Welcome to Washington D.C.!

Celebrating the 144th INTA Annual Meeting Live+ and a return to in-person events with our special bumper edition!

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Welcome to our 2022 INTA Annual Meeting special edition! We are excited to be back in person and wish everyone attending either in person or virtually a wonderful event.

This issue is jam-packed with hot topics including an array of articles on NFTs and the protection of blockchain, discussing aspects such as the market, infringement, due diligence, and more! We anticipate this emerging technology to continue as a focal point and these articles provide a great foundational analysis.

Our guest interview this issue is with Fiona Scott, Paralegal at Amazon. It was great to speak to Fiona about her experiences and the procedures Amazon have for protecting IP - one not to miss! Further, we have an update on trademark protection and violations in China, a review of the infringement of sweet brands by cannabis products, an update on the Madrid Protocol, a guide to the Canadian trademark ecosystem, and much more!

Special thanks goes to this issue’s Women in IP Leadership sponsor, Fenix Legal, for facilitating the continuation of the segment and encouraging the empowerment of women in the sector. Plus, don’t miss the final chapter of our six part diversity, equity, and inclusion series: chapter 6: tips for awareness and self-improvement. If you’ve missed the series you can catch up via our website for fantastic insight and learning.

Enjoy the issue.

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MEET THE EDITORIAL BOARD

Francesco Bonini - Studio Bonini, Italy
Francesco has 20 years experience in Italian and EU trademark and design prosecution. He has had successful cases in oppositions, appeals and cancellations both before the EUIPO and the Italian ITO. Studio Bonini, established in 1992, has its head office in Vicenza, in the North-East of Italy. It has helped several companies of the Venetian area to protect their IPs rights, dealing with IP prosecution.

Gang HU - General Director of Litigation Division, CCPT Patent & Trademark Office. China
Gang is a senior Chinese IP specialist and practitioner. He is good at solving all kinds of difficult and complicated trademark litigation and non-litigation cases. Some of the influential cases he handled were widely reported by a variety of media, and any recent IP litigation cases represented by him were awarded by the Supreme People's Court as the annual guidance cases.

Stacey C. Kalamaras – Founding Partner, Kalamaras Law Office, LLC. US
Stacey is the founding partner of Kalamaras Law Office, LLC, an intellectual property boutique providing full-service brand protection services to SMEs. Stacey spent most of her career in Big Law representing many well-known brands in more than 50 countries. Prior to law school, she worked as a marketing and advertising executive. Stacey is a devoted trainer of other lawyers, having educated more than 1,000 on a variety of trademark and intellectual property topics since 2018. Contact her at info@kalamaraslegal.com.

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Chris Mitchell, a member of Dickinson Wright, has practiced exclusively in the area of intellectual property law for over 25 years, handling trademark matters - from procurement to licensing and litigation - for clients throughout the world.

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Santiago is a trained IP lawyer and trademark and patent agent advising domestic and foreign companies on local and international IP law in Argentina and across Latin America with extensive experience. He is the managing partner at O’Conor & Power in Buenos Aires, Argentina.

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Rachael Lodge Corrie – Partner, FOGA DALEY. Jamaica
Rachael Lodge Corrie is a Partner of Foga Daley with a passion for Intellectual Property law. Focused on brand portfolio management, trademark prosecution, non-routine trademark matters and advertising law. She is an active member of the Jamaican Bar Association, IP’s Young Practitioners Committee and a member of the Women’s IP Today Steering Committee.

Charlotte Wilding – Partner, Wedlake Bell LLP. UK
Charlotte Wilding heads up the trademark practice at Wedlake Bell LLP. An expert in her field, she specializes in providing strategic IP advice, as well as the prosecution, maintenance and enforcement of IP rights. Charlotte is also an active member of the International Trademark Association’s Young Practitioners Committee.

The International Legal Alliance granted Barreda Moller the Gold Award as the best Latin American IP Law Firm. The Managing Intellectual Property magazine, the Latin Lawyer law directory, the Legal 500 law directory, the World Trademark Review magazine and Chambers and Partners for twenty-two consecutive years have selected Barreda Moller as the number 1 IP law firm in Peru.
An interview with
Fiona Scott, Trademark
Paralegal at Amazon

Fiona sits down with The Trademark Lawyer to discuss her experiences as a paralegal at Amazon, Amazon’s protection procedures, and her hopes for the future of the trademark industry.

Fiona Scott is a Trademark Paralegal with Amazon, where she supports IP issues related to trademarks, copyrights, and domain names. Fiona joined Amazon in 2016 and is an active volunteer with INTA; she participated in the Young Practitioners Committee and currently serves on the Brands for a Better Society Committee. Prior to Amazon, Fiona was a Trademark Department Assistant for K&L Gates LLP in Seattle, Washington. Fiona received her Bachelor of Arts degree from Brandeis University. In her spare time, she enjoys baking and traveling with her husband.

Can you start by telling us about your role as Trademark Paralegal at Amazon?

I support the digital devices and services business at Amazon. In my role, I partner with the business for an upcoming launch or flag potential legal and practical risks. Being embedded with the business helps me stay close to their priorities and their goals, so I can make sure we’re giving them the right amount of analysis and looking around corners. I also get to learn a lot about the customers we’re trying to innovate for, and it helps me take on more ownership in the process, which is a leadership principle at Amazon. Even as a member of the Legal team, if we have a suggestion to create a better customer experience the team is receptive to hearing that feedback. I’m also really lucky that I get to explore Amazon outside of the legal department. I regularly volunteer to chat with prospective Amazons during our Candid Chat program. I really enjoy talking to candidates about what Amazon has to offer and helping us hire awesome new folks.

What do your day-to-day activities include?

My day-to-day activities include working on global trademark clearance, prosecution, and enforcement in connection with our outside counsel, meeting with clients, and working cross team with my colleagues to make sure our strategies are aligned. I’m also active on the Brands for a Better Society Committee at INTA, and I volunteer with the INTA Pro Bono clinic and with the D.C. Bar Pro Bono Center when possible.

How do you maintain and enforce Amazon’s trademark portfolio?

Amazon has a strong culture of working backwards from the customer. We think that customers should always be front and center when we’re thinking about what new idea makes sense and how we should bring it to fruition. Trademarks are, at their core, a tool to protect and help customers, so as a trademark administrator I think this is something critical to keep on top of mind. When it comes to maintenance and enforcement of the portfolio, we try to assume that the other side wants to help customers and build their own unique brand as much as we do.

How does the global nature of Amazon affect your role?

Working globally makes the role really interesting, that’s for sure. My clients sit worldwide so it’s interesting getting to see what the Australia folks are working on as compared to what the UK or Mexico teams are working on. Everyone is trying to delight and earn the trust of their customers, and what customers need and want can be so different across the globe. Working with global teams also helps me manage the global portfolio. It has been key to understanding the needs of the business worldwide.

Do you have a go-to strategy for prosecution?

Every launch is so different. We iterate at Amazon. We try to tailor our approach based on the business needs. The business is really agile and they’re always reacting to what customers want. We try to take a page from their book, staying light on our feet to provide smart protection.

Do you use outside counsel at Amazon? And under what circumstances?

We have a hybrid model with our global outside counsel at Amazon. I couldn’t do my job without the support from the really talented local counsel we have worldwide. They provide practical, timely advice that helps us look around corners in their respective countries, and they’re not afraid to think outside the box. I am also super fortunate to work most closely with great U.S. counsel.

What were your reasons for moving to an in-house role?

I met some folks from Team Amazon at a Washington Lawyers for the Arts fundraiser in 2016. I thought, “Wow! It would be amazing to work with that team!” And then a couple months later I was like “Wow! I got an interview with that team!” And then a few weeks later I was walking into the building in the Seattle campus just completely blown away. I was nervous at first, that going in-house I wouldn’t be able to see the same variety of clients as I did at a law firm, but I was pleasantly surprised to learn about the diversity of issues that I’d get to learn about in-house. I’ve really enjoyed getting to dive deep on my client group. And now I’m a lot more “techy” than when I started!

What procedures does Amazon have in place to protect IP owners?

I’m really proud of the work coming out of Amazon Brand Registry and the Counterfeit Crimes Unit (CCU). Those teams keep counterfeit items off of the store and hold counterfeiters accountable. The CCU had a big win in September where they were able to show that individuals conspired to promote counterfeit luxury products on social media, and then directed those customers back to Amazon. They settled with those individuals and donated the payment to the INTA Unreal Campaign, which educates 14- to 23-year olds about intellectual property rights. They’re building a flywheel to protect IP.

What are the greatest challenges you’ve faced as a Trademark Paralegal at Amazon?

I’ve had to learn to think big all the time. At Amazon we don’t necessarily know where brands will end up. Sometimes the name of the web traffic analysis division becomes the name of a voice AI. We try to always think years into the future about how technology will evolve to meet changing customer needs, and how our strategy will evolve in order to keep up.

What are your hopes for the future in the trademark industry?

I want more companies and firms to really dig into diversity, equity and inclusion and move the conversation forward. There are so many inspiring and incredibly talented women and women of color in IP. I’m lucky to have met or worked with several of them, and I hope to see them all in leadership roles in one way or another. I think INTA’s Women’s Leadership Initiative is a great step forward in not just talking the talk but really walking the walk when it comes to advancing women’s leadership in IP.
2021 was the year for the digital universe to witness a breakthrough to the mainstream of a new creature – an NFT, a non-fungible token. Putting aside the discussion of origin and characteristics of the NFT, starting its days in 2014, and the blockchain platform on which it exists – a topic already grinded and pulverized to ions at endless fora dealing with the virtual world, art, law, business, even real estate - this article concentrates on the practical aspects of this phenomenon engaging trademark rights holders on a magnitude rarely seen before. Just as the internet, the metaverse unlike the physical world knows no physical borders and the issue of NFTs turning into vehicles of intellectual property rights infringement almost instantaneously attracted apprehension of rights-holders.

The core question to address when dealing with NFTs in the situation of alleged infringement of IP rights is whether the existing body of law would apply and protect or whether there is something inherently new in the metaverse, and NFTs in particular, which makes traditional theories of trademark enforcement inapplicable or, at the very least, dictating adjustment.

The traditional postulate followed almost universally across the globe is that trademark infringement is an unauthorized use of a trademark on or in connection with goods or services in a manner that is likely to cause consumers confusions, deception, or mistake about the source of such goods and services.

Historically, trademark owners faced a similar problem during the ‘dot.com revolution’, with explosive growth of new mechanisms of economic activities, such as online marketplaces, initially...
Résumé

Max Vern is a Partner and Head of International Department at Amster Rothstein & Ebenstein LLP, one of the nation’s leading intellectual property law firms, focused on a full-service IP practice. Max works with global brand owners, from start-ups to industry leaders, to secure and enforce their intellectual property in the U.S. and around the world. He focuses on all facets of domestic and international trademark portfolio protection, strategic development, management and monetization, as well as enforcement. Max has the background, extensive international experience and multilingual capabilities facilitate communications and thorough understanding of IP owners’ needs and requirements. He is listed in the 2022 World Trademark Review WTR1000 in the “Gold” Tier in the Prosecution and Strategy category and 2021 edition of WTR1000, and also in the WHO’S WHO LEGAL, Trademarks, Euromoney Investor Expert Guides, Legal 500, Expert Guides, International Advisory Experts Award, and Corporate LiveWire Global Awards.

TRADEMARKS IN THE REALM OF BLOCKCHAIN

It is both a digital asset and a digital certificate of ownership.

And it was inevitable that, after the initial load-up period, with the volume of brands’ abuse skyrocketing, trademark owners turned to court enforcement of their rights. The Rothstein & Ebenstein LLP, one of the nation’s leading intellectual property law firms, focused on a full-service IP practice. Max works with global brand owners, from start-ups to industry leaders, to secure and enforce their intellectual property in the U.S. and around the world. He focuses on all facets of domestic and international trademark portfolio protection, strategic development, management and monetization, as well as enforcement. Max has the background, extensive international experience and multilingual capabilities facilitate communications and thorough understanding of IP owners’ needs and requirements. He is listed in the 2022 World Trademark Review WTR1000 in the “Gold” Tier in the Prosecution and Strategy category and 2021 edition of WTR1000, and also in the WHO’S WHO LEGAL, Trademarks, Euromoney Investor Expert Guides, Legal 500, Expert Guides, International Advisory Experts Award, and Corporate LiveWire Global Awards.

A physical world object though not necessarily corresponding to one, whether an object of art, a piece of jewelry or apparel, a toy, or a car, but what it shares with the latter is that, unlike purely digital files, by definition it is not a supply, an NFT is not. It is unique and is infinite and limited supply and, thus, its value may grow in the eyes of the right market players almost immeasurably. NFT's digital authentication (and less concern to the trademark protection question, it is the ‘digital asset’ side of the NFT which poses a bigger challenge, as discussed below.

An NFT is a digitally encoded asset, only different from the physical world item that the latter is tangible, while a non-fungible token exists on the blockchain in the non-tangible form. In other words, it is a digital expression of the metaverse is a huge and lucrative market with enormous growth potential, and NFTs are nothing short of a perfect vehicle for monetization of existing branded products.

The metaverse is a virtual playground for infringers to usurp the rights-holders are actively expanding their marks for metaverse-specific goods and services - from NFTs and downloadable virtual products (NFTs in particular), and its applications thereof, under the USPTO examination. Hence, Nike also asserts common law rights, stating that if for some time incorporated the asserted marks into its virtual products – indeed Nike has partnered in late 2022 with AX Sports to offer digital Nike sneakers to be ‘used’ in the virtual world game, and, moreover, in late 2021, Nike has acquired the NFT sneaker brand RTFKT.

The other case, of no lesser interest and importance to brand owners as both will undoubtedly be the guiding light for rights-holders, is the trademark infringement and dilution lawsuit brought by the French luxury brand Hermès against an artist going by the name Mason Rotschild (sic!) in connection with the latter creating and offering for sale on OpenSea, a major NFT marketplace, a collection of MetaBirkins NFTs representing digital versions of the iconic Hermès handbags.

The existence of MetaBirkins NFTs having a “stamped” VIN number, so the NFT, which immutable ‘stamped’ digital existence on the ledger-places offers, without authorization. NFTs localized ‘Vault NFTs’ featuring certain models of Nike’s footwear and, by doing so, the defendant is engaged in trademark infringement and dilution unfair competition. According to the complaint, StockX sold more than 500 Vault NFTs, trading for thousands of dollars in the ethereum equivalent, as NFTs are secured by the Ethereum blockchain. In its complaint, Nike succinctly states that NFTs are ‘a virtual playground for infringements to usurp the goodwill of some of the most famous trademarksm in the world and use those trademarks without authorization to market their virtual products and generate ill-gotten profits’. Nike further asserts that the defendant has inflated the prices of its Vault NFTs and has ‘mucky terms of purchase and ownership’ and this already led to public criticism of StockX and allegations that Vault NFTs are a scam.

Further, following the traditional path of securing protection via federal registration with the U.S. Patent and Trademark Office (which even common law jurisdiction as the U.S. bestows undoubtedly significant advantages to the owner), rights-holders are actively expanding their scope of protection, seeking registration of their marks for metaverse-specific goods and services - from NFTs and downloadable virtual goods to retail store services featuring such virtual products. And the spread of NFTs is essentially unstoppable by the guiding light for rights-holders, is the trademark infringement and dilution lawsuit brought by the French luxury brand Hermès against an artist going by the name Mason Rotschild (sic!) in connection with the latter creating and offering for sale on OpenSea, a major NFT marketplace, a collection of MetaBirkins NFTs representing digital versions of the iconic Hermès handbags.

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As of the date of this article, the USPTO record shows close to 3,000 U.S. applications listing NFTs.

Since NFTs are digital assets, they are minted and saved on the blockchain. The marketplaces for NFTs are commonly accessible (rather than ‘darknet’ ones) platforms for minting and selling them, such as OpenSea and Rarible, and these are the venues at which trademark owners will point the finger as facilitators of alleged infringements. Prevention of minting of infringing NFTs (if technically feasible) and their landing for sale would truly be a crucial tool for successfully battling infringements. Indeed, these platforms are already aware of the problems they face with letting multiple unscrupulous parties land their NFTs, including, besides reputational damage, likely legal ramifications. OpenSea, being the leading marketplace for NFTs, acknowledges unabated misuse of its NFT-minting tool and that more than eighty percent of the items created were plagiarisms, fake collections and spam, and NFT platforms are now loaded with branded items minted by ‘entrepreneurial’ actors, in most instances likely without rights-holders’ authorization.

Whether platforms and marketplaces facilitating minting and sale of NFTs will introduce rules and protocols for self-policing, or will they cooperate with brand owners who file complaints and have the marketplace implement its takedown policy (removal of Metabirkins from OpenSea being a likely example), just as Amazon, Shopify and others do today, or will brand owners need to take marketplaces to court, asserting contributory liability, one may safely assume that just like with the online space after its early unregulated days, the metaverse will not remain a territory of intellectual property rights piracy.

In summary, it is not the lacuna in the law but rather the willingness of all parties involved (incentivized by courts, if necessary) to cooperate, which will eventually put an end or at least drastically curtail the present state of rampant anarchy in the burgeoning NFTs market.
Aping rights is never boring

Dominic Farnsworth, Glenn Pudelka and Neale Christy of Locke Lord discuss the intersection of IP law and NFTs.

If you’re at all tech savvy (and, likely, even if you aren’t) NFTs will be on your radar. NFTs, or non-fungible tokens, have seen not only a rise in popularity, but their value has taken a rocket ride “to the moon” over the last 12 months, with brands, artists and everybody in between scrambiling to cash in on this latest cultural zeitgeist.

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What is an NFT

Blockchain technology enables assets to be represented as programmable units of value. Recorded on a ‘ledger’, these ledgers are decentralized – updated and maintained by the various computers underpinning the network. The Ethereum network, for example, is propagating means of the many “miners” whose computers automatically verify the information added to and saved on the blockchain. The units of value in question are referred to as “tokens” and can represent, in theory, anything. It was the use of blockchain technology for the storage and transmission of fungible goods, in the form of digital currency like Bitcoin, that first grabbed the public’s attention. “Fungible goods” refers to items that are exchangeable. A real world example would be gold or US dollar of the identical value. “Non-fungible goods” on the other hand are unique. In real world terms, this would be something like a painting or a sculpture. Whilst non-fungible goods can hold value too, this value is based on other factors.

In real world terms, this would be something like a painting or a sculpture.

The Cinderella story: what turns a digital image into an NFT?

In theory, any work which can be represented digitally can be recorded as an NFT. However, NFTs do not HAVE to include a representation of the underlying “work.” Fundamentally, all that an NFT requires is a blockchain address (which can be identified using a blockchain scanner) and a piece of code to identify the “token.” Thus, the uniqueness of an NFT is based on the blockchain address (where the token is stored), and the Token ID (what is being stored). Neither of these fundamentals actually require the “work” itself. This is done additionally, in one of two ways. Either:

a) a digital copy of the underlying asset has been encoded into the NFT to be saved on the blockchain (this is expensive, due to the size implications of recording data rich content onto the blockchain); or
b) the NFT includes a code that links to, or in some other way identifies, the work that is the subject of the NFT. This is known as “hashing.” A “hash” is a mathematical function, which acts as a unique identifier of a digital file. It is, however, not possible to reverse-engineer a “hash.” As such, there is no way to confirm through examination of an NFT alone that the NFT bears any relation to the underlying work as marketed.

Practically speaking, an NFT is a token recorded on a blockchain, that loosely leads back to an asset that has some significance because of who created it, how/when it was created or purely as a result of the market that has developed around it. The underlying asset does not actually form a part of the NFT. Purchasers of NFTs do not acquire ANY proprietary rights to the IP associated with the underlying asset unless this has been additionally included within the smart contract regulating the sale of the NFT. It is worth bearing in mind, however, the relevant regulations associated with assignment of copyright. In the UK (Sec 90(3) of the CDPA) and US (Sec 204 of the Copyright Law of the US), for example, copyright assignment must be recorded “in writing” and must be “signed by or on behalf of the copyright owner.” It is debatable whether a smart contract would meet this threshold, unless it specifically assigned the rights to the NFT owner.

Notable examples of NFTs:

The first notable NFT sold on the Ethereum blockchain (which took place in 2017) was the Cryptopunks, a collection of cartoon characters. This sale opened the door to the NFT conversation more broadly, with a variety of artistic works, ranging from memes, trading cards, classical art, clothing and even music, having been tokenized and sold as NFTs since. Some notable NFTs traded around the world are:

a) Twitter’s first tweet (sold by the microblogging site’s CEO);

b) the NBA, through its own NFT marketplace, have been selling NFTs under the name “Top Shots”, which include a variety of seminal NBA moments;

c) a collage of works by Beeple was sold
The short answer is No (with some caveats).

Could an NFT infringe copyright?

The legal framework of NFT trading has several cases of alleged copyright or trademark infringement through the sale of NFTs. English football legend John Terry has recently attempted to sell NFTs of key moments throughout his playing career, receiving pushback by the owner of several of these images, the English Premier League. Similarly, Quinton Tarrentino announced plans to sell NFTs of his original handwritten script of Pulp Fiction and was quickly sued in the US by Miramax. Various rights holders ranging from fortune 500 companies to artists have complained about their work being reproduced or distributed. However, for copyright infringement to have taken place, there needs:

- a causal link between the infringer and the owner of the copyright;
- advantage being taken of the copyright protected work;
- the copyright protected work being reproduced.

As discussed above, the NFT itself does not usually incorporate the copyright protected work. As such, at least, the NFT will include a link or mathematical description of the copyright protected work, similar in theory, to a hyperlink. The European Court of Justice has confirmed on several occasions (see GS Mediol v Sanomax Case C60/15) that freely accessible content, posted with the consent of the author, cannot be infringed through use of a hyperlink. As discussed above, one cannot usually access the copyright protected work directly through the NFT. As such, it is likely that proving a case of copyright infringement purely by means of the sale or auction of an NFT will be challenging. That said, aside from the obvious caveats where the copyright protected image or reproduction thereof has been uploaded to the blockchain directly, copyright owners may be able to rely on Copyright protection to prevent the use of their copyright, not in the sale of the NFT itself, but in the marketing of that NFT.

When NFTs are marketed, the impression created (intentionally or otherwise) is that purchasers are buying a digital version of the asset. This is done through reproducing, in the various marketing materials associated with the auction of the NFT, images of the underlying asset. These images would constitute reproductions of the copyright protected work and may, therefore, constitute copyright infringement, depending on the images being reproduced and the manner of the use.

Fair Use?

Under US and UK copyright law, taking a photograph of a copyright protected work to sell that work (think eBay) could constitute fair use. Under the US four-factor test, the use may be a fair use if the photography is being used merely to advertise the sale of the physical work.

Using photographs to market NFTs, on the other hand, has a significant effect on the market for the original work, as they prevent the copyright owner from authorizing its own NFTs based on that work. Additionally, the reproductions of the work are not being used to market the original work in a re-sale, but instead to market a digital token. This may exceed the boundaries of fair use.

Trademark considerations

As with copyright, marketing an NFT by using registered trademarks could constitute trademark infringement. However, for infringement to take place, the trademark must be:

- registered in the UK; and
- used by the infringer as a trademark to market goods/services covered by the registration.

Whilst larger brands may be able to rely on the extended fame of their marks as the basis of trademark infringement, best practice would be for brand owners to extend existing registrations to Class 9 goods (covering “downloadable computer software for blockchain technology”) to simplify the process in trademark infringement cases. Many of our clients are filing applications to cover blockchain technology. Another notable story is of 12-year-old programmer Benjamin Ahmed’s “Weird Whales” NFT project, with some pieces sold, off the back of the feel-good tale, at prices up to 3 million USD each. However, when rumors that Ahmed had stolen his images online emerged, the negative publicity known as FUD caused the price of the NFTs to plummet, with “bag-holders” left substantially poorer as a result.

Conclusion and takeaways

Despite being championed as an extension of the art world, an NFT does not (usually) incorporate a piece of art. It is, at its core, only a unique digital token. As such, brands and artists protected by copyright and trademark laws in their current guise will not simply be able to allege infringement of their rights under these doctrines to prevent unauthorized NFTs, unless a reproduction of the digital asset is attached to the NFT.

Given the legal difficulties, risks holders may best be served by approaching marketplaces like OpenSeal directly for protection. In the US, for example, a takedown notice under the DMCA has proved effective at stopping infringing NFTs. As ever, ongoing proactive vigilance and responding to threats as quickly as possible remains the best defense.
Canada has always had the reputation of being a bit complicated in the trademark world and doing its own thing. Here are 10 things to be aware of, whether it is for trademark professionals providing advice or for companies or organizations looking to market their products and services in Canada.

1. Canada and the United States: being economically intertwined means protecting trademarks in Canada too, no matter what. From a purely economic point of view, billions of dollars make their way across the Canada-US border on a daily basis, estimated at over 650 billion dollars just for 2021. It is nearly guaranteed that goods, manufactured in the US or exported to the US from other countries, will make their way up to Canada, through the supply chain. This amount does not take into consideration the billions of dollars in cross-border services.

But so many companies neglect protecting their trademarks in Canada, often not even selecting Canada under Madrid applications, let alone national filings, and rather just targeting the US when thinking of trademark protection in North America.

Failure to take appropriate trademark protection action in Canada, combined with the fact that prior use is no longer required to obtain registration in Canada, certainly leaves the path wide open for bad faith registrants, local distributors and other business contacts to register the trademark instead of its rightful owner.

Trademarks are one of the most important assets of them all.

“...
When comparing all the costs involved in the marketing of any company's products and services in North America, trademark registration costs for Canada are like a drop in the ocean. Companies who are unable to register their trademarks in-house or external, should therefore take the time to really put in place a winning strategy for Canada.

2. Accession to the Madrid Protocol
On June 17, 2019, Canada became a member of the Madrid protocol. It is important to know that if no Canadian trademark agent is appointed, the Canadian Intellectual Property Office (CIPO) will send correspondence directly to the applicant and not to the representative appointed before the World Intellectual Property Organization (WIPO).

When an international trademark application is filed with a Canadian designation, CIPO issues a courtesy letter to the non-Canadian representatives informing them that all future correspondence will be sent directly to the applicant, unless a Canadian agent is appointed. Some important notices will not be sent to WIPO. It is therefore of the utmost importance to have a Canadian representative as CIPO issues the application number or sends the courtesy letter.

3. Filing strategy due to the current backlog at the CIPO
Many people are currently complaining about the length of the registration process in Canada. Due to the backlog, it takes approximately 28 months before CIPO examines the applications when the Pre-Approved List of Goods and Services has not been used, and approximately 23 months when the list is used.

CIPO has been improving its tools and processes in order to reduce the backlog. In April 2020, the CIPO made a commitment to respond to applications within 20 business days. This improvement allows for faster examination of applications and reduces the current backlog by more than 25%.

4. Non-traditional trademarks
In the case of non-traditional trademarks, CIPO typically requires evidence of the distinctiveness of the mark at the date of filing. This means that it could be difficult to obtain a registration for a trademark consisting of a colour, a three-dimensional shape of a good, a mode of packaging, a sound, or a气味 mark.

The trademark protection cannot cover utilitarian features such as a smell for perfume or a taste for food products. The Canadian legislation also permits registration of trademarks consisting of moving images, holograms, three-dimensional images, and position. In most cases, the trademark application must contain a clear and concise description of the mark, stating the type of mark or explaining the visual representation.

5. Prohibited terms in the trademark registration process
Did you know that in Canada, even if a trademark complies with all the requirements of the Trademarks Act, it cannot contravene any other federal laws?

Indeed, examiners will raise an objection if the trademark itself or its statement of goods and services contains terms prohibited by federal statutes. The most common objections are related to The Bank Act and The Canada Post Corporation Act.

Under The Bank Act, the use of the terms “bank,” “banker” or “banking” are prohibited unless the applicant is authorized to so describe the services under authority of The Bank Act or any other act of Parliament. There are, of course, exceptions where these terms may be used without the authorization of The Bank Act.

Under The Canada Post Corporation Act, where a trademark has been applied for registration in association with the delivery of letters, postal services, post offices, post offices, postage stamps, postage stamp, the sale of stamps, postal stamps or postage stamps (unless the stamps are clearly described as not being for postal use, e.g. collectable stamps), examiners are free to decide whether the mark includes the words POST OFFICE or similar words. The examiner will request written confirmation from the applicant that it has been authorized by the Canada Post Corporation to use the mark in association with the applied for goods or services. If your client’s mark contains these prohibited terms, goods or services, your trademark agent should inform you of the possible complications before filing a new application.

6. Prohibited marks
The Trademarks Act gives a special protection to categories of marks, such as words, pictures, and crests (“Prohibited Marks”). The nature of the goods or services in association with these Prohibited Marks is not relevant. The test is one based on the resemblance with the Prohibited Mark, and not confusion. If an objection is raised by the trademark examiner, it is still possible to argue against any resemblance between the applied mark and the Prohibited Mark. However, it is very often, the only way out is to obtain consent from the authority, organization or such other person protected under the Act.

7. Not inherently distinctive trademarks
Since the amendments to the Trademarks Act in 2010, the Registrar now has the authority to raise an objection that a trademark is not inherently distinctive. For example, geographic locations are considered inherently indistinctive. So, if a mark contains a name of a country, it will be found inherently indistinctive if such locations are not known as the place from where the goods or services originated, nor are indications regarding characteristics of the goods or services in different languages, or laudatory terms. Also, designs that are common to the trade are usually refused unless depicted in a special or fanciful manner. To overcome such objections, one must try to argue that the trademark has some degree of inherent distinctiveness or file evidence that the trademark acquired distinctiveness in Canada.

8. Impact of the Federal Official Languages in the registration process
Canada is a bilingual country, with French and English. This reality has an impact on the examination of a trademark application.

First, the bilingualism has an impact when assessing the descriptive character and the distinctiveness of the mark. Canadian trademark examiners must determine if a trademark, whether descriptive or non-distinctive, is capable of acquiring distinctiveness. This often requires consideration of whether a mark is inherently distinctive or descriptive, which in turn is influenced by the official language of the mark.

Second, the bilingualism has an impact when assessing the likelihood of confusion. This is because confusion is often assessed in a comparative manner, taking into account the similarity of the marks and the nature of the goods or services in question.

In conclusion, the Canadian trademark system is complex, and requires careful consideration of the various factors that can affect the registration of a trademark. It is recommended to consult with a qualified trademark agent before filing a new application to ensure that all necessary steps are taken to maximize the chances of successful registration.
Additionally, the bilingualism has an impact when the Canadian trademark examiners determine if a trademark application is confusing with a registered trademark or pending application. In fact, one of the criteria of the confusion test is to ask: whether there is a likelihood of confusion with either English or French speaking consumers, as well as with a bilingual (English and French) consumer. If the trademark examiner concludes that there is confusion for one of the linguistic groups, then the application must be refused.

9. Legal restrictions on the use of a trademark in the Province of Quebec

The Charter of the French Language is a Quebec provincial legislation. The Quebec legislation sets out that use of a recognized trademark exclusively in a language other than French is permitted unless a French version of the trademark has been registered. Recognized trademarks within the meaning of the Trademarks Act, namely registered trademarks and common law trademarks, do not have to be translated into French. However, when displayed on signs, posters, and commercial advertising visible from the outside of a building, a sufficient presence of French must be ensured on site.

This may change shortly as the Government of Quebec has introduced new amendments to the Charter of the French Language that, if adopted, will be more restrictive for trademark owners. Only registered trademarks would be recognized as an exception, meaning that the common law trademarks would have to be translated into French. For any public display of a registered trademark in any other language than French, the rule would remain that it must be accompanied with a sufficient presence of French.

10. Written licences: highly recommended, even between related entities, if you ever want to be able to defend or attack

The mandatory licence registration system is long gone in Canada. However, case law in the context of cancellation actions against one’s mark or opposition procedures is clear that the trademark owner needs to be able to demonstrate control over the trademark and its use on the market, including by a subsidiary or affiliate.

If not in writing, then with audit rights, and other important control provisions, this demonstration can hardly be achieved.

Let’s not forget either the important international taxation issue of transfer pricing rules, requiring related parties to have in place adequate royalties payable to the foreign trademark owner, such as a parent or other affiliated entity.

To navigate the Canadian trademark ecosystem, as an in-house counsel or TM professional, or to provide experience-based advice to clients, one should definitely look for sound advice from Canadian professionals.

In conclusion, to be able to navigate the Canadian trademark ecosystem, as an in-house counsel or TM professional, or to provide experience-based advice to clients, one should definitely look for sound advice from Canadian professionals. Even if only for a brief consultation at the beginning of the process, it’s well worth it.

Best strategies need to be looked at, and are often coordinated with the overall North American strategy to ensure good chances of success in the Canadian and North American markets. Remember, and this is something all IP professionals are already aware of, trademarks are one of the most important assets of them all.

Protecting trademark rights in China: OEMs

Wei He,Trademark Attorney at Beijing Sanyou Intellectual Property Agency Ltd., explains the elements that must be considered by Original Equipment Manufacturers making and exporting goods from China to ensure protection against infringement if entering the Chinese market in the future is a possibility.

Original Equipment Manufacturer (OEM) originally referred to a production mode in which the purchaser provides technology and brand, the manufacturer provides manpower and site, the purchaser is responsible for sales and the manufacturer is responsible for production. In this article, OEM production mode refers to the foreign-related OEM processing and the situation that overseas the assigning party entrusts a domestic processing party in China to process products, attaching the trademark to the processed products, and all the products are exported abroad.

I would like to talk of OEM activities in the field of obtaining the trademark exclusive right, keeping the trademark valid, and protecting the trademark right.

If only an OEM action, is it necessary to register a trademark?

1. In the last five years, for the issue of “whether an OEM action will infringe other parties’ trademarks rights”, the view of the supreme court has gone through “non infringement” to “non infringement after fulfilling the duty of reasonable care”, and then to “infringement”. If you have no registered trademark but another party has an identical or similar trademark registered in identical or similar goods in China, the use of your mark in OEM will risk infringement. According to the current court judgment, OEM may be identified as infringement in the infringement cases. The court will comprehensively consider whether the products will be recognized by the consumers in the process of transportation, whether the OEM products sold abroad will be purchased by Chinese consumers through Online shopping, and whether Chinese consumers will go abroad to purchase related products due to the popularity of Chinese outbound travel. Therefore, “use in OEM should be considered as trademark use as long as the trademark functions to distinguish origin of goods” and OEM action may infringe others’ prior trademark rights. Although there are still many disputes on this judgment, if you do not register the mark while another party registers it in identical or similar goods, you will risk infringement.

2. In the enforcement of Customs Intellectual Property Rights, if the trademark of OEM products is the same as or similar to the registered trademark that has been recorded by customs, the
China is the principle of first-to-file, so whether the consignor’s products will be sold in China or not, it is recommended to register the trademark in China even if the products bearing the trademark are for export. Before the application is submitted, it is recommended to conduct a trademark search to identify whether any marks exist that are the same or similar to your mark. If some identical or similar trademarks are found, you can take legal action in advance.

How to defend against non-use cancellation?
“Can only OEMs keep the trademark valid after trademark registration?”
In non-use cancellation cases, OEM use evidence can be accepted as valid use evidence to maintain a Chinese trademark registration. However, if the actual production and operation behavior still occurs in the Chinese mainland then this behavior is actually considered actively using the trademark. It is in conformity with the Chinese trademark law. The purpose of non-use cancellation procedure is to urge the use of a trademark and avoid a waste of resources by reducing inactive trademarks, which is different from that of infringement litigation. The OEM production activity can be viewed as a way of trademark use as it shows the trademark registrant’s willingness and conduct of using its trademark. If we do not recognize such action as effective use of the trademark and cancel the trademark registration, the normal business activities of providers will be hindered by foreign trade and customs policies, which is not conducive to the stability of social production order and the orderly operation of the trademark registration system.

The use of trademarks refers to the commercial use of trademarks, including the use of trademarks on commodities, commodity packaging or containers, and commodity transaction documents, or the use of trademarks in advertising, exhibitions, and other commercial activities if you entrust Chinese factories to manufacture products with your trademark and then such products are all exported out of China for sale. Such use can be valid use to maintain your trademark registration. However, in order to provide sufficient evidence when needed, it is suggested:

1. To give your manufacturers in China a written license of trademark use in advance and keep it.
2. To make sure the export documents include your trademark’s, product’s name and date seen.
3. To collect and keep evidence periodically.
4. To use your trademark in business as close as possible to the registered mark ideally to use exactly the same as what you registered including the font.

Please note that the trademark may be partially cancelled if you only use your trademark on some of the designated goods but not all of them.

If the trademark is not registered, is it risky to produce goods to engage in the OEM export?
According to the above analysis, OEM action may only infringe other parties’ trademark rights. Therefore, if your trademark was not registered and you produced goods and engaged in OEM action, the other parties apply for the trademark earlier than you, then it will be an infringement lawsuit against the use of your mark. It is very likely that this OEM behavior will be recognized as infringement. Therefore, it is recommended that you obtain the trademark exclusive rights and then deal with OEM action.

In the case of OEM infringement, whether the contractor has fulfilled the reasonable duty of care, whether the power of attorney enjoys the right to be protected in the target country, and whether the OEM products are sold in China or not are the main factors to be investigated by the court. The following are recommendations for if the product is easier to be produced for sale abroad:

1. First of all, examine and verify the trademark right of the consignor in foreign countries. Examine and verify the qualification documents such as the Business Certificate and the certificate of trademark rights provided by the foreign consignor to ensure that the documents provided are legal and valid. If the foreign consignor is not the owner of the trademark rights, but only the trademark user who has the right to use the authorized trademark, attention should be paid to whether there are any authorization documentation that clearly shows they have the right to use the mark. To make sure the class of the approved trademark (based on Nice classification) should be consistent with the OEM products. The trademark used in the OEM action must be identical with that in the trademark certificate; finally, the country of export destination must be confirmed. Another point that should be paid attention to is that, in addition to examining the rights of the trademark provided by the foreign consignor in its own country, we should also examine the rights of the trademark in our country. Finally, the guarantee clause is suggested to be added in the contract to stipulate who should bear the full liability in case trademark infringement occurs.
2. The duty of care in the Contract of Commission Processing: when signing the contract of Commission Processing, it should be stated that the product belongs to the processing authorized by the overseas consignor, and is only used for export to the target country, and will not be sold in China.
3. Domestic manufacturers should use trademarks consistently. Do not deliberately highlight the marks which are the same or very similar to other Chinese registered marks filed by other parties, and try to avoid the possibility of causing confusion and misunderstanding among the relevant parties.
4. Conduct a trademark search in China in advance to check whether any identical or similar marks have been filed by other parties. If so, we can take action in advance to overcome the obstacles of the prior trademark, so as to avoid infringement.

To sum up, under the business model of OEM, both overseas clients and domestic producers need to pay attention to the issue of protecting the trademark rights to avoid trademark infringement in the future.

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Weeding out imposters: when cannabis brands name themselves after well-known children’s brands

Stacey C. Kalamaras and Luke S. Zimmerman discuss recent cases and evaluate the risk to consumers when cannabis companies copy well-known children’s brands and candy packaging and address how state and federal laws are used to combat these labeling issues.

In the United States, recreational adult use cannabis has been legalized in 18 states, medical use cannabis has been legalized in 37 states, 10 states have implemented low tetrahydrocannabinol (THC) programs, and three states still do not have any form of cannabis legalization. Although the cannabis industry is growing, cannabis is still identified as a controlled substance by the U.S. government. This conflict between state and federal laws is wreaking havoc in trademark and consumer protection policies.

Although many states are experiencing growth in state-legalized cannabis sales, it is currently impossible to register a trademark for cannabis at the United States Patent and Trademark Office (USPTO), given cannabis’ status as a controlled substance under federal law. The only option currently available to cannabis companies is to apply for registration ancillary goods and services which are federally lawful and also apply for state trademarks. This is currently the best option available to cannabis companies until cannabis legalization is at the federal level. Drawbacks of this strategy are state trademark applications often are not examined or published for opposition and the same or similar marks can be registered in more than one state by different owners. Adding to the confusion is the wide availability of counterfeit ready-made cannabis packaging and the growing issue of cannabis brands infringing on existing well-known trademarks. Recently, several high-profile trademark disputes arose between cannabis companies and well-known children’s brands, particularly in the candy industry. The cases raised present not only various trademark infringement and dilution issues, but also various consumer protection issues, since cannabis and THC products can generally only be consumed by adults. As the cannabis industry continues to grow, it is safe to assume these disputes will increase.

Last year, three high-profile trademark cases concerning cannabis goods were filed in Illinois and California courts. The Zkittlez case involves a play on the iconic candy brand SKITTLES. The Wm. J. Wrigley Company (“Wrigley”), owner of the SKITTLES brand, filed an opposition with Trademark Trial and Appeal Board in October 2020 to prevent the registration of an intent-to-use application for Zkittlez HEMP & Design for cannabis goods. The company’s recent decision to re-bran the application could delay the registration for some time. The other two cases, the Wm. J. Wrigley Company v. The Original Skunk and The Original Skunk v. Wm. J. Wrigley Company, concern potential dilution of the SKITTLES brand in cannabis goods. In each case, Wrigley’s attorneys challenged the registration of an intent-to-use application for The Original Skunk Design for cannabis-related goods.

Résumés
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Several high-profile trademark disputes arose between cannabis companies and well-known children’s brands, particularly in the candy industry.
and how the USPTO treats the names of cannabis varietals. We also note that there are a handful of other ZKITTLEZ trademarks registered in the states of California, Michigan, and Washington. Its cannabis companies unrelated to the current lawsuit) that could prove problematic for Wrigley.

Ferrara Candy Company, owner of the NERDS ROPE, TROLLI, and SWEETARTS candy brands, filed suit in October 2021 against various defendants in Illinois federal court claiming trademark and trade dress infringement, among other claims, against a product called “Medicated Bud Clusters” that utilized its NERDS ROPE logo, trade dress, and registered cartoon characters from its packaging. On January 28, 2022, the Illinois federal court permanently enjoined the defendants, sending a strong message to other would-be infringers. The court ordered the defendants must cease “the manufacture, marketing, sale, advertising, and distribution of Medicated Buds or any other unauthorized products bearing the NERDS Marks, or any mark similar to or dilutive of the NERDS Marks” and must also cease any other activity that confuses or misleads consumers into believing their products are sponsored by or affiliated with Ferrara’s. The defendants were ordered to account to and pay Ferrara for all profits derived from the sale of their infringement products, destroy all remaining products, and send notice to existing customers that dealing and/or selling of the infringing products was unlawful. The defendants did not hold a cannabis manufacturing license and were involved in selling edibles infused with Delta 8 THC, typically found in hemp-derived cannabidiol (CBD), which is currently legal in Illinois but not regulated through the Illinois cannabis program. A similar case is pending in California concerning an online retailer, who is not licensed by the state to engage in commercial cannabis activity, involving the NERDS ROPE, TROLLI, and SWEETARTS marks and trade dress. The packaging for the cannabis goods associated by the online retailer is nearly identical to the well-known candy brands. This increases the likelihood a child could mistakenly ingest the products. Moreover, the complaint alleges the cannabis products contain between 40 and 60 times the adult legal limit allowed for THC in the state of California. Although the Illinois and California federal courts are independent, we expect a similar injunction will likely issue in California. The case could potentially also lead to criminal charges.

Outside of the candy space, some children’s clothing brand GARANIMALS also fell victim to a cannabis imposter, filing suit in California in December 2021. This case has the possibility to significantly alter how the cannabis industry advertises. The defendants in the case are

The Defendant also counter-claimed that the ZKITTLEZ mark is generic because it is the name of a cannabis varietal and, for this reason, cannot function as a trademark or constitute a basis for trademark infringement.
brands. He believes cannabis industry owners would then have the ability to register their trademarks federally, which would provide a mechanism for the examination of all cannabis applications and provide constructive notice of the marks to all trademark adopters. The cannabis industry could also receive direction on packaging and advertising restrictions that could protect children from confusing packaging and ads. Illicit, untested cannabis products using infringing trademarks would be easier to spot in the marketplace, and consumers would have better access to regulated cannabis products, making the use of cannabis products safer.

Ms. Kalamaras is less confident that federal regulation and approval of cannabis will change much of anything for this industry in its infancy. What these cases demonstrate is that the industry is unwilling to respect the laws and state regulations that already exist to protect brand owners and children. Federal approval of cannabis is unlikely to change much of anything and could even create more infringement. Platforms like Weedmaps should be liable for what they post on their platforms. If the argument succeeds that varietal names are generic and therefore cannot infringe, she believes there will be even more cannabis growers or distributors stealing well-known children’s brands as the names of their varietals.

In that instance, state regulators will have to step in with guidelines, much in the same way as with packaging guidelines, to protect children vis-à-vis well-known candy brands. The opportunity for confusion is just too dangerous when it comes to protecting our children.

Infringing Cannabis Products

Even if the brand owners cannot prove dilution, they might prevail by establishing consumer safety concerns.

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Passing off remedy broader than infringement

I

n a recent judgment of the Delhi High Court, a single bench of the court in the matter of Pernod Ricard India Private v Frost Falcon Distilleries has restrained Frost Falcon Distilleries from passing off its products under the trademark ‘CASINOS PRIDE’.

Manisha Singh and Malyashree Sridharan of LexOrbis evaluate the difference between a passing off case and an infringement case with key takeaways for considering the protection of a product versus a mark.

Factual matrix and contentions
The plaintiffs had approached the Delhi High Court alleging infringement/passing off of its trademarks, trade dress, as well as copyright vested in two of its products under the marks ‘BLENDERS PRIDE’ & ‘IMPERIAL BLUE’. The mark was adopted with a view to capitalize on the plaintiff’s goodwill and reputation and deceive consumers into mistaking the product of the defendant with that of the plaintiff or into drawing a false association between the two. The Court analyzed the law of passing off and infringement as well as a plethora of judgments passed by the Hon’ble Supreme Court as well as other High Courts in this regard. After perusing various precedents, the Court made the following observations:

a) The plaintiff cannot claim exclusivity over the word ‘PRIDE’ as such, the said term, merely denotes the quality of the product, especially when used with the preceding expression ‘BLENDERS’. It is, therefore, prima facie laudatory in nature. Any claim for exclusivity over the ‘PRIDE’ part of the ‘BLENDERS PRIDE’ marks would be hit by Section 17(1) as well as 17(2)(b) of the Trade Marks Act.

b) The right of the plaintiff, under Section 17(2) would be to the ‘BLENDERS PRIDE’ mark as a whole. If the common ‘PRIDE’ part of both the rival marks is ignored, the remaining part of the marks is totally dissimilar. The court stated that there is no phonetic, visual, or other similarity, between the words/ terms ‘BLENDERS’ and ‘CASINOS’. Thus, the court ruled that no case of infringement was made out vis-a-vis the trademarks BLENDERS PRIDE & CASINOS.

The mark was adopted with a view to capitalize on the plaintiff’s goodwill and reputation and deceive consumers into mistaking the product of the defendant with that of the plaintiff or into drawing a false association between the two.

Observations of the Court
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Résumés

Manisha Singh
Manisha overviewed and supervised all practice areas at the firm. Manisha is known and respected for her deep expertise in prosecution and enforcement of all forms of IP rights and for strategicizing and managing global patents, trademarks, and designs portfolios of large global and domestic companies. Her keen interest in using and deploying latest technology tools and processes has immensely helped the firm to develop efficient IP service delivery models and to provide best-in-class services. She is also known for her sharp litigation and negotiation skills for both IP and non-IP litigations and dispute resolution. She has been involved and successfully resolved various trademarks, copyright, and design infringement and passing off cases in shortest possible time and in most cost-efficient manner applying out-of-box strategies and thinking.

Malyashree Sridharan
Malyashree is an experienced professional with over 10 years’ experience in handling various kinds of legal matters, focusing on Intellectual property laws (majorly trademarks and copyright). She has hands on experience in handling both contentious and non-contentious matters and has worked very closely on portfolios of major fortune 500 clients. She has been an active member of the INTA since 2011 and is presently serving in the ‘Famous and well known marks’ committee for the present term. She is working as an Associate Partner in the Trademarks & Copyright department of the firm since 2021. Before joining LexOrbis, she was associated with other leading law firms based in Delhi.
b) Regarding the infringement of the IMPERIAL BLUE label & CASINOS PRIDE bottle, label or packaging, the court observed that the plaintiff does not possess any registration in respect of the colors used in its IMPERIAL BLUE mark, or in any individual part of the design, including the dome shape. The plaintiff has merely obtained registrations of the label in full and the labelled bottle, as individual device marks. The name of the product, which figures prominently on the label and is by itself sufficient to hold that the labels of the plaintiff and the defendant are clearly distinguishable from one another. Viewed purely as rival trademarks, the Court held that the defendants’ CASINOS PRIDE label does not infringe any of the plaintiff’s IMPERIAL BLUE marks.

c) Passing off: The court held that by the defendants’ CASINOS PRIDE label, the manner in which it is employed, the manner in which the product is sold, it does appear, that the defendant is seeking to create an association, in the mind of a customer of its product, with the plaintiff. The similarities are just too many, for instance the mark is used in white colors on a blue background, similar to the color combination in which the plaintiff packages and markets its IMPERIAL BLUE whisky. The defendant’s product also contains a golden dome shaped design, which is present on the plaintiff’s label as well. The shape of the defendant’s bottle is identical to that of the plaintiff. Though, viewed individually, these similarities may not suffice to justify a conclusion even prima facie of infringement, by the defendant’s CASINOS PRIDE marks, as used by it, infringes the plaintiff’s BLENDERS PRIDE or IMPERIAL BLUE marks, but the defendant has ingeniously combined features of the BLENDERS PRIDE and IMPERIAL BLUE marks of the plaintiff to create an overall label and packaging which is perilously similar to the plaintiff. The court thus held that in view of the apparent dishonest intent of the defendant, the similarities between the defendant’s and the plaintiff’s labels would have to be accorded precedence over the dissimilarities and the intent of the defendant, to pass off its CASINOS PRIDE ‘BLENDERS PRIDE’ or IMPERIAL BLUE’ labels, as individual device marks, or in any individual part of the mark as a whole. Further, the court held that the marks IMPERIAL BLUE and CASINOS PRIDE to be completely dissimilar, the plaintiff could seek registration for the combination of colors used in its IMPERIAL BLUE label, or for the shape of its bottle, but it has not done so, thus going against the anti-dissection rule, no infringement was made out. However, an injunction was granted in favor of the plaintiff, as the plaintiff had made out a case for passing off. The Court observed that though the rival marks are different, that when a product-by-product comparison of the rival products is done, the defendant’s product is highly similar to the Plaintiff’s product and thus it restrained the defendant from manufacturing, marketing, selling or exporting the IMFL manufactured by the plaintiff under the impugned CASINOS PRIDE mark.

Summary:
In this interesting judgment, the Hon’ble single Judge has delved into the concept of infringement and passing off vis-a-vis comparing rival marks alongside the rival products. The Court herein not only compared the rival marks but also compared the rival products as a whole to arrive at a decision. It made an observation that in an infringement action, it might not be possible to allege that one mark infringes two marks, or vice versa. but for passing off it is always open to a plaintiff to show that, by combining distinctive features of its different marks for its goods, the defendant is seeking to create an overall picture of the association between the rival products so as to create an impression of false association and persuade a person of average intelligence and imperfect recollection to believe that the defendants’ product emanates from that of the plaintiff. The Court also pointed out that the act of passing off may be by use of a single mark/combination of the plaintiff’s marks/copying of the plaintiff’s distinctive trade dress, or by any other means. The court held that no infringement was made out in the instant case, on comparing only the trademarks in dispute i.e., BLENDERS PRIDE vis-a-vis CASINOS PRIDE. It considered the term ‘PRIDE’ to be common to trade and going by the anti-dissection rule it said that the Plaintiff cannot claim monopoly over the term/word PRIDE per se, as they have statutory rights only over the mark as a whole. Further, the court held that the marks IMPERIAL BLUE and CASINOS PRIDE to be completely dissimilar, the plaintiff could seek registration for the combination of colors used in its IMPERIAL BLUE label, or for the shape of its bottle, but it has not done so, thus going against the anti-dissection rule, no infringement was made out. However, an injunction was granted in favor of the plaintiff, as the plaintiff had made out a case for passing off. The Court observed that though the rival marks are different, that when a product-by-product comparison of the rival products is done, the defendant’s product is highly similar to the Plaintiff’s product and thus it restrained the defendant from manufacturing, marketing, selling or exporting the IMFL manufactured by the plaintiff under the impugned CASINOS PRIDE mark.

Thus, in cases where there are significant similarities between two competing products, the brand owners must seek remedies under both infringement and passing off in case of failure of one allegation like in the present case, they can still obtain relief from the court.
Parallel imports vs Counterfeits: Mechanisms of preventing Intellectual Property Rights infringement in Azerbaijan

Shabnam Sadigova Huseynova and Nargis Tagiyeva of GRATA International, Azerbaijan, detail customs registration, unfair competition complaints, and civil protection as preventive measures against parallel imports and counterfeit goods.

Parallel import, which refers to the import of original trademarked products without the consent of the right holder, is a matter of great concern in the international trade. Parallel import is tightly associated with another global issue of counterfeit. The general notion of counterfeit shall be distinguished from the concept of parallel import. The definition of counterfeit goods is envisaged in the Law of the Republic of Azerbaijan on Trademarks and Geographical Indications dated June 12, 1998. #304-IQ (hereinafter “the Trademark Law”) as goods: ‘any legally equipped with trademarks, geographical indications or signs confusingly similar to them. The significant difference between parallelly imported goods and the counterfeit goods is that unlike the case of parallel import matters; hence it is not practically regulated of parallelly imported products are genuinely created by breaching the intellectual property rights (IPRs). The fact that the suspended goods are not pirated or counterfeit.

As observed in practice, an insurance contract is one of the most debatable aspects of the regulation of parallel import in the world and different countries apply various regimes. The applicant can submit one of the above-mentioned guarantees in order to cover the amount of the deposit. The advantage of the registration of the goods including the objects of IPRs is reviewed within a one month period after which the customs officials immediately notify the owner of the suspended goods.

In practice, the applicant’s obligation to provide guarantees to the Customs Committee is one of the most debatable aspects of the registration of the goods containing intellectual property rights to the State Customs Committee of the Republic of Azerbaijan (“Customs Committee”). Customs Committee is considered as an authority responsible for maintaining a register of goods containing IPRs in order to ensure the implementation of customs control. As a result, there is no unified approach to the parallel import in the world and different countries apply various regimes.

The applicant may be issued a refusal as well. As follows from the practice, the Customs Committee, upon receiving the application, shall be issued with a written acknowledgment of receipt. However, the registration of the goods containing the objects of IPRs is reviewed within a one month period after which the customs officials immediately notify the owner of the suspended goods.

In practice, the applicant is usually questioned whether the parallel imports are allowed under the legislation of Azerbaijan. Current legislation of the Republic of Azerbaijan does not regulate parallel import matters; hence it is not practically barred, which means that it is generally allowed in the country. Contrary to the parallel import, Azerbaijani legislation only stipulates the measures for combating the import of the counterfeit goods. One of such measures is customs registration.

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containing objects of IPRs shall be released. At this point the very fact of initiating legal proceedings and informing the Customs Committee is important. A disadvantage of the registration process: the applicant would be required to compensate damage inflicted on the owner or other persons affected as a result of suspension of the goods. Overall, it is recommended to register goods containing the objects of IPRs in the Customs Registry since registration serves as a direct basis for the customs authorities to temporarily suspend the import of counterfeit goods and inform the right holder about this fact. This measure will allow the right holder to track the cases of import of the counterfeit goods and to take the relevant action (file an application for preventing the import).

Unfair competition: Filing a complaint on unfair competition to the State Service for Antimonopoly and Consumer Market Control under the Ministry of Economy of the Republic of Azerbaijan (“Antimonopoly Service”) is considered as another method for preventing the circulation of the counterfeits. The forms of unfair competition are provided in Article 3 of the Law of the Republic of Azerbaijan on Unfair Competition dated June 2, 1995, #1049 (hereinafter “the Law on Unfair Competition”):

(i) copying of economic activity of competitor;
(ii) discrediting of economic activity of competitor;
(iii) interference with economic activity of competitor;
(iv) unfair entrepreneurship;
(v) unscrupulous business behavior;
(vi) delusion of consumers.

The commonly spread form of unfair competition is the delusion of consumers in relation to IPRs. The Antimonopoly Service, if recognizing the actions of the offender as unfair competition, can make a decision on imposing financial penalties envisaged in the Law on Unfair Competition. In our practice, financial penalties or even real risks thereof led offenders to refrain from repetition of the illegal actions.

Civil protection: Individuals producing counterfeits by means of supplying the goods with the trademarks without the authorization of a right-holder must stop such illegal action at the request of the right-holder and compensate the damage caused to the owner of the trademark. In the event the individuals do not stop such illegal production of the goods, the trademark owner has a right to file a claim about violation of their IPRs. When considering disputes in civil proceedings, court may decide to withdraw the following goods from the trade turnover and/or to destroy the goods without compensation:

(i) goods that are the subject of an offense i.e. counterfeits;
(ii) with the purpose of preventing offenses that may be committed in the future;
(iii) materials and equipment used directly in the manufacture of counterfeit goods.

Additionally, the right holder may also demand compensation in an amount from AZN 1000 to 5000 (approx. USD 689-3429) in court for the damage caused to them by a person who produces counterfeit goods.

In addition, monetary sanctions may apply to the individual held liable for manufacturing the counterfeits. Another subject of interest for right holders is the risks that may arise from the breach of the consumers’ rights by parallel imports and counterfeits. For instance, if during the warranty period prescribed in the contract or other regulations, the consumer discovers a defect or falsification in the purchased product they are entitled to demand the following from the seller or producer at their discretion:

(i) to replace the purchased goods with one of quality:
   - to decrease the sale price to an appropriate amount;
   - to eliminate defects of the purchased goods at the expenses of the seller or producer; or to demand the reimbursement of the costs made by the consumer or a third party in order to eliminate the defects;
(ii) to substitute the goods for another model (brand, type and etc.) corresponding to those goods, subject to recalculation of the value;
(iii) to terminate the contract and requested compensation for the harm caused.

Moreover, the seller or manufacturer shall compensate for the damage caused to the life, health, or property of an individual or the property of a legal entity as a result of defects or poor quality of the goods as well as incorrect or incomplete information about the goods regardless of their guilt or contractual relationship with the victim.

It is clear from the discussion above that there are no specific provisions or procedures under the Laws of Azerbaijan allowing the right-holder to prevent the parallel import or impact the parallel importers to stop such import. Contrary to the parallel imports, the Azerbaijani legislation provides the mechanisms of preventing the counterfeits. As it is seen from the analysis above, a trademark owner can file a claim to a court according to civil proceedings, benefit from the customs registration, seek protection against unfair competition by filing a complaint to the respective authority, etc. Azerbaijani legislation also establishes various sanctions in nature for those producing counterfeits. Those sanctions or even real risks thereof led offenders to refrain from repetition of the illegal actions.
The current practice of applying monetary sanctions to protect the exclusive right to a trademark

Sergey Zuykov, Managing Partner of Zuykov and partners, provides a case-based analysis for successful recovery of damages for trademark infringement.

Most trademark holders are interested in preventing violations of the exclusive right and collecting monetary amounts from persons who illegally use the means of individualization. Therefore, among all the methods of protecting exclusive rights, the most interesting from the point of view of practice are those that apply liability measures, according to general rule, in the presence of guilt.

According to subclasses 3 of clause 1 and clause 3 of Article 1352 and clause 4 of Article 1515, Civil Code of the Russian Federation, protection of exclusive rights to trademarks is carried out, in particular, by filing a claim for damages or paying compensation for violation of this right. Still, in practice, the first method is used much less often.

More strict rules explain this for proving the necessary set of circumstances with which the law connects the possibility of recovery. For example, in the case of N A60-54281/2017 the court, in denying the claim for damages for violation of exclusive trademark rights, stressed that to recover damages, you must prove together the fact of their occurrence, the wrongful use of the trademark, determined based on the nature of the violation. To justify the damages, the plaintiff referred to a license agreement with another person and exclusive trademark, according to which the remuneration for use is 300,000 rubles per month. According to the plaintiff’s calculations, if the defendant had entered into a license agreement with the plaintiff to use the disputed trademark for three years (the period of illegal use of the trademark), the plaintiff would have received a profit of 208.8 million rubles.

The court agreed with this method of calculating the damages; however, since the use of the trademark was proven only for one month, it decided to recover 300,000 rubles.

Examples of a successful recovery of damages include the following cases:

In case No. A07-10720/2017, the right holder of the trademark “DOBRIYA BURENKA,” claimed damages in the amount of 20 million rubles. The Court of the First Instance, rejecting the claim, pointed out the lack of similarity between the designations, but the higher courts partially satisfied the claim, recognizing the presence of the necessary degree of similarity.

To justify the damages, the plaintiff referred to a license agreement concluded with another person, exclusive trademark, according to which the remuneration for use is 300,000 rubles per month. According to the plaintiff’s calculations, if the defendant had entered into a license agreement with the plaintiff to use the disputed trademark for three years (the period of illegal use of the trademark), the plaintiff would have received a profit of 208.8 million rubles.

The court agreed with this method of calculating the damages; however, since the use of the trademark was proven only for one month, it decided to recover 300,000 rubles.

In the case of N A75-7224/2020, the right holder of a well-known trademark (above) N 135, citing losses caused to him, calculated their size (602,100) RUB) based on the price of the original products, current at the date of sale by the defendant of a counterfeit i.e., loss of income that the company would have received under normal conditions of civil turnover if her right had not been violated. Courts have concluded that claims be satisfied in full.

The defendant’s argument that the damages should be calculated based on the price of counterfeit goods was rejected since the plaintiff calculated the cost of damages from the price of the original product displaced from the market.

Similarly, in case No. A68-6492/2020, the court granted the same plaintiff’s claims in the amount of 500,000 rubles, i.e., in full, determining the amount based on the prices for original products that were valid at the date of sales of counterfeit goods, guided by the principle that one unit of counterfeit goods displaces one unit of original products from the market.

Clause 4 of Article 1515 of the Civil Code of the Russian Federation provides the copyright holder with three options for calculating the required amount of compensation for violation of an exclusive right.

1) In the amount of 10,000 to 5,000,000 rubles, determined at the discretion of the court based on the nature of the violation;

2) Twice the value of the goods on which the trademark is illegally placed;

3) Twice the value of the right to use the trademark, determined based on the price that, under comparable circumstances, is usually charged for the legitimate use of the trademark.

It is noteworthy that the court cannot change the form of payment chosen by the plaintiff’s expression (that the amount of compensation is to determine the amount of damages for violation of exclusive rights to a trademark, but the court of the first instance sought compensation in the same amount. The higher courts noted that the court was not entitled to consider and satisfy the claim for recovery of compensation since such a claim was not made by the plaintiff.

The “traditional” method of calculating compensation is to determine the amount of compensation to be paid. This method is used in most cases based on the nature of the violation in any fixed amount in the range of 10,000-5,000,000 rubles.

When applying this method of calculating compensation, it should be taken into account that to justify the amount if it is not minimal, it is necessary to submit to the court documents confirming the proportionality of the amount collected to the nature of the violation (paragraph 6a of the Resolution of the Plenum of the Supreme Court of the Russian Federation No. 12 of 23.04.2019). In practice, this is usually confirmed by the presence of circumstances such as the repetition of and/or duration of offenses.

Précis

Sergey Zuykov, Managing Partner Sergey Zuykov has been working in the field of IP for more than 20 years. He is a patent attorney of the Russian Federation and a Eurasian Patent attorney. Since 2004, he has been acting as Managing Partner of Zuykov and partners company which provides IP protection services all over the world. Sergey Zuykov is a member of the international associations: INTA, AIPPI, MARQUES, ECTA, and IPW. In 2018, he was appointed Vice President of the Union of Patent Attorneys and Specialists, whose members are more than 100 patent attorneys of the Russian Federation. In 2018, Sergey Zuykov was included in the WTR Top 100 rating as one of the leading specialists in law enforcement practice and legal proceedings according to the WTR magazine.

Author’s profile: https://zuykov.com/en/about/employees/sergey-zuykov

Guided by the principle that one unit of counterfeit goods displaces one unit of original products from the market.

Protection of exclusive rights to trademarks is carried out, in particular, by filing a claim for damages or paying compensation for violation of this right.

The most notable examples are cases in which the plaintiffs sought the maximum amount. For example, in case No. A41-13295/2020, the defendants sold clothing using a designation confusingly similar to the trademark (above). The plaintiff claimed compensation from the defendants in the amount of 5,000,000 rubles. In granting the claim, the court noted that it considers the nature of the violation committed, particularly that the violation is ongoing (lasted for several years) and took place on several sites and social networks. However, it is not always advisable to calculate compensation based on the nature of the violation. In some cases, it is more practical to use options
When choosing the calculation method, it is necessary to carefully analyze the scope and essence of trademark protection and correlate this information with future evidence.

For example, in case No. A45-6211/2018, the plaintiff—the right holder of a sign that applies only to the service of the 42nd class of the ICTU “sale of goods,” established the fact of illegal use of the sign as a store name and demanded payment of compensation, calculating the amount by doubling the cost of counterfeit goods. However, the calculation was made based on the cost of goods sold by the respondent and not services for the sale of goods of the 42nd class of the ICTU.

The court, rejecting the claim, explained that the plaintiff’s trademark was registered not about goods, but about services for the sale of goods, and without specifying specific goods in the name of services, while the sale of goods and the provision of services for the sale of goods are not identical and have a different object and orientation. In the present case, the defendant’s activity was not related to the provision of services to third parties; the defendant sold specific goods, which made it impossible to calculate the amount of compensation according to the plaintiff’s version.

Double the cost of the right of use a trademark is based on the price that, under comparable circumstances, is usually charged for its lawful use in the same way that the infringer used (paragraph 61 of the Resolution of the Plenum of the Supreme Court of the Russian Federation No. 10 of 25.04.2013). This is often confirmed by the plaintiff’s contracts with a third party on granting the right to use a trademark-license or commercial concession, but the courts also accept expert opinions and reports on the assessment of the value of the right to use the mark.

This method of calculating compensation is quite complex since, in some cases, it is problematic to allocate the share that corresponds to the circumstances of the case in the amount of remuneration for a specific contract submitted. Practice emphasizes that when determining the cost of the right to use the corresponding trademark, only the cost of the right to use the same method of use should be taken as the basis for calculating the amount of compensation, while submitting a license agreement to the court does not imply that compensation in all cases should be determined by the court in twice the price of the specified contract.

For example, in case No. A70-1339/2018, the plaintiff provided a non-exclusive license for all goods of the four classes of ICTU, the remuneration for which was 90,000 rubles, in support of the price that is usually charged for the lawful use of a trademark under comparable circumstances.

The court took into account that the factors that influenced the determination of the amount of remuneration under the license agreement differ from the circumstances of the use of the trademark by the defendant, and allocated part of the amount (4,500 rubles) from the specified amount, based on the fact that the defendant used the trademark only in one of the five ways specified in the license agreement, and only in relation to goods of only one of the 4 classes of MCTU.

Double the cost of counterfeit goods/rights of use.

When the size is calculated by double the cost of counterfeit goods, for justification, it is necessary to confirm the number of such goods and the price at which they are sold (offered for sale) to third parties (paragraph 61 of the Resolution of the Plenum of the Supreme Court of the Russian Federation No. 10 of 25.04.2013). Such evidence may include, for example, product catalogs that indicate the cost, the defendant’s customs declaration for goods imported into the Russian Federation, etc.

For example, in case No. A40-249772/2019, when satisfying the claim, the court was guided by information from the cargo customs declaration and an extract from the sales books. When choosing the calculation method, it is necessary to carefully analyze the scope and essence of trademark protection and correlate this information with future evidence.

For example, in case No. A45-6211/2018, the plaintiff—the right holder of a sign that applies only to the service of the 42nd class of the ICTU “sale of goods,” established the fact of illegal use of the sign as a store name and demanded payment of compensation, calculating the amount by doubling the cost of counterfeit goods. However, the calculation was made based on the cost of goods sold by the respondent and not services for the sale of goods of the 42nd class of the ICTU.

The court, rejecting the claim, explained that the plaintiff’s trademark was registered not about goods, but about services for the sale of goods, and without specifying specific goods in the name of services, while the sale of goods and the provision of services for the sale of goods are not identical and have a different object and orientation. In the present case, the defendant’s activity was not related to the provision of services to third parties; the defendant sold specific goods, which made it impossible to calculate the amount of compensation according to the plaintiff’s version.

Double the cost of the right of use a trademark is based on the price that, under comparable circumstances, is usually charged for its lawful use in the same way that the infringer used (paragraph 61 of the Resolution of the Plenum of the Supreme Court of the Russian Federation No. 10 of 25.04.2013). This is often confirmed by the plaintiff’s contracts with a third party on granting the right to use a trademark-license or commercial concession, but the courts also accept expert opinions and reports on the assessment of the value of the right to use the mark.

This method of calculating compensation is quite complex since, in some cases, it is problematic to allocate the share that corresponds to the circumstances of the case in the amount of remuneration for a specific contract submitted. Practice emphasizes that when determining the cost of the right to use the corresponding trademark, only the cost of the right to use the same method of use should be taken as the basis for calculating the amount of compensation, while submitting a license agreement to the court does not imply that compensation in all cases should be determined by the court in twice the price of the specified contract.

For example, in case No. A70-1339/2018, the plaintiff provided a non-exclusive license for all goods of the four classes of ICTU, the remuneration for which was 90,000 rubles, in support of the price that is usually charged for the lawful use of a trademark under comparable circumstances.

The court took into account that the factors that influenced the determination of the amount of remuneration under the license agreement differ from the circumstances of the use of the trademark by the defendant, and allocated part of the amount (4,500 rubles) from the specified amount, based on the fact that the defendant used the trademark only in one of the five ways specified in the license agreement, and only in relation to goods of only one of the 4 classes of MCTU.
CNIPA issued Standards for Judging General Trademark Violations on December 13, 2021. The Standards take effect on January 1, 2022. It is necessary for the trademark owners to pay attention and stay alert in the course of trademark use so as to avoid triggering investigations and sanctions.

Formulated on the basis of the PRC Trademark Law, the Implementing Regulations of the PRC Trademark Law, the practical experience, the problems and best practice in trademark law enforcement as well as opinions solicited from the public and the industry, the Standards are aimed at enhancing trademark administration, providing guidance for the trademark law enforcement authorities, unifying trademark enforcement standards and offering transparent and predictable rules on trademark use and administration.

Highlights of the Standards
The Standards consists of 35 Articles and specify the general trademark violations in nine categories as follows:

1) Failing to use registered trademarks as required in violation of Article 6 of the PRC Trademark Law (Note: According to the applicable laws and regulations in China, it is compulsory to use registered trademarks on tobacco, cigars, cigarettes including electronic cigarettes, pharmaceuticals for human use except for Chinese traditional medical herbs and prepared Chinese traditional medicine prepared in pieces as well as agricultural chemicals, namely herbicides and insecticides etc.).

Lo and behold! CNIPA has issued Standards for Judging General Trademark Violations

Aimin Huo, Trademark Attorney at CCPIT Patent and Trademark Law Office, reviews the new standards implemented as of January 1, 2022 for judging trademark violation in China.
Résumé

Aimin Huo, Trademark Attorney at CCPIT Patent and Trademark Law Office

Aimin graduated with a bachelor's degree from the Beijing Foreign Studies University and an LLM from the Benjamin N Cardozo School of Law, New York. He focuses on trademark prosecution and litigation, enforcement, anti-counterfeiting, border enforcement of IP rights and IP infringement investigation with expertise and hands-on experience in strategic IP protection planning and execution of anti-counterfeiting actions and trademark infringement litigation. He is a panellist with the China Domain Name Dispute Resolution Centre, a mediator for the Mediation Centre of the CCPIT and the China Chamber of International Commerce, and the Secretary General of the Licensing Executives Society China (LES China).

STANDARDS FOR JUDGING GENERAL TRADEMARK VIOLATIONS

The trademark law enforcement authorities may initiate investigations and impose penalties on parties involved in filing and registering trademarks in bad faith.

The geographical name of an administrative division at or above the county level or a foreign geographical name well-known to the public shall not be used as a trademark, unless the geographical name has another meaning or the geographical name is used as a component part of a collective mark or a certification mark, registered trademarks consisting of or containing geographical names shall continue to be valid.

According to Article 14 of the Standards, use of unregistered trademarks is incompatible with the Standards if the unregistered trademarks have multiple meanings with meaning described as that in Article 10 (1.6) to Article 10 (1.8).

Article 15 of the Standards provides that after the CNIPA decisions or judgments which have determined the registered trademarks as in violation of Article 10 of the PRC Trademark Law have become effective and the trademark registrant in violation of Article 49 (1) of the PRC Trademark Law; enforcement authorities may take ex officio actions against such trademark use and impose sanctions.

Usage of unregistered trademarks as registered trademarks

According to Article 22 of the Standards, using unregistered trademarks as registered trademarks in violation of Article 52 of the PRC Trademark Law means using the wording "Registered Trademark" with the unregistered trademark used in commerce such as on products, packaging, container, business venue, business documents or in advertisements, trade shows etc. or using the trademark registration sign, i.e., ®, or similar sign with the unregistered trademark, misleading public.

Article 23 of the Standards provides that any of the following acts constitutes using unregistered trademarks as registered trademarks.

(1) Using trademarks, which have not been filed to CNIPA for trademark application, with the indication "Registered Trademark" or the trademark registration sign, i.e., ®.
(2) Using trademarks, which have been filed to CNIPA for trademark application but rejected, with the indication “Registered Trademark” or the trademark registration sign; i.e., ®.
(3) Continuing to use the indication “Registered Trademark” or the trademark registration sign i.e., ® after the registered trademarks have been cancelled, invalidated or withdrawn in absence of renewal or approved for withdrawal.
(4) Using registered trademarks beyond the goods/services covered with the indication “Registered Trademark” or the trademark registration sign; i.e., ®.
(5) Using registered trademarks, which have been altered in respect of the distinctive elements, with the indication “Registered Trademark” or the trademark registration sign; i.e., ®.
(6) Using the indication “Registered Trademark” or the trademark registration sign, i.e., ® on goods imported into China whereas the trademark has not been registered in China and there is no disclaimer on such a fact.

Legal actions against parties involved in filing and registering trademarks in bad faith

Article 35 of the Standards provides that based on decisions rendered by CNIPA, holding that the trademarks in dispute violate Article 4, Article 10 (3) and (8), Article 13, Article 15, Article 32 of the PRC Trademark Law or “the trademark registration sign” of the trademark owners is in compliance with the applicable laws and regulations in China. When, unfortunately, trademark owners are subject to investigations initiated by the Chinese law enforcement authorities and the applicable laws and regulations in China in trademark use is in compliance with the Standards and the applicable laws and regulations in China in trademark use. It is advisable for the foreign trademark owners to check with local counsels in China immediately for timely response to the problems.

Summary

By using the term “general trademark violations”, CNIPA aims to distinguish such violations from the acts such as trademark counterfeiting and trademark infringement acts.

In China, the Administration for Market Regulation at the state, provincial, municipal and county levels and their branches are the task force responsible for administering and regulating trademark use. They may take ex officio actions against the trademark violations by initiate legal actions based on complaints filed by third parties.

For foreign trademark owners, it is necessary for them to bear in mind the Standards and the applicable laws and regulations in China in trademark use so as to avoid trademark violations and the concomitant sanctions.

In practice, it is likely that the trademark owners may run into problems resulting from using signs prohibited as trademarks, improperly using the indication “Registered Trademark” or the trademark registration sign; i.e., ® or using the registered trademarks not in the registered form and besides, the trademark owners may be challenged by hostile third parties for trademark violations.

It is advisable for the foreign trademark owners to check with local counsels in China prior to or in the course of using the trademarks online and offline and in promotion and advertisements in China to make sure that the trademark use is in compliance with the Standards and the applicable laws and regulations in China. When, unfortunately, trademark owners are subject to investigations initiated by the Chinese law enforcement authorities for trademark violations, it is suggested that they contact local counsels in China immediately for timely response to the Chinese law enforcement authorities and recommendations on the most preferable solutions to the problems.

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Why do some find it so attractive to copy a famous mark?

Colmenares & Asociados’ Trademarks General Manager Luis Gayoso

Frayssinet provides an overview of why copying a famous mark is attractive but, ultimately, a detrimental decision.

Achieving the notoriety of a trademark is not easy. Some companies invest millions, not only in marketing and advertising but also in creating a very good product or service behind the mark. The simple creation of an attractive mark demands market research of colors, forms, euphony, etc. Additionally, a trademark which is widely recognized in a country or in the world requires a maturation process of several years in most cases.

We, therefore, have a combination of investment, research, and maturation time to obtain a famous mark. However, this may not be the formula for a sure result. Most successful cases also required the right place, time and a little luck.

There are several ways to imitate a famous trademark, with just the combination of colors and shape or part of the letters in special characters, some pirates with a “clever” combination can manage to register marks which look very similar to the real ones that can cause confusion amongst the general public of the product origin. In some cases, these marks can trick the consumer mind and make them associate the copied mark with a good product.
The birth of Azami Global: tech-enabled global IP expertise

Jeremy Goldberg and Lauren Pick, co-CEOs, sit down with The Trademark Lawyer to discuss the formation of Azami Global, the vision for the company, and the benefits it is already offering to its members.

What is Azami’s Mission and Vision? The IP world is seriously fragmented. There is very little in the way of global standards for process and quality, very little visibility into expectations in each region and very little transparency around costs. This makes it incredibly challenging for IP owners and managers to forecast, plan and budget properly so as to maximize their IP assets. Last but not least, the IP industry has not experienced the same tech disruption that we’ve seen in almost every other industry. The vast majority of IP practitioners are still doing things more or less the same way they did them 20-30 years ago. We find it remarkable that for an industry that is completely focused on innovation, our own processes have seen so little of it! Our vision at Azami is to create a technology-enabled ecosystem that brings the market together, creates efficiencies, and creates industry standards for process and quality. Our mission is to empower our members to do more with the IP they manage by bringing them innovative IP technology, best in class services and access to information and resources from the largest IP services network in the world. We feel that because of our extensive global reach and our central role in the international IP network we’ve created, that we are very well positioned to fulfill our vision and mission and we’re very excited about how the merger has strengthened that position.

Can you tell us about Choice IP and The PCT Network? We’re very excited about the merger of Choice IP and The PCT Network. We’ve been working with Choice IP for more than a decade and have watched Choice IP grow exponentially. We’re very excited about how the merger has strengthened that position.

A short way method? We sure know that it is not correct from the ethical and moral points of view to launch a product or service trying to copy partially or totally a famous mark. It is not easy to achieve the well-known recognition of a trademark but it’s also not impossible, several factors are required: determination, perseverance, and effort. For many people it’s a dream to achieve but unfortunately, there is not a ‘short way’ to create a famous mark.

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established in 2015 with a model focused on establishing a global IP network. This gained a huge amount of traction over the years with firms and corporations throughout the world. In the last year or two, it became apparent that each company had unique value, technology and resources to offer and that each company could provide greater benefit to the corporations and law firms they partnered with if we joined forces. Fast forward to 2022 and that’s what we did. We created Azami Global which is now the largest network of its kind offering a significantly expanded suite of services, unprecedented global reach and in-depth, local knowledge supported by new and innovative tools. Our intention is to utilize this merger not only to increase the possibilities for our members but also to make significant investments in developing the technologies that will serve them.

What tech solutions will this merger offer for new and existing members?

For starters, all members will now have access to our amazingly sleek portal. In the last few months our engagement on the portal has skyrocketed as new and existing members have gotten access and have found out how much this simplifies their processes. We’ve also developed some helpful software extensions that make our resources even more readily accessible to our members. Likewise, we are in the process of developing our proprietary docketing software to enable seamless transitions from end to end and 360 degree visibility on all IP assets. We also have longer term plans to offer our own, unique, e-search software in the coming years. So there’s a great deal of development that’s already taken place and a lot of exciting new ventures in the works. Azami is laser-focused on bringing tech disruption to the IP world to improve quality, efficiency, costs and service.

Can you tell us about your proprietary Docketing System?

The real advantage that Azami has with respect to an IPMS is that it can be built from the ‘ground-up’ - namely, we are able to first identify the problems that our clients are facing, and those pain points that are not solved by traditional docketing solutions, and build with specific clients in mind. The fact that we can integrate services throughout the patent lifecycle into the tools that firms are already using gives a huge advantage to our clients who will benefit from a streamlined system

What are the expanded services that have emerged as a result of the merger?

We have always handled international patent filings and a few years ago we expanded into renewals. We have now broken down the entire IP life cycle beginning with drafting, through filing and prosecution and ending post grant with renewals services. We are adding significant capabilities across all of these stages. Some of these services have already been launched such as recordals and trademarks and some are still in development. We see ourselves creating end to end solutions, again, empowering and enabling IP practitioners to get that full visibility into the process. In truth, this also means taking on an educational and thought leadership role. There are still many companies who don’t have a well developed IP strategy and who don’t necessarily understand the value of international protection. For example, they may be aware of the need for patent or trademark protection locally but perhaps have not sufficiently considered the impact of globalization. We then need to dig that deeper into the threats of what happens without protection and the challenges inherent in getting the best protection quickly. The world is changing rapidly and so are the related rules and guidelines in each country. Azami’s members benefit from a network that constantly has a finger on the pulse of those changes.

How will this merger aid members with global protection?

Azami Law firm and corporate members tell us that their management of global trademarks and patents should be easier. Translations, local representation, and document timelines complicate the process. Cost, management, and administrative challenges are prevalent as well. Azami is answering the call for a simpler way, with an easy-to-use technology platform for centralizing end to end IP services. Transparent billing that breaks down fees, documents, and actions for clarity and visibility. As well as a global network of IP professionals that work efficiently and cost-effectively.

With growing concerns in the field around budget constraints, will Azami Global membership be an affordable option for those seeking IP protection?

Two very interesting and impactful trends are affecting our industry: the amazing growth in technology and innovation, and globalization. The growth in technology and innovation means that more and more companies find themselves basing their solutions on technology, or at least incorporating technology into their solutions. Globalization pushes those same companies to operate in global foreign markets, and while enjoying opportunities abroad, they also have to deal with the need to protect their intellectual property in those markets. The proof is out there as we’ve seen that patent, design and trademark filings have been growing steadily year after year and even in the face of a global pandemic. However, budgets and resources are a bit behind - and we’re hearing from most companies that were speaking to us, that their teams feel an increase in the demand to review and manage portfolios in a variety of countries, stretching their budgets and challenging their internal resources.

Having hundreds of firms in our network allows us to introduce substantial savings, firstly, by matching corporates with the right law firms with regards to budget, pricing expectations and secondly, (and more importantly) because we know what a fair price i.e., market value is, as we’re constantly monitoring the flow of cases in our network.

Additionally, the streamlined processes that we’ve put in place also translate into savings, and we make sure this is reflected in the pricing of our members. These streamlined processes are worth a lot for the network’s members, and make it possible for Azami to help member firms live up to high standards, both in quality and pricing, at the same time.

How will Azami Global offer global solutions while maintaining local knowledge support?

At the center of our service offerings is our technology processes, and of course, our extensive global network of IP professionals and IP law firms. Having a broad network brings with it a lot of value and a major one is local expertise. Our network has members in over 150 jurisdictions around the world – together we have unmatched local expertise. In addition, one of the great things about the merger has been the ability to consolidate the experience of Choic IP and The PCT Network into one large knowledge-base. Our internal team is very closely dialed into local taxes and regulations and up to date on changes that are taking place. The real challenge for Azami is not in dealing with the current status quo in which we have to maintain broad knowledge of local requirements. It will actually be to change the status quo and create a new reality in which local requirements are standardized. It’s already happening to some degree with the unitary patent in Europe and we’re hopeful that we can play a role in advancing change that makes it easier and more cost effective to bring innovation to the far reaches of the world.

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Azami is laser-focused on bringing tech disruption to the IP world to improve quality, efficiency, costs and service.
Women in IP Leadership

Celebrating achievements and continuing the empowerment of women

Sponsored by Fenix Legal KB

We give special thanks to Fenix Legal KB for their dedication and support in continuing the empowerment of women in IP by facilitating this opportunity.
This segment is dedicated to women working in the IP industry, providing a platform to share real accounts from rising women around the globe. In these interviews we will be discussing experiences, celebrating milestones and achievements, and putting forward ideas for advancing equality and diversity.

By providing a platform to share personal experiences we aim to continue the empowerment of women in the world of IP.

This segment is sponsored by Fenix Legal KB, who, like The Trademark Lawyer, are passionate to continue the empowerment of women. Fenix Legal KB sponsorship enables us to remove the boundaries and offer this opportunity to all women in the sector. We give special thanks to Fenix Legal KB for supporting this project and creating the opportunity for women to share their experiences, allowing us to learn from each other, to take inspiration, and for continuing the liberation of women in IP.

**“IP for IP = Intellectual property for an international planet.”**

Intellectual property development and protection is the necessary base for creating innovative solutions in our daily life. It is well-known during the history that innovative minds are equally presented independent of gender, nationality or age. As WIPO phrase it: “Human innovation and creativity are the engines of progress”. In this respect, we all need to educate politicians and legislators of the importance of a gender-equal working environment and legislation that gives all talents the equal possibilities to use their creative minds to solve problems and create new opportunities for today and for the next generation.

Maria Zamkova, CEO of Fenix Legal KB

If you would like the opportunity to share your experiences with Women in IP Leadership, would like to nominate an individual to be involved, or would like to learn more about sponsorship, please contact our Editor.


An interview: inspirations, experiences, and ideas for equality.

**“I discovered that if you decide to follow your dreams, you must be determined and ready for a number of obstacles.”**

Klaudia specializes in intellectual and industrial property law, copyright, advertisement law and regulations dealing with unfair competition practices. She provides expert-level legal assistance in courtroom litigations and in administrative disputes involving IP.

Klaudia has a vast expertise in courtroom litigations before the Polish courts and authorities and in international authorities. She represents Polish and international organizations in courtroom litigations, in the proceedings before the Polish Patent Office, WIPO, EU IPO, and before the administrative courts. She has consulted and represented global corporations in the food and industrial sectors.

If you would like the opportunity to share your experiences with Women in IP Leadership, would like to nominate an individual to be involved, or would like to learn more about sponsorship, please contact our Editor.
What inspired your career? I believe that inspiration to do anything starts at home. I grew up in a family where both parents were active at their work, liked what they did, and supported each other. They were very supportive of my brother and me. Gender and equality have never been an issue in my family. I was always told that I could be and do whatever I wanted, so there was no limit in projecting my future. I have always been surrounded by art and artists. A lot of my friends are photographers, musicians, or multi-art artists. I have been fascinated with theatre. I attended theatre classes in high school. I was a part of the theatre group during my studies, so my studies were a time of acting and theatre festivals. On the other hand, I am a down-to-earth person who likes stability. Intellectual property law allows joining the artistic soul and the law.

How have you found the pathway to your current position? And can you offer advice from your experience? In Poland, you have to do a separate traineeship to become an attorney at law and a traineeship to become a trademark and patent attorney. I decided to do both traineeships at the same firm. Traineeships take three and a half years for each specialty. I was focused on IP law, but I also practiced general law. That gives me the ability to analyze the case from a broad spectrum. Even if you are interested in just one field of law, it is good to know general law. It gives a wider range of analysis and allows to avoid pitfalls.

I started my work in Polish law firms, moved to an international law firm, and over 10 years ago, started my practice. I was the only trademark and patent attorney in the law firms I worked in. With talented colleagues, we worked on many interesting and complicated cases. Starting your own business is not easy. You have to organize everything on your own, deal without the marketing team’s support or copy room. You have to manage everything on your own. But if you have a plan, good organization skills, and know what you want to achieve, and you work hard, you will succeed. I discovered that if you decide to follow your dreams, you must be determined and ready for a number of obstacles. It is hard work with no shortcuts. Nevertheless, there will always be kind people who will support you and give you the strength to reach your aim.

What challenges have you faced? And how have you overcome them? The first challenge was connected with my appearance and friendly attitude even to the litigation opponents. The opponents did not treat me seriously. The moment they changed their mind was when they saw me in action in the courtroom or during negotiations. I learned to ignore their negligence. The challenge turns into an effective weapon. What matters is what I do and what I say, and the effectiveness in running the cases.

The other challenge, probably the greatest, is a work-life balance, especially being a mother and professional lawyer. Combining family and work is not easy, especially for IP lawyers who attend several conferences during the year. It means that I have to organize a home and school life and the work during my absence. It requires excellent organization skills and support from family and colleagues from work. But the most important was the change in my attitude. I had to modernize my approach and learn to delegate the tasks. I am still learning, but I found a good balance. I like my work, and I am happy with it.

What would you consider to be your greatest achievement in your career so far? I am happy in the place I am with my career, and this is a great achievement. I work in the IP field, the most interesting and creative part of the law. I have good clients who trust me with interesting cases. My clients and my peers appreciate my work which is reflected in recognition in rankings where I am placed among the most prominent law firms and notable colleagues. I am active in the IP community in Poland, where currently I run my second term as Disciplinary Proceedings Representative of the Polish Chamber of Patent Attorneys. I am involved in international IP associations where I am an active member of ECTA (Supervisory Board member, Chair of Law Committee, member of EUIPO-link Committee) and AIPI (Board Member of AIPI Poland and co-Chair of Design Committee). I met a lot of wonderful IP friends and colleagues. I achieved it without the support that big law firms give. I proved that it is possible to succeed and be active even when working in a solo firm. I want to continue and develop all of these achievements.

What are your future career aspirations? And how will you work to achieve them? I want to continue my work as an IP lawyer. I want to contribute to the IP community and spread IP knowledge. Currently, I give lectures on post-graduate studies and Polish patent attorney training. I publish a lot in the IP field. I plan to continue my educational work. I want to be involved in IP associations’ works. Additionally, I’d like to focus more on diversity and inclusion. It is important to talk on this subject and work on raising awareness. We supported the winner of the 2021 Grand Prize of the Polish Film Festival Golden Lions (most important Polish film award).
Elena Zuykova: Trademark Attorney & Senior Partner, Zuykov and partners

An interview: inspirations, experiences, and ideas for equality.

What challenges have you faced? And how have you overcome them?

Not everything was so easy and fast. I had to retrain, learn new laws. I passed a special attestation in the National Office and received the status of a Patent Attorney. But the most difficult part was building a new business on the ruins of the old world and more so, competing in this market with venerable professionals who found themselves surrounded by new professionals from the Chamber of Commerce and Industry of the Russian Federation. But that made it even more interesting and exciting. Together with my husband, we created a company that provided services in the field of intellectual property. We provided trademark registration services, as well as conducted legal affairs of our clients in the field of IP.

The first few years were very difficult. I was simultaneously a secretary, an accountant, an accounts manager, an expert, as well as a wife and a young mother. As the years passed, we gradually expanded from three people to 15, then to 20, then to 30, and now we are almost at 40 employees. As of now, we’ve existed under our current name Zuykov and Partners and were one of the leading specialists in a market with very few competitors, who were, however, quite strongly trained. We were forced to think about expanding the scope of our services.

What would you consider your greatest achievement in your career so far?

We are also expanding and strengthening our positions in the registration of trademarks. Our firm is a member of many international organizations, which gives us the opportunity to attend conferences, meet with colleagues from many countries around the world, allowing us to establish contacts with patent attorneys and conduct interesting joint projects. Informal contact with professionals in different fields is a pleasant part of our work.

And the icing on the cake is, of course, the New Eurasian System for the Legal Protection of Industrial Designs, which was launched on June 1, 2020. We know we had to offer the full advantage of this great opportunity to our clients. The Eurasian Registration System is meant to become a convenient mechanism able to cover several states with one submission for applicants interested in the post-Soviet Union market.

Today, the legal protection of industrial designs under the Eurasian Registration System is carried out in the territory of Russia, Kazakhstan, Azerbaijan, Kyrgyzstan, and Armenia.

More and more people wish to avoid the courts and rather achieve a peaceful and more gentle way of resolving disputes. I attribute this to the fact that women are more sensitive, empathetic, able to calm the parties, make decisions in a balanced and far-sighted way. We would like to develop this direction in our company by creating our own group of mediators who could provide services throughout Russia for out-of-court resolution of issues that arise between copyright holders without resorting to the courts.

What changes would you like to see in the IP industry regarding equality and diversity in the next five years?

Recently, the trend of the emergence of women in the field of intellectual property in the Russian Federation has made it very interesting for the development of another area in the field of IP, mediation. More and more people wish to avoid the courts and rather achieve a peaceful and more gentle way of resolving disputes. I attribute this to the fact that women are more sensitive, empathetic, able to calm the parties, make decisions in a balanced and far-sighted way. We would like to develop this direction in our company by creating our own group of mediators who could provide services throughout Russia for out-of-court resolution of issues that arise between copyright holders without resorting to the courts.

How do you think the empowerment of women can be continued and expanded in the future?

Women are beginning to take over as heads of patent firms in our country. This is a good sign that equitable intentions are in good hands. While men remain the ruling contenders for senior positions in the patent office of the Russian Federation, everything in this world is changing and I believe it’s only a matter of time before an equal opportunity exists for women: naturally defeats outdated mental prejudices!
Jurisdictional briefing: practical aspects of combating counterfeit goods in Poland

Małgorzata Kutaj, Attorney-at-law at Traple Konarski Podrecki and Partners, provides a brief overview of when protection can be obtained against counterfeit goods and why this is crucial.

Trade in counterfeit goods is a major global issue. It is important to increase public awareness that combating counterfeiting not only demonstrates protection of intellectual property rights; it is often a fight against organized criminal groups.

When can protection against counterfeit goods be obtained?
According to the definition in Polish law, counterfeit trademarks are identical marks used unlawfully, or marks that are indistinguishable, in normal trading conditions, from marks registered for protected goods. Infringement does not only occur when counterfeit marking is placed on products, but also when counterfeit markings are used on packaging, labels, or display signs placed next to goods. The principal, but not only, instrument for combating counterfeiting is instigating criminal proceedings. In practice, when an operation has been conducted, the police inform the right holder that seized goods may be counterfeit. Especially in the case of a foreign firm, these measures will proceed more efficiently if a representative is appointed in Poland to liaise with law enforcement authorities. It is important to be persistent in the measures taken, and react to seizure of goods regardless of the quantity, as well as work with the competent bodies efficiently.

What is gained by combating counterfeit goods?
The most important result of combating counterfeiting effectively is that infringing goods are eliminated from the market, especially as they are permeating legitimate sale outlets with increasing frequency, which we have seen in the cases handled at TKP. Nowadays, therefore, counterfeit goods are not only on the proverbial market stalls, but also in stores, on display stands in shopping centers, etc.

In addition to the sanction for an infringer provided for under Polish law, a victim may also seek redress for damage, or, if this cannot be quantified, seek a specific amount of pecuniary damages. We have observed in practice that some victims whom we do not represent do not exercise this right at all, or seek relatively low amounts. Meanwhile, in the cases handled at TKP, it is becoming increasingly common for amounts awarded following motions we have filed to be relatively high. These amounts not only partly compensate for damage to image, they also serve as a deterrent.
Jurisdictional briefing: Tinder takes a SWIPE at its competition in Spain

Alfonso Sabán and Álvaro Piacente of H&A examine the trademark battle between rivals Tinder and Bumble that has left one competitor wanting more!

Résumés
Alfonso Sabán is a partner at H&A (Herrero & Asociados), a Spanish IP leading firm with branches in Portugal and several Latin American countries. Mr. Sabán is a Spanish trademark attorney based at H&A’s HQ in Madrid. He has over 10 years of experience counseling foreign clients and helping them develop and exploit their trademark portfolios in Spain and the EU, including clearance prosecution, preparing demand letters, negotiating settlement agreements, as well as handling opposition, cancellation, and infringement actions before both Spanish and European Union administrative and judicial bodies.

Álvaro Piacente is a litigation associate at H&A. He is experienced in dealing with Spanish courts, including all judicial instances. Álvaro counsels domestic and international clients of many different industries, and specializes in commercial disputes and a wide range of IP matters and proceedings. His result driven approach proves to be both effective and efficient for clients needing comprehensive advice.

Ever used a dating app before? Ever thought about using one? If so, which dating app would you try first?

Regardless of whether someone has ever used a dating app, it is undeniable that most of us have become familiarized by now with, at least, a few of them. Some of us might have even attended a wedding born from a dating app relationship!

While these apps can be most diverse and focus on very specific consumer targets or interests, most of them belong to a very small number of companies.

Differentiating yourself in the world of dating apps is certainly not an easy task. Any small variation in features, interface, image, or dynamic can be totally game-changing and can mean the difference between prevailing and disappearing, especially in a market where most customers give much importance to where the highest number of users can be found. Marketing tools (hashtags, brands, logos, etc.) and software advantages make the difference.

In such a scenario, intellectual property conflicts unavoidably arise.

One of the most important battles that recently took place in Spain has been fought by Match Group (Tinder owner) and Bumble Holding (Bumble) over the signs SWIPE and SWIPE RIGHT. These terms are commercially, functionally, and socially used to define the movement users make with their fingers on their smartphone screens when they like someone else’s profile, hoping to engage in a conversation with them (at least to begin with).

Back in 2019, and probably as a strategic reaction towards Bumble’s entrance into the Spanish dating apps market, Match Group filed several trademark applications in Spain, two of them consisting of the terms SWIPE and SWIPE RIGHT for “dating services; online social networking services; dating agency services provided over the internet; internet dating services”, among others.

Despite Bumble’s oppositions against these applications, both were granted by the Spanish Trademark Office (OEPM). Bumble successfully appealed these decisions through, alleging that neither SWIPE nor SWIPE RIGHT had sufficient distinctiveness and should not be monopolized by a single stakeholder. Match Group did not surrender and decided to go to court.

The Madrid Superior Court of Justice (TSJ) gave judgment on November 8th and December 30th, 2021, upholding Match Group’s appeal, revoking OEPM’s resolutions, and granting SWIPE and SWIPE RIGHT trademarks.

Bumble, who had the burden of proof after alleging grounds of absolute prohibition, did not manage to file sufficiently solid proofs thereof, limiting them to press releases, website screen-shots, patent documents and other either non-relevant or non-proving documentation.

Furthermore, Match Group provided the Court with a comprehensive market research study which results clearly indicated that the vast majority of both average consumers and dating app users ignored the meaning of SWIPE and SWIPE RIGHT and did not relate these terms to any particular company either. This dismantled the State’s legal counsel’s opinion too, which had revolved around the lack of distinctiveness of the SWIPE and SWIPE RIGHT terms due to the average dating app user’s knowledge of them.

Regarding the terms’ generic/descriptive nature alleged by Bumble, the Madrid Superior Court referred to the Spanish Supreme Court’s (TS) consolidated case law regarding terms in English language, considering them by default as “distinctive and fanciful”, bearing in mind that “the average Spanish consumer’s knowledge of the English language is low”. This assertion, jurisprudentially and doctrinally well established, does not put Spaniards in a great position, despite being unfortunately hardly arguable (Spain ranks 3rd in Europe in terms of English language skills).

Another important point raised by the TSJ focuses on the idea that “even if the terms SWIPE and SWIPE RIGHT were knowledgeable by the average dating app consumer, they would not describe but a mere functionality on a touchscreen, and not a feature of the services offered.” This statement may be relevant in other situations where descriptiveness may be alleged, particularly in the world of app and social network trademarks.

While Match Group may have won this battle, it is likely that this conflict will reopen in a few years, once these trademarks (and others such as “IT’S A MATCH”, “PASSPORT”, “SWIPE LEFT”, “RENEW” or “SWIPE SESSIONS”) become subject to cancellation due to lack of use. Match Group would be wise if they start compiling their evidence of use now, bearing in mind OEPM’s very demanding and strict criteria regarding use examination. As Confucius would say, “plan ahead or find trouble on the doorstep of the Trademark Office”. Or something alike.

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NFTs, or non-fungible tokens, are one of the hottest trends in tech over the past year. NFTs use blockchain technology, such as the Ethereum blockchain, to record transfers of unique assets while providing proof of ownership. Non-fungibility means that an NFT is unique and cannot be replaced with an equivalent item, unlike bitcoin or currency that can be replaced with other bitcoin or currency. When an NFT is generated (or “minted”), a unique digital fingerprint is created and recorded to the blockchain, which acts as a public digital ledger to record transactions, such as a transfer of an NFT and/or a transfer of an underlying asset tied to the NFT. One example use case for NFTs is to transfer IP rights or ownership.

As NFTs are developed, acquired, and licensed by companies, the landscape of commercial transactions involving intellectual property will change. In the case of transfers, mergers, acquisitions, bankruptcies, or other transactions, an accurate assessment and allocation of intellectual property assets is crucial. NFTs will add a new and complicated layer to due diligence – in terms of both tracking and transferring.

It is important for the parties transacting NFTs to understand their rights, especially when conducting IP due diligence. Although NFTs claim to provide proof of ownership, such ownership is usually of the NFT itself and may not transfer to the underlying asset. It can be unclear what rights are being transferred when an NFT passes from one party to another, especially when IP rights are concerned. Consider, for example, a piece of digital artwork or a digital sports trading card. The creator of such an asset may wish to mint an NFT for the asset, and the NFT can then be sold. In such cases, the party acquiring the NFT acquires ownership of the NFT but may receive only a limited license to own and use the NFT without ownership rights in the underlying work. The party acquiring a digital trading card as an NFT may be licensed to possess and re-sell the digital trading card but may not be authorized to make copies of the digital trading card, as these rights may be retained by the original copyright owner.

When evaluating NFTs in the context of IP due diligence, it is important to determine the scope of the granted license that accompanies an NFT. The terms of the limited licenses conveyed with NFTs are set by the marketplaces on which the NFTs are listed for sale and/or by the creator. Each marketplace can include its own license terms and may differ from one marketplace to another. In some cases, however, the party minting the NFT may not be the original creator, and as such, may only have limited rights themselves. It is therefore important to understand what rights are being conveyed when an NFT is transferred.

Yet another aspect to consider when evaluating NFTs involves how NFTs are used to facilitate a more conventional asset transfer, such as a...
transfer of tangible or intellectual property. It is conceivable that a company and its assets may be sold as an NFT, similar to the recent sale of real estate. In February, a Florida home was auctioned off as an NFT and sold for US $653,000 of ether (ETH – the cryptocurrency on the Ethereum Network). The property rights of the house were minted as NFT. Ownership in the home was transferred from the seller to a limited liability company (LLC), which was then transferred to the winner of the auction. This approach claims to reduce transaction costs and speed up transactions. Where the transfer of an LLC involves more than just the physical property, but intellectual property as well, more questions are raised regarding how the transfers can be tracked and recorded. It is important to investigate the underlying transfer of trademark rights to the LLC to ensure that the transferring LLC has clear title, and that all rights in the trademarks are transferred, including the goodwill.

Even where there is a clear record of ownership of NFT assets, there may be questions about the property transfer of the same. For example, how the transfer of these assets will be tracked and handled by the United States Patent and Trademark Office (USPTO) or the U.S. Copyright Office, where the validity of a transfer hinges on satisfying certain criteria. In the case of a trademark, the assignment must be in writing and duly executed and must include the goodwill of the business in which the mark is used. Conceivably, a transfer may occur using NFTs in place of conventional paper assignments. How such transfers will be treated by governments and courts remains uncertain. For example, how will the USPTO, courts, or foreign jurisdictions treat a transfer absent conventional documentation – can an NFT transfer replace conventional paper assignments? These authors believe the answer is no, at least in the short term. But with this in mind, we wonder how will courts handle disputes involving the transfer of assets via NFT? Where there is a disagreement between a conventional transfer and a transfer on the blockchain, how will it be resolved? How can it be resolved? Even assuming a court rules on the side of an assignee of a conventional assignment, how will this be enforced where the recorded owner on the blockchain is unknown or outside the jurisdiction of the United States?

While NFTs remain an exciting, if not emerging, technology, their use poses challenges that should be considered when evaluating these assets, especially in the context of IP due diligence. It remains good practice to support any blockchain-based transactions with conventional paper documentation (e.g., assignments) to help avoid any uncertainty with how such digital transfers may be treated in the future.
ECTA 40TH Annual Conference: ‘Designing the Future’

Another extraordinary ECTA Conference is coming up soon, on 15-18 June 2022. You may expect great guests and speakers and a very engaging programme with informative sessions, lively discussions, exciting gatherings and Saturday excursions. New to this year’s format: first-time attendee reception, In-House counsel breakfast, Friday pass, online kick-off workshops, and tailored workshops for young professionals. Register by 21 April to get the Early Bird fee!

Résumé

Mladen Vukmir, ECTA First Vice-President, ECTA Programme Committee Chair, HR

Mladen is practicing IP law in Zagreb, Croatia, where he founded Vukmir & Associates law firm in 1993. Mladen obtained his law degree from the University of Zagreb and his Master’s degree in IP from Frankfurt Pierce Law. He specializes in IP, information and telecommunications law, licensing, commercial law, litigation, and ADR. Among other stints, Mladen worked for the California-based law firm Fenwick & West, the Italian law firm Pavia e Ansaldo, and the UNIDO. He also served as a consultant to the Ministry of Science and Technology of the Croatian Government, the World Bank, the European Commission CARDS program, and WIPO and served at the International Chamber of Commerce ICC Standing Committee for Expertise. Recently, he focused primarily on strategic advising of the expanding central European businesses and he is an active mentor on the local start-up scene.

B oasting a strong design tradition, Copenhagen is ideal for the theme of the ECTA 40th Conference ‘Designing the Future’. As creativity and great minds come together to solve and discuss the challenges of tomorrow.

After the success of last year’s reduced-sized hybrid Conference in Vienna, we are looking forward to bringing back this edition at its full-speed and usual format with intensive networking, learning opportunities, and some upgraded features! Let me give you a peek:

On Wednesday, 8 June, we will kickstart by offering two workshops exclusively online as part of the ‘Conference package’. Our attendees will learn more about the practical, ethical aspects, and professional responsibility of using AI tools in the IP arena. Also, besides the traditional legal tools, we will find out which communication tools contemporary counsels need to have in their quiver.

Wednesday, 15 June will be fully dedicated to ECTA Supervisory Board and Committee meetings. While Supervisory Board will discuss ECTA strategic aspects, Committee meetings will be an invaluable chance to network with peers, work on Committee projects and exchange on latest case law, legislative and policy developments. To get first-time attendees acquainted, we are planning a dedicated reception, to be continued with a welcome gathering with all other participants at Langelinie Pavillon.

Thursday, 16 June will be the first of two immersive educational and networking days with the most distinguished guests and speakers. We will look closely at developments and plans for the future of IP rights, data and other intangibles, fashion and design and how to prepare a lawyer for the interest-based solutions dispute management. Last but not least, a gourmet taste of the Danish cuisine at the Royal Playhouse.

We will continue on Friday, 17 June with a breakfast for In-House counsel and parallel sessions to double the morning’s educational offer. As we cannot design the future without looking at the past, we will learn more about the history of ECTA and IP profession in light of the practical issues for new generations, as well as about licensing, IP and start-ups. Designed especially for new practitioners, we will also offer a session on trademark evidence in appeal proceedings. Tips and tricks based on examples and experience.

On Friday, the venue is within walking distance, we will walk and talk as we head towards the Wallmans Circus Building for the Gala Dinner, where a very unique show is waiting for you.

Would you like to make your Conference trip even more pleasant? You can participate with your ECTA friends in one of the Saturday excursions offered to discover all must-sees in beautiful Copenhagen, such as the Little Mermaid, Amalienborg Palace, the Royal Danish Opera House, the colorful harbour district of Nyhavn, the Old Stock Exchange, the Christiansborg Palace, Rosenborg Castle and Tivoli Gardens. The more curious can also attend a day trip to Roskilde and learn more about the Viking story.

Get ready for another extraordinary ECTA Conference!

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EARLY BIRD REGISTRATION IS AVAILABLE UNTIL 21 APRIL (INCLUDED)!

Hurry up and secure your place! Given the success of last year’s hybrid format, we decided to offer again the opportunity to attend the Conference programme remotely via the Virtual Hub. Online attendees will be able to access online kick-off workshops on 8 June + Conference learning programme on 16 and 17 June. Committee meetings on 15 June are not included.

If you would like to attend part of the Conference only, you can opt for the Friday Pass, which includes access to online kick-off workshops on 8 June + Conference on 17 June, including Gala Dinner and show at Wallmans.

On Friday, as the venue is within walking distance, we will walk and talk as we head towards the Wallmans Circus Building for the Gala Dinner, where a very unique show is waiting for you.

After the announcement by ECTA President of the winners of the ECTA Award 2022, a competition for professionals and students, the last two sessions will be dedicated to the role of IP in the restaurant industry and to the usual EU case-law update.

The conference hotel of Scandic Copenhagen will offer a unique location to explore the city. On Wednesday and Thursday, a short bus ride will take participants to the Copenhagen seaside (Langelinie Pavillon and Royal Playhouse). On Friday, as the venue is within walking distance, we will walk and talk as we head towards the Wallmans Circus Building for the Gala Dinner, where a very unique show is waiting for you.
Haloo brings trademarks into the digital age

Find out how Haloo, a tech-based start-up, is transforming the trademark search and application process via digitalization and the use of leveraging AI to save time and resources with nigh-on fail-safe results.

EO Julie MacDonell and her team at the Toronto-based tech start-up Haloo are on a mission to bring trademarks into the digital age. Traditionally a pen and paper process overseen by legal firms and search houses, Haloo’s technology is designed search, file, and defend trademarks quickly and efficiently.

The team has just launched a subscription tool that allows agencies and enterprises to search potential new trademarks in under 60 seconds on their laptops or smartphones. Built in consultation with trademark regulation bodies CIPR, and the USPTO, the AI powered tool is designed to be hyper accurate, and is continuously updated to reflect changes to trademark law and practice. Catching all potential errors before they ever get filed.

“Enterprises like Nestle and branding agencies are always ideating new brand names, taglines and logos,” says MacDonell “but then, they bring their work to their in-house legal teams or a third party search house and discover the ideas they’ve poured their creative energy and hours into won’t register as trademarks. The creative process has to start all over again. It’s an exhausting, expensive, inefficient workflow, and it burns time, money, and human resources. We just wanted to make the process much, much easier.”

MacDonell, a senior-level IP lawyer who has over 15 years of experience practicing, including at a boutique firm of her own, was moved to create Haloo when she saw just how easy it was to make critical errors when filing trademark applications. “Humans make mistakes,” says MacDonell, “AI can be much more accurate.”

This, in conjunction with a big surge in IP infringement, has seen the guided application process via digitalization and the use of leveraging AI to save time and resources with nigh-on fail-safe results. Current government application processes require meticulously organized data sets, so meticulous, that one in five trademark applications are actually rejected due to human error. It also means that updates in evaluation processes can be made directly to the tool – “It’s much easier,” MacDonell says, “to update a tool than it is to update thousands of individual lawyers.” Haloo’s AI is the perfect solution to what can sometimes be a precise, even fussy process. It’s built so that anyone, even a member of the marketing team, can create Haloo when she saw just how easy it was to make critical errors when filing trademark applications. “Humans make mistakes,” says MacDonell, “AI can be much more accurate.”

Another differentiator, according to early adapters, is the collaboration-friendly platform, which means that marketing and legal teams – which in many organizations are disparate entities – can work together, and work together transparently and quickly.

The speed-to-market factor their clients face was also a consideration. Entrepreneurs and branding agencies work against incredibly tight deadlines, with employees often staying late into the night to develop and flesh out ideas. Traditional trademark searches, in MacDonell’s experience, can take the third party search houses or legal firms an incredibly long time; days, or even weeks. But with Haloo, a trademark search generally takes under a minute, and is then assigned a Pass, Pass with Risk, or Unlikely to Register score, which is accompanied by thorough legal analysis outlining all the potential conflicts. It will even search and suggest available domain names, Twitter, Facebook and Instagram handles.

“I’ve worked in advertising agencies for over a decade,” says Haloo’s marketing director, Aurora Stewar de Peña. “I wanted to come to Haloo, because this tool solves an intense pain point, one which I’ve experienced over and over. Personally, I’m very excited about this product. I’m excited for my former colleagues to give it a test drive. I think it will change the way agencies and marketing departments work for the better.”

Speedy, flawless trademark searches aren’t Haloo’s only offering. MacDonell also wants to take the pain out of writing trademark applications. The guided application writing tool was built by legal professionals and former government examiners, and is as close as fail-safe as is possible.

MacDonell, a senior-level IP lawyer who has over 15 years of experience practicing, including at a boutique firm of her own, was moved to create Haloo when she saw just how easy it was to make critical errors when filing trademark applications. “Humans make mistakes,” says MacDonell, “AI can be much more accurate.”
Safir Anand, Senior Partner and Head of Trademarks, Contractual and Commercial IP at Anand and Anand, provides a guide for understanding the pros and cons involved in splitting one’s brand.

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00-year-old German luxury company Hugo Boss is ushering in an entirely new era for BOSS and HUGO. It is delineating into two brands, Boss and Hugo, complete with new logos as part of its ambitious growth plan 2025 goal.

CEO Daniel Grieder, who took over the post in June 2021 after 23 years at Tommy Hilfiger, is in charge of this pivot. To express a contemporary style and reflect the HUGO BOSS brand’s streamlining and simplification, the redesigned logo features a more simple, stronger font.

While some may regard the shift in attention to a younger audience as a departure from their logo features a more simple, stronger font.

The new logo’s typeface lacks the distinguishing character of the old design, and it may be argued that employing such a generic font, devoid of any stylization or distinctiveness, cheapens the brand to some level. On the other hand, it can be debated that the split is a great move toward making the brand more accessible and younger to the current audience.

In other news, WPP’s Mindshare that was set up in 1997 splits ‘mind’ and ‘share’ as part of brand refresh. Mindshare has rebranded its corporate identity, which it believes will better represent its ‘accelerated good growth’ brand positioning.

This leaves us with one question: Is it really a good idea to split your brand name?

As a brand, you have to constantly reinvent yourself to stay relevant to customers and splitting of a brand lets consumers have different expectations of both brands. Rebranding is a costly and risky affair as there is no guarantee that purchasers would see the new brand in the same light as the old one. It is better to do it in a timely manner than later. We say this because the linkage could affect the customer behaviour or drastically alter their perceptions of your brand.

For example, when Burberry made the transition, it was not a drastic issue as the original brand identity remained intact. However, in the case of a transition such as Facebook to Meta, there is no guarantee that the customers would perceive the new brand in the same light as the old one. It becomes extremely critical for brands to undertake the cost of a brand awareness exercise.

Having said that many of the same practicalities apply to split-off rebrands as they do to any other rebrand, with a few exceptions. To begin with, there is frequently some initial ambiguity over the split’s specifics. For this reason, it becomes crucial that the brand owners are well acquainted with the pros and cons involved in this exercise, and we have accordingly provided a snapshot in this article.

Brand awareness

It becomes extremely critical for brands to undertake the cost of a brand awareness exercise. For instance, when Binaca rebranded to Cibaca, the alignment of the number of letters and the style of writing of the brand continued to remain the same during the transition. This allowed customer association, recall, and earlier goodwill to continue with the new brand.

Similarly, in the ‘BOSS’ ‘HUGO’ splitting, the brand has launched #BeYourOwnBOSS and #BeYourOwnHUGO and #BeYourOwnBoss campaigns to make their consumers comfortable with the transition. There is a thriftiness, business, and casual collection under the BOSS brand, wherein the majority of marketing budgets will be allocated to Instagram. Boxer Anthony, Joshua Future, and models Kendall Jenner and Hailey Bieber star in the #BeYourOwnBOSS ad for spring/summer 2022.

Boss also created a TikTok dance challenge called #BossMoves, with victims receiving an NFT jacket. TikTok will be the centre of marketing efforts for HUGO. ‘You go your own way’, the new slogan says, underlining Gen Z’s emphasis on individualism. South Sudanese model, Adult Akech, rapper Big Matthew, and American dancer Maddie Ziegler star in the #HowDoYouHUGO campaign.

Rights in the earlier brand

It is also possible for some customers to believe that the narrative and focus of the company itself has changed due to the rebranding and inclusion of new products/services. There might also be a perception that the owner may not enforce rights in the earlier brand assuming the interest has diminished.

It becomes critical for the brand to continue its enforcement activities in such a situation even for the earlier brand. A smart third party may be inclined to file non-use cancellation actions against the earlier brand if they believe that the owner’s interest in the earlier brand has waned and simply due to the sheer recall value of the brand.

Establishing distinctiveness

A brand owner must also be mindful of the fact that the brand when separated must be strong enough to create an identity of its own and not be diluted amongst the previous third parties in play. It would be interesting to see how exclusive rights over ‘Boss’ are established and action is taken against third parties perhaps already using the post-split brand name.

Resonate with your customers

When alongside the rebranding, new technology and product and service offerings are in play and the rebranding is done under a new avatar and a new energy like in the case of Facebook to Meta, informing the public of the purpose of rebranding is critical.

The new brand name and rebranding should resonate with your customers and must be seen as a replacement and not an alternative. The problem arises when the customer is exposed...
to the new brand and it leads to confusion. Therefore, the process and plan of rebranding must be able to manage the goodwill continuity and the changeover must be such that the continuity is maintained. It becomes imperative that the brand value is duly retained in the process of rebranding.

Internal communication
With strong internal communication, most of the misunderstanding surrounding a split-off rebrand can be avoided. Both brands must have a clear grasp of what is going on, how things are developing, and when various changes might be expected. To keep everyone on the same page, consider building a help desk with up-to-date FAQs.

Affected assets
Once you’ve determined the legal standards, you’ll need to map them to all of your organization’s affected branded assets. Signage, products and packaging, and digital collateral, are all examples of this. Then, in order to build a thorough plan, you’ll need to proactively identify any interdependencies associated to those assets.

Best way forward
When an existing brand is split, the owner needs to realise that they are moving from a zone of certainty to a zone of uncertainty, especially if the brand is global. The owner’s initial actions to address infringement and establish a reputation must not be compromised. In that sense, rebranding can also be a paradox as the brand has to reinvest in new actions and establishing reputation. Picking the right name even when splitting a brand is vital and requires due diligence i.e., trademark clearance searches, possible meanings, etc. It is always a good idea to research on all possible meanings of the trademark, you wish to adopt, including meaning in different languages used in geographical regions, to avoid any undesirable connotations or translations or societal sentiment. For instance, Nokia couldn’t enter the Spanish market with its Lumia series since Lumia meant “prostitute” in the Spanish language.

It’s also critical to recognize the timeline for implementing and disclosing the rebranding process. The owner must have a plan in place to manage the goodwill continuity and the changeover must be such that the continuity is maintained.

Post-split names must be adequately protected by way of registrations and to maintain confidentiality, trademark filings can be done in the name of an independent company, with the option to assign it in the future.

Lastly, to seamlessly explain the transitioning of brands to the world, brands can create strong marketing campaigns or advertisements addressing the transition and telling their story. For instance, Kentucky Fried Chicken changed their name to KFC; wherein KFC released a series of videos reacting to myths and rumours about its chickens and change.

Hence, one must clearly evaluate the reasons for splitting or re-branding to ascertain if it truly makes sense and resonates with the core of the brand. Consequently, it seems only prudent to have a comprehensive rebranding strategy along with the help of experienced brand strategists.

Please note: This article is for informational purposes only and should not be construed as legal advice. Specific legal advice should be obtained in every case. Anand and Anand, and its staff, affiliates etc. does not accept any responsibility and/or liability in case of any loss, however caused, based on any content in this article.
The Madrid Protocol: who is new? And what is next?

Francesco Bonini, Trademark and Design Attorney, provides an update on the Madrid Protocol with predictions of who may join next and what developments may be on the horizon.

The International Registration of trademarks (the Madrid Protocol, also known as ‘the Madrid System’) is becoming more and more popular in the trademark community worldwide. The recent notable accessions of Brazil, Pakistan, the United Arab Emirates, and Jamaica are expanding the geographical scope of the Madrid System: as it stands, around 123 countries are members and yet some geographic areas are still reluctant to join it. But why is this so?

The present situation
If we take a look at WIPO’s present geographic scope (map overleaf), the coverage of Madrid member States has still some blank spots, namely in Central America and some of the Caribbean Countries, in Latin America, in Africa, in the Arab Countries, and a few Asian Countries. So, the first question is: who is next?

The forthcoming accession will be that of Chile: its Parliament has approved the accession to the Madrid Protocol at the end of 2021. Its instruments of accession are likely to be filed soon with WIPO. Chile will join Brazil and Colombia as members of the Madrid System in Latin America, and they probably will drive more countries to the accession.

The second question is: what is going on behind the scenes?

Indeed, there are negotiations and also continuous work on the Madrid System, developing its legal framework of regulation.

Résumé
Francesco Bonini
Francesco has 20 years of experience in Italian and EU trademark and design prosecution. He has had successful cases in oppositions, appeals, and cancellations both before the EUIPO and the Italian PTO. Studio Bonini, established in 1980, has its head office in Vicenza, in the North-East of Italy. It has helped several companies of the Venetian area to protect their IP rights, dealing with IP prosecution.
the Madrid System. From Turkey to Pakistan, have already joined the risk being left behind or, better, outside the System. And Oman are already member States. Have joined the System in December 2021; Bahrain few remaining (Jordan, Lebanon, Kuwait, and Iraq) thus probably increasing the Latin American members in the short future. Even more notable is the presence of Saudi Arabia, Qatar, and Yemen these three Arab countries are showing their interest in joining the Madrid System. We should consider that the United Arab Emirates have joined the System in December 2021; Bahrain and Oman are already member States. Considering all these cited Arab countries, the few remaining (Jordan, Lebanon, Kuwait, and Iraq) risk being left behind or, better, outside the System. In addition, all the other Middle East countries, from Turkey to Pakistan, have already joined the Madrid System.

Other notable observers are the four African countries: South Africa, Ivory Coast, Djibouti, and Ethiopia. South Africa is long-awaited to join the System; Ivory Coast is part of the OAPI (which is already a Contracting Party), but it probably wishes to file its individual accession; Djibouti and Ethiopia have recently seen their economic relevance growing, due to their strategic position in East Africa at the entrance of the Red Sea and towards the Suez channel.

Possible changes in the legal framework
The third relevant question about the System is: what is next? One of the long-debated reforms of the legal framework of the Madrid System is the Dependency Clause. The latest session has widely agreed that the Dependency period of five years that links the International Registration to the possible cessation of effects of the basic application/registration should be revised. Most trademark holders view the Dependency as a disadvantage of the Madrid System; this has been confirmed by surveys, inquiries, seminars, and meetings with the users. The Working Group has drafted a document, considering the possible reduction of the Dependency period from five to three years. In addition, considerations have been made on the grounds that make the basic mark cease its effects and result in the cancellation of the International Registration. Not all the grounds could fairly lead to the automatic cancellation of the International Registration. For example, an ex officio decision or a court decision, ruling that the basic mark was obtained in bad faith, would justify the cancellation of the IR as well. On the other hand, the approved paper of the Working Group proposed to eliminate the automatic effect of Dependency (i.e., cancellation of the IR) apply in the following cases:

1) Abandonment/renunciation of the basic mark by the applicant in the home territory only.
2) Ex officio rejection of the basic mark, on absolute/relative grounds, applicable to the home territory only (e.g., descriptiveness).
3) A third party’s action against the basic mark only; without interest in targeting the IR.

The latest case would mean that the linked IR could be cancelled only upon request of the third attacking party and not automatically. This interested party would be required to file with the Office of origin a request to notify the decision of ceasing to WIPO as well as to file with WIPO a request for the cancellation of the IR. In this way, third parties’ interests in attacking the owner marks would be preserved, but also the owner’s interests would be preserved, given that the automatic effects of Dependency could be restricted to some relevant cases. This proposal was drafted in November 2021 as a working base for a definitive proposal of amending article 6 (the Dependency Rule) of the Madrid Protocol, to be voted by a Diplomatic Conference. Should one or more of these proposals be approved, the everyday practice of trademark attorneys could significantly change.

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European Union trademark legislation: an overview on restoration of rights

Júlia Alves Coutinho, Trademark and Patent Attorney at Inventa, explores the requirements for *restitutio in integrum* and the importance of a well-founded request.

In Intellectual Property systems there are many deadlines that applicants and owners have to comply with. So, missing a deadline is a mistake that should always be taken into account. However, there are exceptional occasions, that cannot be foreseen from experience and are therefore unpredictable and involuntary.

As is known, the failure to comply with a time limit, for which the possibility of requesting an extension does not exist or has already been requested, can lead to the loss of a right or the loss of the possibility of appeal. For these cases, the European Union trademark legislation, as well as the design legislation, provides the possibility to reinstate the rights, despite the possible refusal. That is, the trademark loss of the possibility of appeal. For these cases, the European Union trademark legislation, as well as the design legislation, provides the possibility of requesting an extension does not exist or has already been requested.

First requirement – all due care exercised

Over the years, court decisions were issued that were able to determine some examples of non-acceptance and not acceptable by the legislator about the fulfilment of the all due care requirement as explained below:

- Failure to deliver by the postal or delivery service: acceptable. However, it is up to the parties’ representative at least to find out in advance from the delivery company what the usual delivery times are.
- Relevant error by the Office: acceptable.
- Natural disasters and general strikes: acceptable.
- Errors in the management of files caused by the representative’s employees or by the computerised system itself: NOT acceptable.
- Exceptional workload and organisational strains to understand a new or actual applicable law: NOT acceptable.
- Erroneous calculation or time entry of the deadline: of course, NOT acceptable.
- Absence of a key member of the Accounts Department: of course, NOT acceptable.
- Delay by the owner in providing instructions: NOT acceptable.
- Financial problems at the proprietor’s delivery service: acceptable. However, it is up to the representative’s business, its closure and the loss of jobs: NOT acceptable.
- Legal errors by a professional representative: NOT acceptable.

Second requirement – failure to meet the time limit has to cause direct loss of rights or means of redress

This requirement is applicable to the late response to an examiner’s notification of provisional refusal if the application is not rectified by the time limit specified because, in this case, there is a direct relationship between failure to meet the time limit and possible refusal. That is, the trademark was refused due to the absence of response from the right holder.

Restituto in integrum is also available for the late submission of facts and arguments and late filing of observations on the other party’s statements in inter partes proceedings if and when the Office refuses to take them into account as being filed too late. The loss of rights in this case involves the exclusion of these submissions and observations from the facts and arguments on which the Office bases its decision. In principle, the Office will disregard any statements filed in inter partes proceedings after the deadline has passed.

Always remember that these cases will only be acceptable if the first requirement is met.

On the other hand, the restoration of rights is not applicable to the case where the legislation offers procedural options that parties to proceedings are free to use, such as requesting an oral hearing, requesting that the opponent prove genuine use of its earlier mark, or applying for an extension of the cooling-off period. The cooling-off period itself is not subject to restituto in integrum either because it is not a time limit within which a party must perform an action.

As previously seen, the restoration of rights is available in ex parte proceedings, inter partes proceedings and appeal proceedings, to any party in proceedings before the Office. However, the applicant for restituto in integrum is the sole party to the restituto in integrum proceedings, even where failure to meet the time limit occurred in inter partes proceedings.

Inapplicability of the restoration of rights

Contrary to the aforementioned, the Article 104(5) states specific exceptions regarding the inapplicability of this institute, which are:

- The time limits for restituto in integrum itself, namely:
  a) a time limit of two months for filing the application for restituto in integrum as from the removal of the cause of non-compliance;
  b) a time limit of two months from the date for completing the act that was omitted;
  c) a time limit of one year for filing the application for restituto in integrum as from the expiry of the missed time limit – that is, this benefit cannot be used in order to obtain the benefit itself – Article 104(5).
The 3-month time limit to file an
intention of opposition (form of EUPO’s
website) following the publication of a
European Union trademark application —
Article 40(1).

Failure to pay the intention of opposition
form until the time limit of the opposition
period — Article 40(2).

Request of continuation of proceedings
(-definition for or proprietor of an EU
trademark or any other party to
proceedings before the Office who has
omitted to observe a time limit vis-à-vis
the Office may, upon request, obtain the
continuation of proceedings, provided
that at the time the request is made the
omitted act has already been carried
out or failure to pay the request of
continuation of proceedings — Article
105(2). Consequently, restitution in
integrity is available for the time limits
mentioned in Article 105(2) to the extent
that they are not expressly excluded by
Article 105(6).

The two-month time limit to file an
appeal against the decision of the
Boards of Appeal before the General
Court — Article 276(2).

The 3-month time limit to file an
application for restoration of rights
(time limit expires).

Granting restitution in integrity has the
restitutio in integrum
legal effect
that the time limit that
was not met will be considered to have been
met; and that any loss of rights in the interim
will be deemed never to have occurred. If the Office
has taken a decision in the interim based on
failure to meet the time limit, that decision will
become void with the consequence that, once
restitution in integrity is granted, there is no
longer any need to lodge an appeal against
such a decision of the Office in order to have it
removed. Effectively, restitution in integrity will
re-establish all the rights of the party concerned.

A third party who, in the period between
the loss of rights and publication of the mention of
the re-establishment of rights, has, in good faith,
purchased goods on the market or supplied services
under a sign that is identical or similar to the
EUTM may bring third-party proceedings against
the decision re-establishing the rights of the
applicant, proprietor or holder of the EUTM or RCD.

This request is subject to a two-month time
limit, which starts:

• on the date of publication, where
publication has taken place;

• on the date on which the decision to
grant restitution in integrity took effect,
where publication has not taken place.

Decision and its effects

The decision on restoration of rights will be
taken, if possible, in the decision terminating the
proceedings. If, for specific reasons, the Office
makes an interim decision on the application for
restitution in integrity, it will generally not allow a
separate appeal. The applicant for restitution in
integrity can appeal the refusal of its request for
restoration of rights together with an appeal against
the decision terminating the proceedings.

The decision to grant restoration of rights
cannot be appealed.

The other party to inter partes proceedings
will be informed both that restitution in integrity
has been requested and about the outcome of
the proceedings. If restitution in integrity is
actually granted, the other party’s only means of
appeal is to initiate third-party proceedings.

The mention of the re-establishment of rights
will be published in the case of failure to meet the
time limit that gave rise to the application for
restitution in integrity has actually led to publication
of a change of status of the EUTM application or
registration, because only in such a case would
third parties be able to take advantage of the
absence of such rights. For example, the Office
will publish a mention that restitution in integrity
has been granted if it published a mention that
registration had expired due to failure to meet
the time limit for paying the renewal fee.

In the event of such a publication, a corresponding
entry will also be made in the Register.

The best thing to do is always pay
attention to meeting the
deadlines related to
intellectual property
rights.

The Office will conduct adversarial inter partes
proceedings, which means that it will hear both
parties before taking a decision.

As can be concluded, the restoration of rights
is a complex procedure, which involves
compliance with very specific deadlines and
a very well-founded basis, so that it can be
granted.

The best thing to do is always pay attention to
meeting the deadlines related to intellectual
property rights, specifically trademarks, through
all possible mechanisms and not having to
resort to this legal institute.

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The decision to grant
restoration of rights
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The TRADEMARK LAWYER
Trademark disclaimer in Brazil: how to deal with possible vulnerabilities applied to registrations?

Savana de Castro Castilho and Jessica Guimarães Almeida of Vaz e Dias Advogados provide advice for protection under the broadened statement for disclaimers under Resolution 166/2016 adopted by the Brazilian Trademark Office.

The Brazilian Trademark Office (BTO) has been committed to improving its activities and providing a better and swift service for trademark applicants. One of the most relevant improvements is that prosecuting a trademark at the agency is now completely online through a specific and safe digital platform. The timeframe for completion of a trademark procedure has substantially shortened and, the good news is that the process could easily have taken five years to obtain a registration—without any oppositions and administrative appeals— is now a process which allows trademarks to be duly registered within less than a year. The digitalization is not looked upon as the only mechanism to speed up prosecution.

Streamlining several procedures helped further expedite the grant of trademark rights, as this is the case of the replacement of the specific disclaimer statement in the registration certificates by a standardized broad disclaimer, as provided by Resolution 166 of 30 May 2016.

The standardized disclaimer applied to trademark registration has been creating insecurity in trademark owners, since they do not know if any term, especially when the trademark is comprised by more than two words, is regarded as generic or of common use by the agency. Therefore, a broad and laconic disclaimer statement may make the boundaries of registration that affect exclusivity vulnerable in the market. This article will address the legal insecurity caused by the broad disclaimer statements and the possible procedures that may be used to secure exclusivity under the IP Law or Federal Law 9.279 of 14 May, 1996.

How does a disclaimer under Resolution 166/2016 work? The Resolution 166/2016 determined that any and all trademark registration certificates issued from 23 February, 2016 are to state the following standardized disclaimer in order to clarify the scope of protection granted under a trademark registration:

“The protection granted by this trademark registration is limited by the provisions of article 124, items II, VI, VIII, XVIII, and XXI, of Law n. 9,279, of 14th May, 1996.”

The mentioned Article 124 of the IP Law enlists the signs that are not regarded in principle as registrable and therefore range from the lack of distinctiveness to the violation of prior trademark registration and personality rights. Thus, if a sign violates one of the 23 items of Article 124, it shall not comply with the registration requirements and therefore it shall not be allowed for registration.

Most specifically to the aforementioned items of Article 124, the Resolution 166/2016 highlights that all trademarks registered are limited by the provisions of the following items:

“Article 124 - The following are not registrable as trademarks:

II - an isolated letter, digit or date, except when sufficiently distinctive;

VI - signs of a generic, necessary, common, usual or simply descriptive character when related to the product or service to be distinguished, or those commonly used to designate a characteristic of the product or service with respect to its nature, nationality, weight, value, quality and moment of production or of giving a service, except when presented in a sufficiently distinctive manner;

VIII - colors and their names, except when arranged or combined in an unusual and distinctive manner.”

One of the most relevant improvements is that prosecuting a trademark at the agency is now completely online.

Savana is an attorney-at-law with experience since 2006 in trademark prosecution of the Brazilian National Institute of Industrial Property (INPI) and in the support of ceasing unfair competition. Due to her vast experience, she holds great knowledge on the elaboration of strategies to obtain the registration and block trademark applications of adverse parties as well as to provide adequate support for the protection of trademarks in other jurisdictions. In the unfair competition arena, her expertise relates to the examination and adoption of legal measures against disloyal practices and parasitism, especially but not limited to, those found in new commercial platforms used for trade, such as social media.

Jessica Guimarães Almeida, Trademarks Department Intern at Vaz e Dias Advogados

Jessica is an attorney-at-law. She works with Intellectual Property Rights with a focus on legal matters related to the protection of distinctive signs, which includes the administrative procedures for the prosecution of applications for trademark registration at the Brazilian National Institute of Industrial Property (INPI) and supports the elaboration of strategies to cease the violation of trademarks due to the unauthorized use by third parties.

Due to her vast experience, she holds solid knowledge in trademarks and geographical indications due to her participation in various academic courses, for example, Trademarks, Industrial Design and Geographical Indications course (World Intellectual Property Organization – WIPO and Geographical Indications course (Brazilian National Institute of Industrial Property – INPI).
BTO DISCLAIMERS UNDER RESOLUTION 166/2016

This broad and lacunary disclaimer prevents defining the exact terms that are not sufficiently distinctive to secure the exclusive rights and prevent others from using them in the market, as previously occurred with the BTO’s disclaiming procedure. Prior to Resolution 166/2016, the BTO identified precisely in the registration certificate the terms of the registered trademark that could coexist with others without causing any confusion or association due to the fact that they were generic, common or descriptive of the products and services. The purpose of this general disclaimer under Resolution 166/2016 is to (a) speed up the trademark examination process by eliminating the need for examiners to analyze whether trademarks contain common terms or elements and, if so, place appropriate disclaimers, and (b) trademarks contain common terms or elements the need for examiners to analyze whether trademarks contain common terms or elements.

The practical effect of the general disclaimer under Resolution 166/2016 is that it gives the idea that the BTO no longer analyzes in detail if the trademark is entirely distinctive, which will allow third parties to question, both in administrative and judicial proceedings, the strength of a registrant’s exclusivity over its trademark, as well as the validity of the registration per se. Moreover, the BTO has passed this task to the federal courts in case registrants understand that registration with the broad disclaimer is vulnerable and incapable of thoroughly exercising the granted exclusivity.

Better with or without the specific claim? Prior to the Resolution 166/2016, the BTO used to issue a disclaimer statement for each trademark registration comprising a term or terms, even images, that would be regarded as generic, of common use, necessary to the product/service, among others that led to a lack of distinctiveness or that were not to be considered of exclusive use by the owner.

This disclaimer was inserted into the registration certificate and on the registration page in the BTO’s website and was regarded as relevant, since it clearly indicated which part of the trademark would not secure exclusive rights or the specific word or term of a registered trademark that could not be used exclusively in the market for the identification of a product or service.

The goal was to prevent the use of terms on an exclusive basis by certain holders that could cause an anticompetitive and monopolistic effect. Thus, it was clear from the very beginning that the terms that could coexist with other trademarks in certain segments. In case the trademark owner did not agree with the disclaimer, they could file an administrative appeal to attempt to remove the disclaimer. It was also possible to present a nullity procedure against third parties’ trademarks to require the BTO to insert a disclaimer. Such administrative appeals and nullity are no longer available to tackle disclaimers as the applicants no longer have access to them.

Another legal problem envisaged by Resolution 166/2016 in relation to the previous BTO procedure is the fact the disclaimer reaches three types of certificates: (i) those issued when registration is granted; (ii) certificates for the renewing period and (iii) those duplicate. This created a vulnerability for those owners that obtained a registration certificate without any disclaimer and then a renewing one with a broad disclaimer. On the other side, those who had obtained the registration certificate with a specific disclaimer shall be kept with it, i.e., the BTO is not switching the specific disclaimer for the generic one.

How to tackle possible vulnerabilities from the broad disclaimer? There is a certainty that the broad disclaimer may be questioned in court by means of a nullity action due to the uncertainty caused on the exclusive use of the trademark secured by the registration. This measure may take place at the federal courts and may be proposed any time a titleholder understands that the broad disclaimer statement interferes with its property rights and restrict the enforceability against third parties.

Another possible court measure that may be proposed in specific situations is a declaratory suit to obtain an assertive exclusivity of the trademark registration, taking into account that article 20 and others of the Civil Procedural Code aim to attack a limitation of property rights and a declaration of a legal fact, which is the exclusive use of the expressions comprising the registrant’s trade mark.

Such suits involve the nulity of the BTO’s broad disclaimer, since judges of the federal courts will address the nature of the terms to determine if they are generic, descriptive, or merely suggestive.

Whether through its notoriety or secondary meaning, the exclusive use of otherwise common terms may be sought through court action. There is a certainty that the broad disclaimer may be questioned in court by means of a nullity action due to the uncertainty caused on the exclusive use of the trademark secured by the registration. This measure may take place at the
This expression and trademark have been used in association with the Swiss company product since 1899.

Does the trademark have the same phonetics as the name of the product or service?

Is the trademark comprised of a domain name expression?

Is the composite trademark comprised of expressions and pictures of common use to the products and services?

Is the trademark composed of an individual letter, isolated number and date?

Is the trademark composed of colors and names thereof, except when arranged or combined in an unusual and distinctive way?

Is the trademark composed of technical terms used in the industry, science and art, related to the product or service to be distinguished?

If the aforementioned questions are negative, there is a certainty on the inexistence of distinctiveness vulnerability under the new and broad disclaimer adopted by the BTO, although genericism, evocative, and descriptiveness may hold a certain degree of subjectivity.

Concluding comments

It is recommendable that trademark owners should take into consideration the effects of the broad statement adopted by the BTO and how it may affect the exclusivity and enforcement of the registered trademark. The agency no longer provides a clear understanding of the terms that affect the distinctiveness requirements, such as genericism and common expressions related to the identified products and services.

Court actions at the federal courts seem a viable solution to resolve uncertainties on the registrability of specific terms and expressions when administrative means do not help, especially for those companies with consistent use of their trademarks in the international market.

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BTO DISCLAIMERS UNDER RESOLUTION 166/2016

The judge annulled the BTO’s decision and gave affirmative and direct instructions to the BTO to exclude the following disclaimer ‘without the right to use exclusively the expression EXCELLENCE’ from registrations numbers 84021478 and 84021479. By issuing this decision, the internationally known trademark “LINDT EXCELLENCE” is considered a distinctive sign as a whole to identify chocolates. CHOCOLADE-FABRIKEN LINDT & SPRÜNGLI AG has the right to prevent further competitors from using the expression EXCELLENCE.

The notoriety of “LINDT EXCELLENCE” and its worldwide presence and registration helped the Court understand that the trademark should not be susceptible to any kind of dilution in its market segment. This expression and trademark have been used in association with the Swiss company product since 1899. Therefore, a disclaimer on the word EXCELLENCE would jeopardize the commercial exploitation of the chocolate “LINDT EXCELLENCE” in the Brazilian market, which is regarded as one of the most competitive ones in the relevant market of chocolates.

Although this court suit addressed the disclaimer statement under the old procedure (before Resolution 166/2016), it evidences how aware the federal courts are in relation to the nature of the disclaimers and their effects on the property rights secured by registration. It is possible to understand how crucial the effects and presence of the trademarks in the market are. Whether through its notoriety or secondary meaning, the exclusive use of otherwise common terms may be sought through court action.

An applicant may also adopt specific methods before going to courts that identify the lack of a trademark distinctiveness and exclusivity hindrances by posing the following questions grounded on the BTO’s Trademark Guidelines, as follows:

Is a trademark composed of expressions of common or fantasy use in a relevant market?

Is a trademark constituted by the agglutination and juxtaposition of terms of common use with elements of fantasy, where the term of common use is highlighted?

Is the trademark composed of elements of common use juxtaposed?

Is the trademark comprised of unregistrable expressions and terms, such as “& CIA.”, “& CO” or “COMPANY” or related terms that identify the type of company organization?

1   http://manualdemarcas.inpi.gov.br/
Agreements concerning industrial property rights are more and more frequently found on our desks. In recent years, we have noticed a popularization of ways of amicable dispute resolution in trademark conflicts.

Approximately 13,000 trademarks are filed each year in Poland and the number of active rights at the end of 2020 was 155,000. The number of applications accepted by the European Union Intellectual Property Office (abbreviated as EUIPO) is even higher and increases year by year. In 2020, it was 177,000 applications, and in 2021 it will already be 197,000. This gives more than 2 million trademarks listed by the EUIPO.

It will certainly not come as a surprise that the increasing number of applications leads to an increasing number of disputes. After all, the more applications there are, the easier it is to spot similar trademarks.

A Polish perspective on effective negotiations as an increasingly common means

Nina Jankowska, Trademark Attorney at Patpol, gives her opinion and provides tactical advice for negotiation as a form of dispute resolution in Poland.
NEGOTIATIONS FOR DISPUTE RESOLUTION

Résumé
Nina Jankowska, Polish and European Trademark and Design Attorney at Patpol
Nina specializes in trademarks and industrial designs. She represents clients before the Polish Patent Office, EUIPO and WIPO. She also coordinates foreign affairs outside Poland for her clients. She devotes a significant amount of work to trademark litigation. Nina follows current news from the IP world and authors numerous publications on Patpol’s IP blog. She also shares her knowledge with others by contributions to Polish online legal portals. Her article on trademarks and designs filed during the covid-19 pandemic was published by the Polish Business Law Institute. In her spare time, she is preparing to compete in her first triathlon.
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What the statistics say
The EUIPO receives an average of 6,000 oppositions to trademark applications per month, which amounts to approximately 18,000 oppositions per year. Statistics show that as many as 12,000 disputes are settled without a decision on the merits by the office, which means that up to 65% of disputes are settled by agreement between the parties. Over the previous years, the percentage of decisions issued has fluctuated, but starting from 2019, the percentage of cases terminated without a decision on the merits of the dispute is increasing again.

The Polish Patent Office declared that 650 oppositional trademarks were filed in 2020. This is 10% more than last year. Unfortunately, the Polish Office does not publish statistics on how disputes are resolved, but my conversations with colleagues indicate that between 40-65% of cases end with an agreement. In my cases, the estimate is even higher and amounts to 70% of cases.

On the basis of these estimates, it is possible to draw a conclusion about the increasing use of industrial property rights agreements and trademark coexistence agreements.

The Polish Patent Office supports the conclusion of agreements
The introduction to the allegedly advantageous. Fortunately, there is no obligation to use a registered trademark in every member state, and the principles formulated by the Court of Justice in Minimax (C-282/03, C-465/03, Minimax. EU:C:2005:303) have long been adopted as some of the basic guidelines for assessing the actual use of registered trademarks.

Although there are fewer hearings scheduled by the Polish Patent Office, due to their total elimination from opposition proceedings and the increasing popularity of this type of proceedings in relation to the devaluation of invalidation and cancellation due to non-use procedures, the Polish Patent Office encourages the parties to try to reach an amicable settlement not only in opposition proceedings, but also in invalidation disputes. During the hearings, the Adjudicating Board always encourages the parties to engage in negotiations. There are also no problems with the extension of the hearing dates due to ongoing discussions between the parties and the possibility of reaching an amicable settlement.

Benefits that will not be obtained in proceedings before the Office
If it is decided to try to cooperate and create a common position, the parties are free to shape the terms of the agreement. This is one of the two biggest advantages of such a solution in comparison with proceedings before intellectual property bodies. The second advantage is the certainty that we obtain a specific and predictable settlement, consistent with the expectations of the parties. After all, every experienced practitioner will agree with a statement that you can never be 100% sure what decision the authority will take.

Another value of settlement drafting is the opportunity to draft and clarify restrictions in the list of goods and services and to express the parties’ intentions in this regard. A frequently used tool is the ability to agree between the applicant and the opponent on a redaction of the goods and services in the list that is satisfactory to both parties. Exclusions can be made by adding the words “except for X”, “none of the above applies to X”, “excluding X” to the list of contested mark. The use of such wording, which will precisely delimit the scope of trademark protection, is possible only and exclusively in the course of negotiations between the parties. This is not the case in proceedings before the Office, where the Office only has the option to reject or allow the entire wording contained in the specification.

A settlement on the territorial scope of trademarks can also be a way to resolve a dispute. This works particularly well if one of the parties is the owner of an EU trademark. It is rare for a trademark owner to use a trademark in all EU countries, some of which are of no interest to the owner at all. Arguably, requiring use in every EU country would be difficult to comply with and often economically disadvantageous. Fortunately, there is no obligation to use a registered trademark in every member state, and the principles formulated by the Court of Justice in Minimax (C-282/03, C-465/03, Minimax. EU:C:2005:303) have long been adopted as some of the basic

“During the hearings, the Adjudicating Board always encourages the parties to engage in negotiations.”

Negotiation culture in Poland as seen by a trademark attorney
Patent and trademark attorneys, as representatives of public trust professions, have a special status in Poland and a particular obligation to provide ethical services. According to the adopted internal legal acts, these principles should be applied when conducting negotiations and drafting summonses for summoning the opposing party to perform various actions, such as a request for withdrawal of a filed trademark application. The way we want to convey our message in writing and the choice of vocabulary we use has a major impact on the outcome of the talks.

As an attorney, I often found myself in a situation where I was negotiating matters with a foreign trademark attorney with whom I had previously cooperated. However, the foreign attorney had previously commissioned me to file applications in Poland on behalf of other entities, and now we were acting on opposite sides. I must admit that this is a very valuable experience. In such a situation, we become more empathetic and we notice the needs of the other party to a greater extent. We also pay more attention to the language and form of communication. Relationships developed beforehand give us the assurance that both parties

“During the hearings, the Adjudicating Board always encourages the parties to engage in negotiations.”

Nina Jankowska
will act fairly, as they do not want to spoil their business relationship and destroy the trust that has been built up.

However, it is increasingly common for other legal professions to join the circle of trademark attorneys handling trademark disputes. Although we all have experience of settlements, those involving industrial property are quite specific.

I have incidentally come across cases where the applicant has not used any professional legal assistance. It can be said that when we negotiate with the opposing party, which is not represented by a professional lawyer, we act as a trademark attorney doubly, because we may not be obliged to explain the course of proceedings and procedural issues, but we often do it anyway to make the negotiations more effective and smooth. An important role played by the trademark attorney in the process of dispute resolution is not only to cool down the emotions that accompany the parties, but also to take care of the form and culture of negotiations.

Interpersonal relations of attorneys and negotiation talks

Many benefits, such as raising the standards and culture of work and increasing the level of mutual understanding between attorneys from different countries, have been brought about by organizations bringing together practitioners of intellectual property law. Through participation in international associations and events organized by them, we gain an incredible opportunity to exchange experiences and views.

Agreements usually contain provisions on the coexistence of trademarks and on mutual respect for each other’s rights. I think that the use of such clauses, which may sometimes sound too contrived, has a good influence on the behavior of right holders and also broadens their legal awareness.

In my view, as attorneys, we should encourage amicable resolution of cases.

Of course, this is not always feasible. It may happen that one of the parties is adamant in its demands and the only way left is for the office to settle the dispute.

How long do the negotiations last?

It is hard to estimate the timeframe of standard negotiations as there are many factors that affect it. And for that reason, the negotiations may last a few months but in complicated cases even a few years. Fortunately, there is an option of suspending the proceedings before the Patent Office, which gives the parties the required time to peacefully conclude the talks.

Different countries have different customs. In Poland, it is customary for each party to bear its own costs of the proceedings and negotiations, while in Germany, it is more common to reimburse the objector for the costs of legal services.

Legal understanding of the business approach

The final theme I would like to raise in the discussion of the conduct of negotiations is the question of the meeting between the aspirations of business and legal thought.

A person who has not had experience in business will find it more difficult to understand the mechanisms driving the entrepreneur’s desires. The complexity of the issues at hand and the existence of multiple levels of communication can be evidenced by the very fact that the attorney uses the language of law, and the client, when working with the target client and not the law firm, the language of business. As we know, these languages are not always consistent, so the attorney’s understanding of the market and the business point of view of his or her principal remains an invaluable asset.
Protection of three-dimensional marks in Russia

Alina Grechikhina, Trademark & Design Attorney at Gorodissky & Partners, reviews the criterion for protecting three-dimensional marks in Russia.

Modern trends in all aspects of life call on us to be unique, to unveil one’s individuality, to challenge ourselves, and to come up with breakthrough start-ups. Once a bright idea enlightens one’s way and a brand-new product is born, it is time to invent a catchy name and/or an eye-catching shape to highlight it in the line of its common predecessors. That’s where trademarks come in – designations or their combinations can be registered as trademarks. A trademark may be registered in any color or combination. The list of designations that can be registered as trademarks provided in the Civil Code is not exhaustive. Regulations for compilation, submission, and consideration of documents for state registration of trademarks (hereafter - “Regulations”) suggest an expanded list of signs that may be granted protection in Russia, including non-conventional marks such as sound marks, light marks, motion marks, holographic marks, tactile marks, positional marks, olfactory marks, gustatory marks, marks consisting exclusively of one or more colors. Considering the fact that obtaining protection for such types of designations is quite a challenging procedure, most manufacturers operate more traditional signs, among which three-dimensional designations stand out through.

What are three-dimensional marks? Regulations denote that three-dimensional marks represent three-dimensional objects, figures, and combinations of lines and figures in a spatial arrangement, which may, in fact, fall within three categories: the shape of the product or part of it, the shape of the packaging of the product, and the shape not related to the product. Three-dimensional marks undergo the same examination procedure as the other designations; the examination procedure in the Russian Federation is carried out both on absolute and relative grounds and one of the main issues at the time of examination of three-dimensional marks is to establish their inherent distinctiveness with respect to the claimed goods.

Naturally, three-dimensional marks that represent a shape unrelated to the product, a rule, possess distinctive character; for instance, a three-dimensional image of a turtle for light projectors. It seems quite clear that three-dimensional designations that represent the shape of the goods, which is determined solely or mainly by the property or purpose of the goods, or the shape of the packaging of the product that is customary to the specific item, cannot be registered as trademarks due to lacking distinctiveness; for example, a shape of a bottle for bottles. The Guidelines for the implementation of administrative procedures and actions for the state registration of trademarks (hereafter - “Guidelines”) indicate that, in order to determine distinctiveness of a three-dimensional designation representing the shape of the product, it is imperative to establish whether the shape itself is capable of distinguishing the applicant’s goods from similar goods of others; in other words, whether consumers may recognize and choose the applicant’s merchandise exclusively by its shape. Similar criterion is applied to define distinctiveness of a three-dimensional sign being the shape of the packaging of the product. Good examples of three-dimensional marks that meet the criterion of registrability are the shape of a rabbit for confectionery goods and the shape of a lady’s shoe for perfume. Interestingly, a designation that represents a common shape of the article or its packaging may still be registered as a three-dimensional mark with the shape being subject to a disclaimer provided that the designation contains other distinctive elements, such as words, graphics, or combinations thereof, that dominate over the standard shape of the article or its packaging.

What to, or not to, protect? The option to obtain protection for a three-dimensional mark subject to a disclaimer of the shape of the article is thought-provoking if the shape of an article is ordinary and utilitarian and is subject to a disclaimer. May such mark still be regarded as a three-dimensional one? While the shape is excluded from separate legal protection and the mark registered as a whole, does it mean that a mark actually becomes a positional one in its nature? A positional trademark is a trademark consisting of the specific way in which the mark is placed or affixed on the product. The outline of such a designation is made in broken lines indicating that the form of a product is not claimed as a feature of the mark but gives the idea of the placement of the mark on the goods. As such, a disclaimer of the shape of the article in a three-dimensional mark provides for the same; does it not? For example, if a designation representing a three-dimensional bottle of a common shape with a label attached thereto is registered as a trademark with the disclaimer of the shape of a bottle, shall it be treated as if the protection is actually granted to the label placed on a specific part of the bottle? Or else another question to raise is whether the use of the label on the bottle of another shape may be considered as proper use of the registered three-dimensional mark? In the Russian Federation, the marks are protected exactly the way they are registered; slight changes while using the mark are permissible as long as they do not affect the distinctive features of the mark. Generally, the addition or removal of non-protectable shape of a three-dimensional mark, the fact of whether its substitution to a non-protectable shape of another contour should be considered as an admissible change may be a matter of dispute. Another aspect of three-dimensional marks that is being discussed now in the professional IP community, and that is associated with the above speculation, is the definition of a form of a three-dimensional mark, particularly, if the shape of goods should be defined exclusively by the outline. In terms of establishing distinctiveness of a three-dimensional mark, the fact of whether it is perceived as a product merely as its contour seems to be narrow. Taking into account that modern technologies permit sophisticated processing of various materials, a form may be characterized not only by its outline but also by various decorative elements which make part of a form and cannot be separated, for instance, a unique color combination, a textured surface, engraving. Such artistic/decorative elements of a shape of a product can give even a customary form another level of perception, enabling consumers to identify the product of the manufacturer by its shape, thus, making the
three-dimensional mark distinctive enough to be used as a means of individualization. However, the question is whether in such a case an ordinary shape of a product should be deemed distinctive. Evidently, it is an elaborated ornament that ensures distinctiveness of a three-dimensional designation when having an ordinary shape. But as long as such an ornament is an integral part of a form, it seems rational not to claim it.

**Peculiarities of examination**

Furthermore, the issue as to whether each element of the form should be considered separately or as an overall representation should be evaluated when establishing distinctiveness of the designation is also arguable. On the one hand, if a shape of an article or packaging has outstanding elements that attract attention and visually dominate the mark, it might be worth assessing each element separately. On the other hand, the provisions of the Russian Civil Code foresee that a designation, which is composed of non-distinctive elements that in combination create a unique composition that has a completely different level of perception, when viewed as a whole, may be recognized as having a distinctive character. Under such circumstances, estimating the general impression of a three-dimensional mark seems to be appropriate. Another argument in favor of estimating the general impression created by a three-dimensional mark arises from the aforementioned fact that decorative elements may be fused with a customary shape. Thus making the form distinctive. An example of such a trademark is an international registration No. 1293145 for the three-dimensional G. MUMM bottle, while the shape of a bottle, if considered separately, is common and red line, if considered separately, lacks distinctiveness, the integrity of the traditional shape of the bottle and the red line being engraved on the shape makes the bottle design sufficiently distinctive to function as a trademark.

Of course, when considering distinctiveness of a three-dimensional designation it is advisable to analyze if producers typically use such a shape of a product or a package as a result of the fact that there is no alternative to such a shape from a technical point of view. In other words, whether the claimed shape may be deemed traditional and functional in respect of the applied goods and dictated by the need to achieve some technical result. To get an objective picture, it is recommendable to study the so-called analog range of shapes having a similar purpose to get to know common features of such shapes. If the range is deep enough, then even the minor differences from the customary features should be evaluated as being sufficient to contribute to the distinctiveness of the shape.

Though there are disputable issues in respect of the examination of three-dimensional marks and their scope of protection, such designations undoubtedly may gain popularity among the producers, especially within the segment of the beverage industry, being unique means individually identifying. It is generally considered that the word marks are easy to remember, which is true. However, three-dimensional marks have every chance to fill consumers’ hearts as certain designations look like a piece of art, and art does not need words.

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**Diversity, equity, and inclusion with Suzanne Wertheim. Chapter 6: tips for awareness and self-improvement**

In this six-part series Dr. Suzanne Wertheim, of Worthwhile Research & Consulting, talks to The Trademark Lawyer about diversity, equity, and inclusion: what it means; the current challenges; DEI in law; gender bias; and what we can all do to improve.

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We need safety checklists at work in the form of bias interrupters. There needs to be a bias interrupter for writing your job ad, for evaluating candidates, for allocating work, for promotions, for running meetings, and more.

Cornerstone on Demand. In this course, which is based on courses I developed for clients looking to diversify their hiring, I explain the importance of inclusive language and why you should care. I point out the real-world negative consequences that come if you don’t use inclusive language. I give the six principles of inclusive language and some high-impact substitutions. Finally, I go through some words and phrases you really should avoid at work, and some easy and more inclusive substitutes to use in their place. This course can be applied directly to recruiting and hiring and starts with the language of your job listings. Just reading a brief job ad can tell people from underrepresented groups if your organization is a place where they’re going to be safe and thrive.

For example, if you put too many requirements in your job posting, women will often not apply. Multiple studies have shown that women will apply for a role when they feel they are 100% qualified (and sometimes not even then), while men will apply when they’re about 60% qualified. So the longer your list of requirements, the lower the chance that you’ll get female applicants. Or if the job posting uses words like ‘rock star’ or ‘ninja’, that job codes as masculine and also suggests an aggressive environment. So again, you will lose a whole set of qualified applicants.

And even on this day, I see job ads where they will use masculine pronouns as if they are universal. So a job posting might say, ‘We’re looking for an engineering director. He’ll have to supervise around five guys.’” Guess who’s not going to apply for that job? People who don’t identify as male. Because they know that they aren’t even being conceptualized as someone who can and should fill that role.

When it comes to DEI statements and website materials, I recommend that companies be transparent about where they are when it comes to Diversity, Equity, and Inclusion. People are reading your entire website with a critical eye, and if they see a statement about how important diversity is and then the rest of the website is pretty much white men, especially at the top, you’ve lost their trust. Instead, it’s helpful to have something realistic on your website. It can say something like: DEI is a genuine priority for us, and although we’re not there yet where we want to be, we have a plan. We’re working on training; we’re working on action plans; we have goals, and we’re happy to talk about them with you. We’re actively looking for people from underrepresented groups, and we want to make this a place where you can thrive.

But it has to be true. If people are taking the time to apply, they are doing their due diligence and checking you out! I have seen some very highly sought-after people in tech, especially women of color, tweet openly about their job search process. They’ll say things like, “Well, the recruiter reached out to me about this firm and I’m looking at their website and I’m like, ‘absolutely not!’” And then, without naming the company, they list all the red flags visible on the website that let them know – this is absolutely not a place for me. A company may claim to want women of color, but then is clearly not setting them up for success. So, find out what the red flags are for the kinds of people who are currently underrepresented at your organization and work to fix them.

What three tips would you give to everyone to help encourage equity and inclusion?

1) Educate yourself. Don’t create safe spaces for people who are already burdened by bias to also educate you and not make you feel bad while you’re getting educated. This is incredibly common and makes life even harder for people who are the targets of bias. Take responsibility for your own education. There are lots and lots of books out there, not to mention videos, movies, and podcasts.

As you educate yourself, take responsibility for your own emotions. As you start to see the world more clearly, as you acquire the X-ray vision I talked about earlier, you might start to feel really bad. Because unfairness is rampant and miserable outcomes are everywhere. You might get in touch with the pain of the world and be like ‘This is so rough.’ It’s fine to feel sad as you feel the weight of the injustice around you. But, as you’re educating yourself, don’t lay that new-found pain on people you know who are targets of bias. Don’t call them and say, “Oh my God, I just learned about this, it’s so terrible!” The person you called might just be living their day and now you’ve dumped all this trauma and pain on them. Trauma and pain that affects their everyday life way more than it affects yours. So you’ve got to be responsible for both your own education and your own emotions.

2) Diversify your social media. This is such a light lift! It gives great results, and it’s so painless. It’s like dropping something on people. You can get so much information without really intruding on anyone. Look at the various social media platforms you’re using and think about identity categories. You can even make a list of the kinds of people who are missing and then go find them and add them to your feeds. This can also work on streaming content platforms with television shows and movies. Whose perspectives are you missing? Watch movies and shows made by those people. And it doesn’t have to be heavy and traumatic stuff – feel free to go for a sitcom if there is one.

Social media has been really useful for me as a source of data. I am often surprised by the perspectives that I see there – people point out things or have opinions that aren’t at all what I would have predicted. It’s a great reminder that my perspectives are inherently limited. I follow people who are activists in different communities, for example, people that write about a lot about disability. For some reason, disability is an identity category that I am less attuned to than others. So it’s genuinely helpful to me to go on Twitter and see people say something I hadn’t considered or had forgotten about. Not to mention, some people are just producing really fun stuff.

You can also spend a month doing a deep dive and reading fiction specifically about a group – and it should have been written by members of that group. For example, read novels where the main characters are all part of the South Asian diaspora. You can even cook recipes specifically from a certain culture and it makes it fun to learn more.

3) Create your own bias interrupters. This is more work than the first two, and you’ll want to be careful. For example, let’s think about pronouns. Say somebody, in your workplace comes out as non-binary or somebody gets hired and they’re non-binary. Wouldn’t it be great if you had already practiced? And you were already comfortable saying they and them to refer to someone? One way you can do this is by telling stories about a non-binary celebrity and having someone check up and make sure you’re consistently using they/them.

It doesn’t have to take lots of time to implement these tips. Let’s say you devote an hour a week to educating yourself and practicing something new. By the end of the year, you’ll have a lot more knowledge. Especially if you’ve been complementing your self-education with a more diverse social media feed, more diverse film and tv consumption, and more diverse books. Then you just keep on going with these new practices, because this is a lifelong journey. New categories and new language will emerge, and you will want to keep up to date so you can say and do the right thing.

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