

International Intellectual Property

- slides for module 7
- Multinational Acquisition of Rights



Samuels & Samuels – The Madrid System (1994)

- Among copyright, 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)
 - Approx. 40 countries
 - 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



Samuels & Samuels – The Madrid System (1994)



- 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



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- 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 counties 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 counties into national filings
 - Both English and French are official languages



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● Madrid Protocol

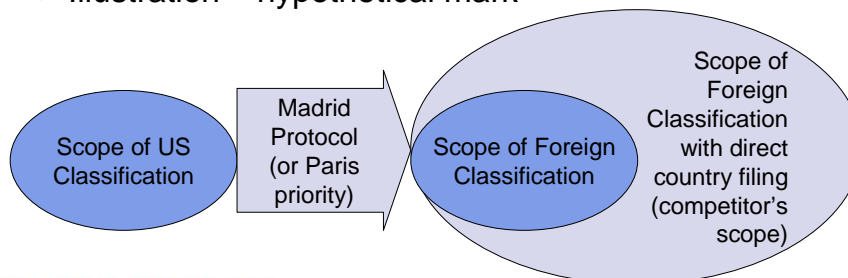
- Implementing regulations by WIPO
 - US need for regulation approval to require allegation of a bona fide intent to use the mark in US commerce
 - Searchable database due to delay in international applications showing up in the national databases
- Advantages
 - Potentially eliminate designated country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



Zelnick – The Madrid Protocol (1992)



- 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



Notes – 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



Notes – 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



Notes – 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
 - US applicants are leading filers
- 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
 - Describing mark as “sound of ‘click’” did not qualify, But
 - Smell of fresh cut grass did!



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 Invalidation
 - CTM never becomes incontestable
 - Invalidation – 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?



CTM – notes



- “Clearing” marks
 - Devoid of distinctive character versus
 - Acquired distinctiveness
 - In US TM parlance – “secondary meaning”
 - Where? In all of the EU? In the areas where there was not distinctiveness?
 - OPTIONS case – Court of First Instance - affirming refusal to register Ford’s mark
 - Must show that distinctiveness has been acquired through use in the substantial part of the EU where it was devoid of distinctiveness
 - In what language(s)?
- OHIM – no “deference” to national marks examining authorities



P & G’s Application



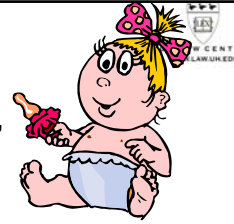
- BABY-DRY mark case – Board of Appeals
- Attempted CTM registration
 - Previously registered in Denmark & Finland (examination systems) and France
- OHIM rejected CTM registration as “descriptive”
 - CTM Regulation Art. 7(1)(c) - trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service
 - In any part of the community
 - 2. Paragraph 1 shall apply notwithstanding that the grounds of non-registrability obtain in only part of the Community
- OHIM did not determine that it must give deference to member state determinations
 - Due to linguistic differences in Europe, it is not unusual that certain marks are descriptive in some countries but not in others
 - Here, in English, this mark is descriptive
- Evidence of secondary meaning is not admissible – not raised before examiner



P & G's Application

- Court of First Instance

- Agreed on descriptiveness
- Disagreed that evidence of "secondary meaning" should be inadmissible
- P & G referred to Art. 7(3)
 - 3. Paragraph 1 (b), (c) and (d) shall not apply if the trade mark **has become distinctive** in relation to the goods or services for which registration is requested in consequence of the use which has been made of it.



- ECJ

- AG - seeking to resolve a split among the two chambers of the Court of First Instance assigned to hear TM cases
 - taken and evaluated as a whole (immediately informs) versus
 - any descriptive component makes the mark descriptive
- Disagreed on descriptiveness analysis – perhaps it is "suggestive"
- There might be a different conclusion considering BABY-DRY
 - Elliptical nature of the phrase
 - Unusual and opaque grammatical structure
 - Incompleteness as a description



P & G's Application

- ECJ

- In holding that BABY-DRY immediately conveys to the consumer the intended purpose of the goods and does not possess any additional element to render the sign as a whole capable of distinguishing the appellant's goods from those of other undertakings, the Court of First Instance wrongly interpreted and applied the provision in question.
- As it is, that word combination, whilst it does unquestionably allude to the function which the goods are supposed to fulfil, still does not satisfy the disqualifying criteria set forth in paragraphs 39 to 42 of this judgment. Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies' nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies' nappies or for describing their essential characteristics.
- Word combinations like 'BABY-DRY cannot therefore be regarded as exhibiting, as a whole, descriptive character; they are lexical inventions bestowing distinctive power on the mark so formed and may not be refused registration under Article 7(1)(c) of Regulation No 40/94.
- The Court of First Instance therefore erred in law in holding that the OHIM'S First Board of Appeal was right to find that 'BABY-DRY was not capable of constituting a Community trade mark on the basis of that provision.



Wrigley/Light Green case

- Wrigley is trying to register its light green color
- Examiner denies protection
 - Devoid of all distinctive character
 - Board of Appeals dismissed the appeal
- CTM Regulation (CTMR) does not explicitly include or exclude colors
 - Some member country laws required combinations of colors for protection
 - CTMR Art. 4
 - Article 4
Signs of which a Community trade mark may consist
A Community trade mark may consist of **any signs** capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.
 - Compare and contrast with some member country law on the issue of colors



Wrigley/Light Green case

- Based on broad meaning of the term “any sign” and the expressed “legislative” intent
 - Even a single color can be a mark
 - 1. In general, a colour *per se* may be protectable as a Community trade mark under Article 4 CTMR. In that respect, even a colour *per se*, in the absence of a contour or a shape, is within the meaning of the wording ‘any signs’ of that article. That wording is to be interpreted as a very broad, ‘open’ and general term encompassing all conceivable types of marks (including, for example, sound marks and three-dimensional marks). A colour *per se* may be represented graphically, within the meaning of Article 4 CTMR, by means of a two dimensional optical reproduction of the shade claimed, such as a strip of colour on a sheet of paper. Furthermore, a colour *per se*, considered generally and in abstraction, without reference to particular goods and services, is capable of performing the distinguishing function of a trade mark



Wrigley/Light Green case

- 2. A colour *per se*, normally, is not distinctive and does not serve as an indication of origin under Article 7(1)(b) CTMR. Consumers are not accustomed to making an assumption about the origin of goods on the basis of their colour or the colour of their packaging, in the absence of a graphic or textual element, because a colour *per se* is not normally used as a means of identification in practice.
- 3. A colour *per se* will, generally, be precluded from registration and must be kept free for general use under Article 7(1)(d) CTMR. That article applies, in particular, to elements commonly used in advertising, which provide not so much a special descriptive statement but serve principally to attract customers. The colour light green is commonly and effectively used in advertising and in trade as a basic colour, together with images, graphics or text. Accordingly, it is an indication which has become customary in the bona fide and established practices of the trade.



Light Green - notes

- BP Application
 - States requirement that proving secondary meaning (CTMR Art. 7(3)) cannot be raised later in CTM prosecution if not originally raised
 - Applicant must file a “fresh” application
 - Otherwise, there is an incentive to try inherent distinctiveness first, and if unsuccessful, fall back on acquired distinctiveness
- The “Statements” referred to by Light Green Board of Appeal
 - Entered into minutes of Council meeting at which the CTMR were adopted
 - Use of this “legislative history”?
- CTM Opposition process
 - Reliance on third parties to cause rejections on “relative” grounds
 - Thus, interesting that a “loser pays” legal costs regime applies



Light Green - notes



- Fragility of the seniority mechanism

- Difficult to achieve when the registrations are slightly different in different countries
- No obligation to claim seniority when filing CTM application
- Can claim seniority, and still renew the national registration
- No “validity” approval over seniority claim
 - Thus, it will be adjudicated later
- What if CTM registration is declared invalid, so the mark owner converts back to national applications
 - But, the original national seniority application has been allowed to lapse!

