - The US has not joined the Madrid Agreement
  - Madrid Protocol is a separate agreement which US has recently joined
    - US participation went into effect in late 2003

### The Madrid System

- Among trademark and patent law, only trademark has a true multinational filing system that (may?) produce substantive rights
  - The Patent Cooperation Treaty (PCT) is a procedural, examination and priority preserving system
    - Like the Madrid system – there is examination in each country, but the “presumption” is flipped – no protection unless local examination grants the right
    - And, the examination only occurs in each country if the applicant takes the PCT application into the “national stage” for processing in each country
- Madrid Agreement (1891)
  - Home country issuance, “basic registration,” is a predicate requirement
  - International filing is in the home country office
  - It is forwarded to WIPO as an international registration application (6 months Paris Convention priority is available from the basic registration)
  - WIPO publishes it, and forwards it to other countries designated by the applicant
  - Unless a designated country acts within one year, the mark is deemed protected

### The Madrid System

- The US has stayed out of the Madrid Agreement
  - US mark owners disadvantaged by “basic registration” requirement
    - US TM prosecution takes on average much longer
  - 12 month refusal period is too short in the US
    - USPTO processing of a TM application often takes longer
    - PTO would have to focus more energy on Madrid filings to meet the 12 month deadline, further lengthening waiting times for domestic filers
  - “Central Attack” during first 5 years
    - Many more grounds to attack a mark in the US
  - Only official language under the Madrid Agreement is French
  - Because fees are much lower, at US PTO, domestic filers would be subsidizing Madrid Agreement filers

## The Madrid System

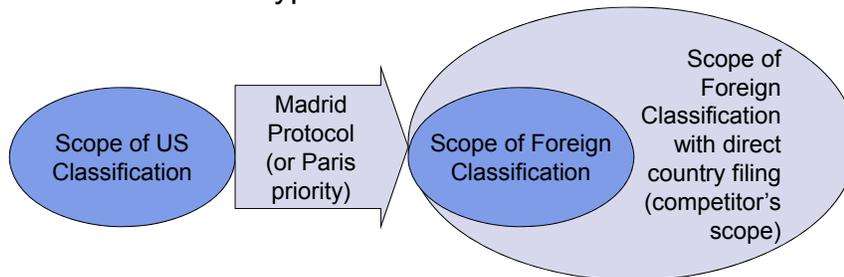
- Madrid Protocol
  - Initial proposal – changes to Madrid Agreement
    - Changes to allow four non-Agreement EC members and US to join
- Differences from the Madrid Agreement
  - Int'l application may be alternatively based on a home country application (rather than a registration)
    - Important for US Intent to Use applications
  - Reservation allowed for taking 18 months to evaluate the international application
    - Refusals can be entered after the 18 months for countries with opposition systems
  - National law applies to determine whether mark is registerable
  - Central attack still applies, BUT
    - If central attack is successful, the applicant has the option to transform all Madrid Protocol filings in the other countries into national filings
  - Both English and French are official languages

## The Madrid System

- Madrid Protocol
  - Implementing regulations by WIPO
    - US need for regulation approval to require allegation of a bona fide intent to use the mark in US commerce
    - Searchable database due to delay in international applications showing up in the national databases
  - Advantages
    - Potentially eliminate designated country attorney fees
    - Single filing, fee, language & one maintenance fee
    - Assignments – single recording

### The Madrid Protocol

- US adherence to Protocol would not result in many US markholders who currently file in foreign jurisdictions to instead make these filings under the Madrid Protocol
  - Doing so would import a rights-restrictive US practice into the foreign applications
    - The listing of goods and services is narrowly drawn in US applications
    - The international application would be based on the US basic application/registration
    - Many entities currently file directly in foreign jurisdictions so as to take advantage of the practice in those jurisdictions of not specifying a narrow class of goods/services with the mark
  - One solution – have US PTO allow broader classification?
  - Illustration – hypothetical mark



### The Madrid Protocol

- US Accession
  - 7 years of delay based on EU voting rights dispute until EU agreed to not cast a block of votes larger than the number of EU member states
- MPIA
  - File in US PTO for “extension of protection” to designated foreign Madrid System countries
  - No substantive harmonization of Madrid system member states law
    - Generally, not a result arising from the Madrid system
  - Foreign Madrid Protocol filings extended into the US
  - 3 months to transform if successful “central attack”
  - US – heightened maintenance requirements
    - Affidavit of continued use between years 5-6, every 10 year renewal
  - Assignment with goodwill required like any US mark

### The Madrid Protocol

- Initial structure of Madrid Agreement was in response to political fragility of new Paris Union
- Impact on US Trademark system?
  - Will clearing marks for US TM applications become more complicated?
  - Bottlenecking and queuing of TM applications at the PTO
- Need to modify US practice to solve the problems associated with US restriction of mark's coverage to a narrow range of goods/services
  - Does this impact some classes of markholders more than others?
- Impact on licensing marks for foreign manufacturers

### The Madrid Protocol

- Foreign Madrid Protocol registrations
  - Advantages to extending protection to the US?
    - Cannot be denied the mark based on non-use
    - Equal footing with US registrants?
- Impact on consumers worldwide?
- Official languages exclusionary effect on Central and South America?

## CTM

- “open system” – applicants can file from Paris Union or WTO
- Unitary system – one single . . .
  - Application
  - Office
  - Procedure
  - Regulation
  - Fee structure
- Downside of unitary nature
  - Can only be assigned for the entire EU
  - Can be invalidated for the entire EU
- First to file system – no use or allegation of use required
  - Filing requirements include **graphical representation** of the mark

## CTM

- Filing possible in up to 11 languages
  - But, second language must be specified as one of 5 “office” languages and different from application
    - If original language is not an office language, post-registration proceedings conducted in the chosen office language
- Substantive law
  - Follows EU TM Harmonization directive
- EU CTM Office – OHIM – examines marks only for “absolute” grounds
  - trade marks which are devoid of any distinctive character
  - trade marks which consist exclusively of descriptive signs
  - trade marks which consist exclusively of generic signs or indications
  - signs which consist exclusively of either the shape which results from the nature of the goods, is necessary to obtain a technical effect, or gives substantial value to the goods
  - trade marks contrary to public policy or accepted principles of morality
  - deceptive trade marks
  - trade marks for wines which falsely indicate their geographical origin
  - signs, which have become customary in ordinary language and established practices of the trade, for example “hoover” for vacuum cleaners

## CTM

- After examining for absolute grounds, OHIM relies on third parties to oppose the mark
  - OHIM performs search in conjunction with national trademark offices
    - But, uneven nature of national office searches (if searched at all)
  - Notifies the owners of existing CTM marks (but not national marks)
    - In essence, OHIM acts as a “watch” service for existing mark owners
    - But, due to implementation problems, very few CTM applications are withdrawn as a result of this “informational search”
  - These mark owners have opportunity to oppose on “relative” grounds
    - Confusingly similar or diluting earlier mark(s) [in any EU countries!]
      - CTM applications or registrations
      - Regular EU member state registrations/applications
      - International registrations having effect in EU
      - Well known marks in an EU state
      - Unregistered marks if the member state protects these
  - Mark denied registration if unregistrable in a single country in the EU

## CTM

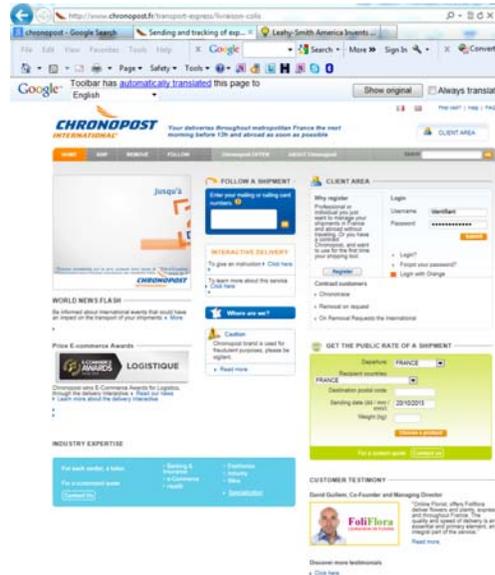
- Appeal
  - First, OHIM Board of Appeal
  - Then, Court of First Instance
  - Then, ECJ
- Conversion – available in some cases
  - Retain CTM priority date
  - More \$\$\$
  - Comply with member state procedural requirements for converting
- Revocation and Invalidity
  - CTM never becomes incontestable
  - Invalidity – any grounds (absolute or relative) that could have been used for originally denying the application
    - But, “laches” after 5 years for prior owners
  - Revocation – new grounds (typically, non-use, abandonment, generic)
  - Either can be raised in an infringement proceeding

## CTM

- Enforcement
  - Designated national CTM courts (trial and appellate)
  - Applying substantive law of CTM regulation
    - Remedies, procedure, other matters left to local law
- Use of both CTM and national systems is possible
  - Both for different marks and/or the same mark
  - To encourage use of CTM, owners of existing national marks may file for CTM marks and claim “seniority” from the national mark
    - Complicated requirements
    - Triple identity requirement – goods, marks and owner identical
  
- Comparison of CTM to US system?

## DHL Express France SAS v. Chronopost SA. (ECJ 2011)

- Original suit in France
  - Mark: WEB SHIPPING (France, CTM)
- “injunction” and penalty payments applied only in France
- French appellate court reference to ECJ
- National law for infringement of CTM, but unitary character of the CTM mark suggests extending jurisdiction to the full EU
  - Perhaps limited injunction if no harm in some member states
  - “equivalent manner” for coercive measures such as penalty payments



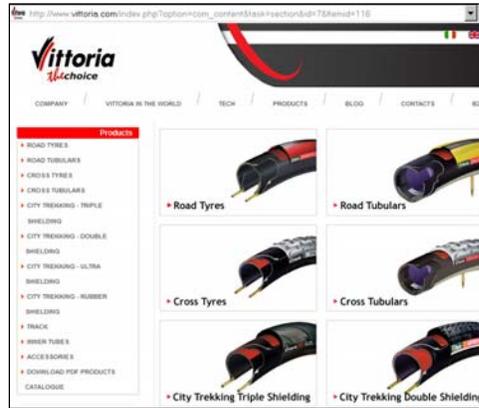
**Vittoria v. Euro-Asia Imports, 278 F.3d 1076 (10th 2001)**

- Treaty provisions
  - Paris 6quater
  - TRIPS Art. 21
- VNA – alleges it owns what?
  - 1999 assignment w/ right to retake

• What is EAI doing?

- Why require a transfer of “goodwill”
  - What is “goodwill”?
  - Compared to “naked licensing”

• Common control issue



**OHIM v. Borco-Marken-Import Matthiesen (ECJ 2010)**

- 2005 registration of a single Greek letter for alcoholic beverages . . .
- Rejection based on perceptions of Greek-speaking purchasers
- Further adjudication – “devoid of distinctive character” – merely because it is a letter, without contextual analysis
- Capable of having trademark meaning versus actually having it



α

**Koninklijke Philips v. Remington (ECJ 2002)**

- Subject matter analysis referred to ECJ
- First question?
  - Represented graphically and capable of distinguishing
- Second question?
  - Distinctiveness criteria for 3D marks same as others, so “capricious addition” not necessary
- Third question?
  - Factors for distinctiveness – need specific and reliable data to prove expectations of average consumer
- Fourth question – functionality
  - Existence of other shapes that could achieve the result doesn’t diminish the invalidating effect of a shape whose “essential characteristics perform a technical function”

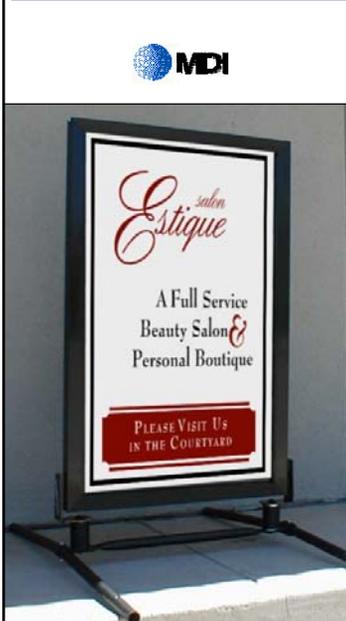
Philips (SR)



Remington (JR)



**TrafiX Devices v. MDI (2001)**

	<p>WindMaster</p> 	<p>WindBuster</p> 
		

### **Otokoyama Co. Ltd. v. Wine of Japan Import (2d 1999)**

- Otokoyama Co. Ltd. (“OCL”) owns 4 US TM for word “otokoyama” and Japanese character pictogram, used to import sake into the US
- OCL sued Wine of Japan Import (“WJI”) alleging Lanham act violations arising from WJI’s sale of Mutsu Otokoyama sake
- WJI counterclaimed that (i) OCL’s marks are generic, and (ii) OCL committed “fraud on the US PTO”
- District court awarded preliminary injunction to OCL, refusing certain evidence offered by WJI
  
- OCL attempted registration in Japan of “otokoyama” in 1962
  - Japan PTO rejected, apparently for genericness, but translation is disputed
- OCL initial registration in the US in 1986-88
  - When US PTO asked for translation of “otokoyama,” OCL responded w/ statement that to its “knowledge, the mark is an arbitrary, fanciful term . . . [a]ccordingly, the mark cannot be translated.”
  - From 1992-95, three more “otokoyama” registrations, all with same exchange



### **Otokoyama Co. Ltd. v. Wine of Japan Import (2d 1999)**

- Rule against generic marks also applies when the word designates a product class in a language other than English
  - Doctrine of Foreign Equivalents
    - Applies to words that designate an entire class, or subclass
  - Assumption is that there are or will be US customers who speak that language
  - Examples of non-protectable words under the doctrine:
    - Sorbet (French word for fruit ice)
    - Kaba (coffee in Serbian and Ukranian)
    - “ha-lush-ka” (phonetic spelling of Hungarian word for egg noodles)
- Japanese 300 year old meaning of “otokoyama” is “dry, manly sake”
- Policy considerations bar TM protection for generic words because it puts competitors at a disadvantage in describing the product
  - For “foreign equivalents” speakers of the foreign language would be misled to believe that there is only one brand of “otokoyama” in the US



### Otokoyama Co. Ltd. v. Wine of Japan Import (2d 1999)

- Rule against designations of foreign courts being dispositive as to the rights of TM holders does not apply in this situation
  - Rule is not an absolute bar – situation dependant as to when such opinions are admissible
  - For example, foreign decision was admissible to show that a party had the right to use a foreign TM in the foreign country
- Japanese PTO opinion relevant to prove a language issue for genericness determination
  - It is admissible for two purposes
    - To show that word is generic
    - As evidence of WJI's claim of "fraud on the PTO"
- Preliminary injunction vacated



### Int'l Protection of TM under Paris

- Paris Convention
  - National Treatment
    - A member state may not subject foreigners benefiting from the Paris Convention to higher industrial property protection standards than those applicable to its own citizens
    - Without National Treatment, a member country can subject a state's nationals to stricter conditions, refuse to protect rights, require reciprocity, residence, fees, or other items
  - Independence of Rights
    - Takes national treatment principle to an extreme
    - TM ownership is governed exclusively by the national law of each country.
    - Exceptions to independence are
      - (i) priority right and
      - (ii) protection of the TM "as such" - when the mark would not meet the prerequisites for protection in the target country, register it "as it is"
        - For example, some countries allow registration of numbers or letters
- Paris Union

## Int'l Protection of TM under Paris

- Paris Convention – Acquisition of Rights
  - Prohibited Signs
    - No TM on emblems of states, signs of control and guaranty, and emblems of int'l intergovernmental organizations [Art. 6*ter*.]
  - Well Known Marks
    - Even if not registered, have extended protection based on notoriety in country where protection is sought
  - Service Marks
    - Obligation to protect, but no obligation to provide registration, may be protected under unfair competition [Art. 6*sexies*.]
  - Collective Marks
    - Obligation to protect marks of associations, so long as its existence is not contrary to the law of the country of origin
    - Association does not need to be established in country of protection. [Art. 7*bis*.]
  - Nature of goods to which the Mark is applied
    - Prohibition on impeding registration based on the nature of the goods (even if marketing of such goods are prohibited) [Art. 7.]
  - Specific Mention
    - Member states cannot require as a condition of protection that the product bear a specific mention of a TM registration [Art. 5D.]

## Int'l Protection of TM under Paris

- Paris Convention – Content of Rights
  - Use
    - States may require that a rightsholder effectively uses the mark, and if the owner does not use it within a reasonable period of time, w/out valid reason for disuse, the owner can be deprived of the mark. [Art. 5C(1).]
  - Co-Owners
    - Simultaneous use by co-owners shall not limit protection.
  - Grace Periods
    - Must allow 6 months for payment of maintenance/renewal fees due.
- Conventions based on Paris
  - Madrid Agreement; Madrid Protocol
- Paris Convention Contribution to TM law
  - national treatment
  - minimal procedural mechanisms
    - to facilitate the acquisition of TM rights on multinational basis
    - required “as is” acceptance of rights in a country
  - substantive minima in TM and unfair competition law

### Substantive Minima – Well Known Marks

- *6bis(1)*
  - The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be **well known** in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.
- To some extent, a derogation of principle of territoriality

### Well-Known Marks

- Under Art. 6bis(1):
  - a well-known mark can be characterized as a mark which is **known to a substantial segment of the relevant public** in the sense of being associated with the particular goods or services
- Famous marks versus “well-known” marks
  - Is there a difference?
  - Some contend that famous marks have a higher degree of reputation
  - Famous marks violate the “principle of speciality”
    - They have a broader scope of use against unauthorized use on non-competing goods or services
  - Not possible to distinguish between famous/well-known except as to the degree of recognition required

### McDonalds v. JoBurgers (Appellate Division South Africa 1997)

- McDonalds SouthAfrica TM registrations under the Old Act
- Joburgers application to expunge the McDonalds marks and register some of the same
- 9/28/93 court order – prevent Joburgers from going forward pending suit
- What about MacDonalds?
- 5/1/1995 – New Act with Well Known Marks protection
  - Segment?
  - Degree of awareness? (substantial number of persons)

### TRIPS, Art. 16

1. The owner of a **registered** trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a **likelihood of confusion**. In case of the use of an **identical sign for identical goods or services**, a likelihood of confusion shall be **presumed**. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.
2. Article 6**bis** of the Paris Convention (1967) **shall apply, mutatis mutandis\***, to **services**. In determining whether a trademark is well-known, Members shall take account of the knowledge of the trademark in the **relevant sector of the public**, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark.
3. Article 6**bis** of the Paris Convention (1967) shall apply, *mutatis mutandis\**, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would **indicate a connection** between those goods or services and the owner of the registered trademark and provided that the **interests of the owner of the registered trademark are likely to be damaged by such use**.

\* **mutatis mutandis**: (in comparing cases) making the necessary alterations

### TRIPS, Art. 16

- Prevent confusing uses of an identical or similar mark on identical or similar goods
  - A presumption of confusion arises when identical marks are used on identical goods
- Unlike under the Paris Convention, however, TRIPS service marks receive protection equal to that of marks affixed to goods or trade names
- Owners of well-known marks obtain additional protection on dissimilar goods
  - Well-known is not defined in TRIPS or Paris
- Application to unregistered marks?
  - Not required textually by Art. 16, but it is a minimum standard, so members can go further

### Empresa Cubana Del Tabaco v. Culbro (2nd Cir. 2005)

- Dist. Ct. granted action by Cubatabaco against General Cigar of the Dominican Republic
  - TM infringement by General Cigar in U.S. market
  - Mark is COHIBA
- Cubatabaco
  - Sales outside Cuba since 1982, never in the U.S.
- General Cigar
  - In U.S. 1978 to 1987; (abandoned?) 1992 to present
  - 1981 U.S. federal registration for COHIBA
  - 1997 new launch of premium cigar, prompting suit
- Embargo regulations prohibiting property transfers, and then allowing them by exception under general and specific licenses
  - General – file for TMs
  - Specific – bring this suit
- 43(a) unfair competition claim?



**Empresa Cubana Del Tabaco v. Culbro (2nd Cir. 2005)**

● Paris Art. 6bis claim?

- 44(b) says foreigners are entitled to benefits “to the extent necessary to give effect to any provision of a convention”
- 44(h) says that foreigners are entitled “to protection against unfair competition”
- Trump embargo?



“the federal right created by 44(h) is coextensive with the substantive provisions of the treaty involved . . . [44(b) & (h)] work together to provide federal rights and remedies implementing federal unfair competition treaties.” Toho

**Dilution – § 43(c) – remedies for dilution of famous marks (Act of 2006)**

(1) INJUNCTIVE RELIEF.—Subject to the principles of equity, the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction against another person who, at any time after the owner’s mark has become famous, commences use of a mark or trade name in commerce that is likely to cause dilution by blurring or dilution by tarnishment of the famous mark, regardless of the presence or absence of actual or likely confusion, of competition, or of actual economic injury.

(2) DEFINITIONS.—(A) For purposes of paragraph (1), a mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. In determining whether a mark possesses the requisite degree of recognition, the court may consider all relevant factors, including the following:

- (i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.
- (ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
- (iii) The extent of actual recognition of the mark.
- (iv) Whether the mark was registered . . . on the principal register.

## Dilution (Trademark Dilution Revision Act of 2006)

(B) For purposes of paragraph (1), 'dilution by blurring' is association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. In determining whether a mark or trade name is likely to cause dilution by blurring, the court may consider all relevant factors, including the following:

- (i) The degree of similarity between the mark or trade name and the famous mark.
- (ii) The degree of inherent or acquired distinctiveness of the famous mark.
- (iii) The extent to which the owner of the famous mark is engaging in substantially exclusive use of the mark.
- (iv) The degree of recognition of the famous mark.
- (v) Whether the user of the mark or trade name intended to create an association with the famous mark.
- (vi) Any actual association between the mark or trade name and the famous mark.

(C) For purposes of paragraph (1), 'dilution by tarnishment' is association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

(3) EXCLUSIONS.--The following shall not be actionable as dilution by blurring or dilution by tarnishment under this subsection:

(A) Any fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with--

- (i) advertising or promotion that permits consumers to compare goods or services; or
- (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.

(B) All forms of news reporting and news commentary.

(C) Any noncommercial use of a mark.

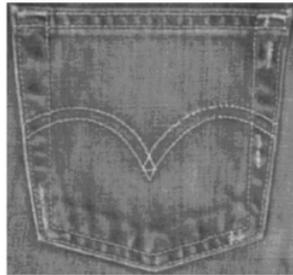
## Dilution – possible types or theories of harm

Type	"Tiffany" example (famous mark for a jewelry store) [example described in a recent 7 <sup>th</sup> circuit case]	Other Example(s)
Blurring	"Tiffany" for an upscale restaurant	Goldfish  Dupont shoes, Buick aspirin tablets, Schlitz varnish, Kodak pianos, Bulova gowns
Tarnishment	"Tiffany" for a "restaurant" that is actually a "striptease joint"	John Deere  Snuggles  Victoria's Secret

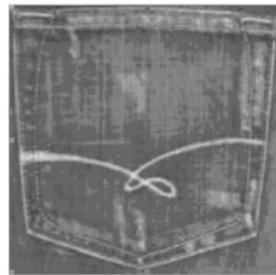
## Dilution - Tarnishment

- Definitions/characterizations
  - defendant's unauthorized use dilutes by tarnishing or degrading positive associations of the mark and thereby dilutes the distinctive quality of the mark
  - tarnishment is a finding that plaintiff's mark will suffer negative associations through defendant's use
  - the essence of tarnishment *is the displacement of positive with negative associations of the mark that*, like a claim for blurring, *reduces the value of the mark* to the trademark owner
- Other examples
  - CANDYLAND for a children's board game was held diluted by tarnishment by "candyland.com" for an internet web site showing sexually explicit pictures
  - BUDWEISER was held diluted by the use of BUTTWEISER on T-shirts
  - TOYS 'R US was held tarnished by use of ADULTS R US as a domain name for an internet site for the sale of adult sexual products: "adultsrus.com"

## Levi Strauss v. Abercrombie & Fitch (9th Cir. 2011)



Levi Strauss's "Arcuate" design



Abercrombie's "Ruehl" design

- U.S. dilution law
  - Blurring
  - Blurring factors
- Non-exclusive factor list approach to blurring is not compatible with threshold showing required by district court
  - Degree of similarity versus nearly identical or substantially similar

## Lanham Act § § 32 & 33 portions

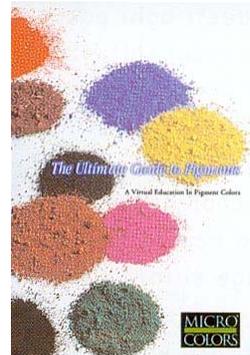
- (1) Any person who shall, without the consent of the registrant -
  - (a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or
  - (b) . . .
- shall be liable in a civil action by the registrant for the remedies hereinafter provided. 15 U.S.C. § 1114.

15 U.S.C. 1115(b) Incontestability; defenses. To the extent that the right to use the registered mark has become incontestable under section 15 [15 USC 1065], the registration shall be conclusive evidence of the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. . . . Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32 [15 USC 1114], and shall be subject to the following defenses or defects:

- (1) That the registration or the incontestable right to use the mark was obtained fraudulently; or
- (2) That the mark has been abandoned by the registrant; or
- (3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services on or in connection with which the mark is used; or
- (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is **descriptive of and used fairly and in good faith only to describe the goods or services of such party**, or their geographic origin; or . . .
- (7) That the mark has been or is being used to violate the antitrust laws of the United States; or
- (8) That the mark is functional; or
- (9) That equitable principles, including laches, estoppel, and acquiescence, are applicable.

## KP Permanent Make-Up v. Lasting Impression (U.S. 2004)

- KP alleged microcolor use since 1990/91
- Lasting 1992 application for Micro Colors, issued in 1993, "incontestable" in 1999
- In 1999, KP's use of microcolor in ad brochure
- Dist. Ct. – on S/J, descriptive fair use, no confusion inquiry
- 9<sup>th</sup> – KP must also prove absence of confusion?
- Supreme Court?

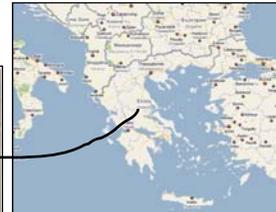


### Consorzio Del Prosciutto Di Parma v. ASDA Stores Ltd. (ECJ 2003)

- Referral from the House of Lords
  - UK stores importing Parma ham from Italy
  - Lower court dismissed Consorzio's action in the UK
- “quality, characteristic or reputation” of Parma ham originates from what?
  - Distinguishing mark; slaughter requirements; aging/production requirements; sliced and packaged in “typical production area” within Parma province
- Hygrade buys boned-but-not-sliced ham, slices/packages it to sell to ASDA stores for retail sales
  - “ASDA A taste of Italy PARMA HAM Genuine Italian Parma Ham”
  - Additional statements on back of package
- Four issues for the ECJ
  - Three findings

### Germany & Denmark v. EC Commission (ECJ Grand Chamber 2005)

- Feta – slice in Italian is “fetta”
- Qualify as a 2(2) GI or designation of origin?
- Qualify as a 2(3) designation of origin?
  - Area of Greece determined in an artificial manner?
- Generic?



## TRIPS Art. 23

### Article 23

#### Additional Protection for Geographical Indications for Wines and Spirits

1. Each Member shall provide the legal means for interested parties to prevent use of a geographical indication identifying wines for wines not originating in the place indicated by the geographical indication in question or identifying spirits for spirits not originating in the place indicated by the geographical indication in question, even where the true origin of the goods is indicated or the geographical indication is used in translation or accompanied by expressions such as "kind", "type", "style", "imitation" or the like. (4)
2. The registration of a trademark for wines which contains or consists of a geographical indication identifying wines or for spirits which contains or consists of a geographical indication identifying spirits shall be refused or invalidated, ex officio if a Member's legislation so permits or at the request of an interested party, with respect to such wines or spirits not having this origin.
3. In the case of homonymous geographical indications for wines, protection shall be accorded to each indication, subject to the provisions of paragraph 4 of Article 22. Each Member shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, taking into account the need to ensure equitable treatment of the producers concerned and that consumers are not misled.
4. In order to facilitate the protection of geographical indications for wines, negotiations shall be undertaken in the Council for TRIPS concerning the establishment of a multilateral system of notification and registration of geographical indications for wines eligible for protection in those Members participating in the system.

## TRIPS Art. 24

### Article 24 - International Negotiations; Exceptions

1. Members agree to enter into negotiations aimed at increasing the protection of individual geographical indications under Article 23. The provisions of paragraphs 4 through 8 below shall not be used by a Member to refuse to conduct negotiations or to conclude bilateral or multilateral agreements. In the context of such negotiations, Members shall be willing to consider the continued applicability of these provisions to individual geographical indications whose use was the subject of such negotiations. . . .
4. Nothing in this Section shall require a Member to prevent continued and similar use of a particular geographical indication of another Member identifying wines or spirits in connection with goods or services by any of its nationals or domiciliaries who have used that geographical indication in a continuous manner with regard to the same or related goods or services in the territory of that Member either (a) for at least 10 years preceding 15 April 1994 or (b) in good faith preceding that date. . . .
6. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to goods or services for which the relevant indication is identical with the term customary in common language as the common name for such goods or services in the territory of that Member. Nothing in this Section shall require a Member to apply its provisions in respect of a geographical indication of any other Member with respect to products of the vine for which the relevant indication is identical with the customary name of a grape variety existing in the territory of that Member as of the date of entry into force of the WTO Agreement. . . .
9. There shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.

### Toward a Better Protection for GIs?

- Proposals for wines and spirits under TRIPS
  - Minimalist – US lead
  - Maximalist – EU lead
- Author's preference for EU proposal
  - pros
  - cons
- Expanding beyond wines and spirits?

### EC Protection of TMs and GIs for Ag Products & Foodstuffs (WTO Panel, 2005)

- Interaction between earlier mark where later a GI is introduced with the same phrase/words as the mark
- Is the EU law limiting the mark owner's power to enforce against the GI consistent with TRIPS?
  - TRIPS Art. 24(5)
  - TRIPS Art. 17
- Two step version of 3-step test?
  - Limited exception?
  - Legitimate interests
    - Mark owner
    - Public



TRIPS Art. 16(1). The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. In case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any existing prior rights, nor shall they affect the possibility of Members making rights available on the basis of use.

## TRIPS Exceptions – arising from language of Berne 9(2) exceptions to reproduction right

	Patent TRIPS Art. 30	Copyright TRIPS Art. 13	Trademark TRIPS Art. 17
Evaluated against the specific right(s) infringed - Not the “right” to “work” the patent - Not against the entire © work	Members may provide <b>limited exceptions</b>	Members shall confine limitations or exceptions to exclusive rights to <b>certain special cases</b>	Members may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms
Evaluating the right economically	Not unreasonably <b>conflict with the normal exploitation</b> of the right	[SAME]	
	Not unreasonably <b>prejudice the legitimate interests</b> of the right owner	[SAME]	take account of the legitimate interests of the owner of the trademark
	Taking into account the legitimate interests of third parties		and of third parties
	Technology antidiscrimination rule – any inventions in all fields of technology (TRIPS Art. 27.1)		