

Trademarks

Contributing editor
Claus Eckhartt



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Trademarks 2017

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1 Ownership of marks

Who may apply?

Any juristic person, whether an entity or an individual, may file an application for registration of a mark.

An application may be filed on the grounds prescribed by the Trademark Act of 1946 (the Lanham Act), namely:

- use of a mark in commerce regulated by the US Congress, namely commerce between US states or territories or commerce between the United States and foreign jurisdictions;
- intent to use a mark in commerce, as defined above. This is a basis for receipt of a filing date, not a basis for registration;
- foreign trademark application ‘first filed’ in a Paris Convention country, within the six month priority filing period. The effective filing date is the date on which the underlying foreign application was filed in the foreign country, and this is a basis for receipt of a priority filing date, not a basis for publication or registration;
- foreign registration in a country of applicant’s origin. Such country must be a party to a treaty or agreement with the United States that provides for registration based on ownership of a foreign registration or must extend reciprocal registration rights to nationals of the United States; and
- request for extension of protection to the United States of International Registration (IR) under the Madrid Protocol.

The standards of application’s substantive examination are applied regardless of the filing basis.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Eligible for registered protection as well as common law protection are any word, phrase, name, tag line, as well as non-traditional marks, such as smell, sound, image, design or colour, used or intended to be used as a trademark or service mark, or as a certification mark.

The Trademark Act provides a list of marks ineligible for registered protection:

- immoral, deceptive or scandalous marks; marks that may disparage or falsely suggest a connection with persons, institutions, beliefs, or national symbols, or bring them into contempt or disrepute;
- those that consist of or comprise the flag, coat of arms or other insignia of the United States, US state or a foreign nation;
- those that consist of or comprise a name, portrait, or signature of a living individual except with written consent; and
- primarily geographically deceptively misdescriptive, functional or generic (ie, incapable of becoming distinctive), as applied to the listed goods and services.

Certain marks that may be prima facie ineligible, may still be registered subject to meeting requirements discussed in question 6.

3 Common law trademarks

Can trademark rights be established without registration?

The United States belong to the ‘common law’ system that recognises trademark rights based on mark’s use and not mere registration. A registration affords a significant edge to its owner, both for defensive and enforcement purposes, yet a party first to use the mark may claim exclusive rights to it, at least in the geographic area of its first use. Establishing such common law rights may be a more time and cost-intensive exercise as opposed to statutory presumption of exclusive rights conferred by a registration. It is, thus, equally important to be the first to commence the mark’s use in commerce as well as to apply for the mark and, if possible, register it.

4 Registration time frame and cost

How long does it typically take, and how much does it typically cost, to obtain a trademark registration? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration? What additional documentation is needed to file a trademark application.

The process of trademark filing, examination and registration with the US Patent and Trademark Office (USPTO) has become more time- and cost-efficient over recent years.

All applications can be filed electronically online, and the application’s particulars are issued immediately upon filing. It is still possible to file paper-based applications, but for costs and convenience purposes it is recommended to use the e-filing. Applications are reviewed by the USPTO within three to five months of the filing, sometimes sooner.

If no substantive objections issue or only technical questions arise, such as wording of the listed goods and services, which in many instances may be overcome fairly fast, then the application proceeds to publication and, absent an opposition, to registration if the mark is based either on use in the US or on a foreign registration, or is a Madrid Protocol IR extension. The entire process in such a scenario, from filing to registration, may take nine to 12 months.

In case of USPTO’s substantive objections to the mark or a need to file the Statement of Use for an intent-to-use application, the registration process may on the average take up to two years or longer. A third party opposition may delay it further.

A cost of filing an application and prosecuting it to registration, provided there are no major hurdles to it, can be below \$2,000. Additional costs would be incurred for multiple classes (under International Classification of Goods and Services) encompassed by application.

Also, in advance of filing, the mark’s owner may consider conducting a US trademark search in order to establish, subject to search limitations, mark’s availability for use and registration. Costs related to such search may vary depending on its scope and time frame.

Yet, in case of more than minor technical issues or repeated USPTO objections, or both, or if the application is based on the intent to use and Statement of Use or extension of time are needed, the costs may get higher and be in the \$2,000–\$4,000 range and up. A third-party opposition, which is effectively an inter-partes litigation, involves significant further costs and time.

An application must include the full name and address of the applicant, its form and country of incorporation, the mark or its form or drawing if design elements are included, the concise list of goods or services to be encompassed by the mark. An official filing fee payment must accompany the application. The fee for e-filing, payable online, is reduced vis-à-vis paper-based filing, and additional fee savings are available, depending on the application meeting certain filing requirements.

No documentation, for example, a power of attorney or certificate of good standing, is required in support of application filing.

5 Classification system

What classification system is followed, and how does this system differ from the International Classification System as to the goods and services that can be claimed? Are multi-class applications available and what are the estimated cost savings?

For the purpose of classification of goods and services, the United States follows the Nice Classification, established by the Nice Agreement (1957). The USPTO is guided by the Acceptable Identification of Goods and Services Manual which reflects the tenth edition of the Nice Agreement (2016 version), but mandates a stricter policy on the language of goods and services. One of the more common types of objections issued by the USPTO during a mark's examination is a request to identify in more specificity the encompassed goods and services.

Multi-class applications are available and, if the applicant retains a counsel and does not act *pro se*, may bestow a cost saving on the owner, primarily in attorney fees since the USPTO charges identical fee for each class of application, whether filed as a single- or multi-class one. Equally, prosecution of a single multi-class application is often more cost-saving in attorney fees than that of separate single-class applications.

Incorrectly classified goods and services may be reclassified during examination and additional classes may be added as long as the list of goods and services originally filed for is not expanded. However, Madrid Protocol IR extensions are ineligible for inter-class revisions or new class additions.

6 Examination procedure

What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? May applicants respond to rejections by the trademark office?

Besides review of applications for technical and procedural compliance with statutory requirements, such as applicant's information, payment of prescribed fees, application bases and material in support, as well as specification of goods and services, the USPTO conducts examination of marks on both absolute and relative grounds.

The principal bases for rejection on absolute grounds, besides those listed in question 2, are that the mark is allegedly:

- merely descriptive;
- misdescriptive;
- primarily geographically descriptive; or
- merely a surname;

Further, the USPTO reviews applications on relative grounds in order to ascertain that there is no likelihood of confusion between the applied mark and third party prior pending applications or registrations for identical or confusingly similar marks encompassing the range of same or related goods and services.

Once an examination report, also known as an Office Action, issues, the applicant must review and respond thereto in an attempt to meet all requirements or overcome objections. If not all issues are dealt with or certain objections remain, the USPTO may issue further Office Actions, including, eventually, a final Office Action. The applicant has six months to address issues raised in each Office Action, regardless of their nature and complexity. No extensions of time are available and failure to respond in a timely manner to an Office Action would lead to abandonment of application.

The USPTO maintains a Principal and a Supplemental Register. Marks that were rejected for registration on the Principal Register on certain absolute grounds, such as those listed above, and provided the

applicant did not overcome such objections, may be eligible for registration on the Supplemental Register. Though not as comprehensive as registration on the Principal Register, the Supplemental Register affords significant advantages to a mark's owner.

Applications barred from registration on the Principal Register and based on use in the US or on foreign registration in the country of an applicant's origin may be eligible for the Supplemental Register protection. Madrid Protocol IR extensions, however, are ineligible for registration on the Supplemental Register.

7 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before registration is granted or issued? Does proof of use have to be submitted? Are foreign registrations granted any rights of priority? If registration is granted without use, is there a time by which use must begin either to maintain the registration or to defeat a third-party challenge on grounds of non-use?

An applicant may base its US application, both for application and registration purposes, on its foreign country of origin registration and forego the use in the US requirement in order to register the mark. Also, if the US application is filed within six months after the 'first filed' foreign application, it may assert the benefits of Paris Convention priority from the latter, though the priority claim alone does not constitute basis for mark's registration with the USPTO. Only foreign registration does. In support of the latter, either at the time of application filing or subsequently (eg, when requested by the USPTO at the time of examination), applicant must submit a simple copy of the foreign Certificate of Registration along with the English language translation (if not originally in English) and translator's verification. There is no need to submit a copy of the priority application in support of the Paris Convention priority claim.

An applicant for an IR extension of protection under the Madrid Protocol may equally forego the use in the US requirement, registering the mark in the US through the IR mechanism.

The owner of a mark filed on the foreign registration or IR basis must still maintain a good faith intent to use the mark in the US in commerce and must attest to such intent in the application by signing a declaration in the USPTO e-filing form or the WIPO IR form designating the United States for extension of protection.

An applicant may also file an application either on use or intent-to-use the mark in the US basis, but will be then able to register the mark with the USPTO only after establishing use in the US in commerce on or in connection with the listed goods and services.

For a use-based application, the applicant must meet the use requirements, including statement of the mark's dates of first use anywhere in the world and use in the US commerce, supported by specimens (proofs) of such use, at least one per class covered by application. The USPTO may request additional specimens.

For an intent-to-use application, there is no need to establish use at the time of filing, but the mark filed on this basis, once it clears the examination process and publication, will not proceed to registration but to allowance. At such stage, and once mark's use commences on listed goods and services, the applicant must file a statement of use, utilising the six months period after the date of allowance, extendable by additional consecutive six months periods, for a total not exceeding 36 months from the allowance date.

A registered mark that has not been in use in the US on or in connection with the listed goods and services for three or more years from the registration date may become vulnerable to non-use expungement upon petition by an interested party to the USPTO Trademark Trial and Appeal Board (TTAB) a body within the USPTO in charge of hearing and deciding certain types of trademark matters, including oppositions, cancellation actions, as well as appeals on rejection of applications.

8 Appealing a denied application

Is there an appeal process if the application is denied?

If an Office Action issues during a mark's examination and the applicant does not overcome it, the USPTO may issue, after the first or subsequent Office Action that remains unresolved, a final Office Action, restating any requirements or refusals that remain outstanding.

As with a non-final Office Action, the applicant has six months to respond and may submit a response (called 'request for reconsideration'). However, the applicant must either comply with all requirements or present arguments resolving the refusals, barring which the application will be finally rejected. To safeguard its rights in the application in case the applicant is unable to overcome all the issues raised in the final Office Action, the applicant may, along with the request for reconsideration, file a notice of appeal with the TTAB.

Once an appeal is filed, it is stayed by the TTAB until the request for reconsideration is decided upon. If all issues are resolved in the latter, the application proceeds to acceptance and publication. If objections to an application are maintained, then the appeal proceeding resumes and is reviewed by the TTAB, based on briefs submitted to the TTAB by the applicant, who may also request an oral hearing, and the USPTO examining attorney.

An applicant dissatisfied with the TTAB decision may appeal it to the United States Court of Appeals for the Federal Circuit. An alternative appeal approach is by a civil action filed in a United States district court.

9 Third-party opposition

Are applications published for opposition? May a third party oppose an application prior to registration, or seek cancellation of a trademark or service mark after registration? What are the primary bases of such challenges, and what are the procedures? May a brand owner oppose a bad-faith application for its mark in a jurisdiction in which it does not have protection? What is the typical range of costs associated with a third-party opposition or cancellation proceeding?

Trademark applications on the Principal Register are published, upon acceptance, in the USPTO Official Gazette. An interested third party then has 30 days to commence an opposition thereto with the TTAB. Applications on the Supplemental Register are not published for oppositions and proceed to registration after being accepted. A prospective opposer may seek one or more extensions of time to file the notice of opposition – up to 90 days without applicant's consent and for up to additional 60 days only with such consent, the total extensions period not to exceed 150 days.

If the interested third party (plaintiff) does not file a notice of opposition within the 30-day publication period or, if sought, the 150-day extension period, or if the objected mark is on the Supplemental Register and may not be opposed, the plaintiff may institute a cancellation action, which is a proceeding separate from the non-use cancellation action available only after a mark's alleged non-use for three years after the registration.

The possible bases for opposition and invalidation are:

- likelihood of confusion with the interested third party's mark;
- dilution of the third party's prior mark;
- lack of applicant's bona fide intent to use the mark in the US in commerce;
- mark's ineligibility for registration that was not entertained by the USPTO during examination, such as mere descriptiveness, immorality, genericness, functionality, etc; and
- the applicant's fraud committed on the USPTO during the mark's prosecution.

In a cancellation action, if the registration has been registered for more than five years and its owner filed an incontestability declaration attesting to mark's continuous use for five years, discussed in question 10, the plaintiff may be barred from raising certain grounds for its action, such as a mark's descriptiveness.

Once a notice of opposition or a petition to cancel are filed, and provided the preliminary conditions, such as the plaintiff's standing and grounds for either action, are met, the TTAB sets a timeline for proceeding and applicant (defendant) has 40 days to file its answer. Most deadlines in the inter partes TTAB proceedings, once initiated, may be extended upon parties' stipulation.

There is no onus on the opposer or the petitioner to cancel ownership of an earlier US registration. However, trademark rights are territorial. A mark's use and registration abroad would normally have no bearing on proceedings before the TTAB. Yet, since the United States is a common law jurisdiction, the plaintiff may base its action on

the common law rights, derived from use of its mark in the US or the asserted well-known status of its trademark.

The cost of filing an action with the TTAB is usually within the \$1,000–\$2,000 range, including official fees. Since an opposition proceeding or a cancellation action are effectively a litigation, subsequent attorney's fees would vary widely, depending inter alia on the length and complexity of issues and whether the matter is resolved in a settlement.

10 Duration and maintenance of registration

How long does a registration remain in effect and what is required to maintain a registration? Is use of the trademark required for its maintenance? If so, what proof of use is required?

A trademark registration is valid for 10 years from the registration date, and can be renewed indefinitely for additional consecutive 10-year periods, subject to meeting the use in the US in commerce requirement.

Use of the mark in the United States is a prerequisite for a mark's continued maintenance.

A declaration of a registered mark's use on or in connection with the listed goods and services must be filed at the time of renewal, between the ninth and 10th years. International Registration extensions, renewable via the central maintenance mechanism with WIPO, are still due for filing the declaration of use with the USPTO, just as any national registration.

Besides filing a declaration of use every 10 years from registration or at renewal, the owner must file a declaration of use between the fifth and sixth anniversaries of the mark's registration. This duty applies to all marks, regardless of registration basis. In addition to filing the fifth or sixth year declaration, if the mark registered on the Principal Register has been used in the US by its owner exclusively and continuously for five years or more after registration, the registrant may file a declaration of incontestability, rendering the mark incontestable in certain respects (including defences against invalidation action) and affording the registrant a number of advantages in a mark's protection and enforcement. The latter declaration, provided its requirements are met, can be filed at any time after the fifth year from the mark's registration.

A declaration of use must be supported by specimens of use in the US, which are in effect proofs showing such use on or in connection with the listed goods and services. The optimal specimens for goods are tags, labels, or product packaging, and for services – brochures, catalogues, or advertisements, or photographs of the above, showing the mark as used in the US commerce.

Goods and services on which the mark is not in use at the time of filing a declaration of use must be omitted from the registration.

All submissions in connection with maintenance or renewal can be done via e-filing and simple photographs of material in support would suffice. There is no need for additional documentation.

11 The benefits of registration

What are the benefits of registration?

While the United States is a common law country, with rights stemming primarily from a mark's use, a trademark registration bestows on its owner a number of significant benefits. The USPTO maintains a Principal and a Supplemental Registers. The Principal Register registration affords a broader array of tools for a mark's protection and enforcement, yet the Supplemental Register still presents its owner with a number of meaningful advantages:

- registration on the Principal Register constitutes a prima facie presumption of its owner's exclusive rights to use the mark nationwide in the US on or in connection with the listed goods and services;
- registration on the Principal Register creates a rebuttable presumption of the mark's ownership by the registrant and a constructive notice of such rights;
- owner of a registration on either Register may use the ® symbol;
- in enforcement, a registration on either Register allows its owner to bring a civil court action for trademark infringement rather than just the common law equitable doctrines, such as passing off;
- owner of a mark registered on either Register may pursue an enforcement action before a US federal (rather than state) court of appropriate jurisdiction and seek, along with other remedies, treble damages and attorney's fees;

- registration on the Principal Register allows its owner to record the mark with the US Customs and Border Protection, the largest US federal agency, in charge, inter alia, of fighting trademark counterfeiting and effectively blocking importation to the US of counterfeit goods;
- owner of registration on the Principal Register may file a declaration of incontestability after five years of continuous use post-registration; and
- registration on either Register is listed in the USPTO database and can be identified by third parties in a trademark search (ie, act as a deterrent to adoption of potentially conflicting marks), and due to the USPTO relative grounds examination citation system, can constitute a bar to later-filed applications for confusingly similar marks for identical or related goods and services.

12 Licences

May a licence be recorded against a mark in the jurisdiction? Are there any benefits to doing so or detriments to not doing so?

It is of paramount importance for trademark's owner to control all uses of its mark by approved third parties, such as licensees or franchisees, and such use and mechanism of its control must be set in a written instrument (eg, licence agreement). Use of a mark under a licence, which should provide, for example, for quality control, inures to the benefit of the mark's owner and may prevent assertion of a mark's dilution or abandonment.

A trademark owner may record the licence with the USPTO. However, there is no duty to do so, and often the registrant would decide against it to prevent disclosure of sensitive information contained in the licence agreement. All forms and documents submitted to the USPTO are made part of public record available for free online review.

13 Assignment

What can be assigned?

Trademark applications and registrations are freely assignable. The only exception is a trademark application filed on the intent-to-use basis, which can be assigned only upon filing of a statement of use or amendment to allege use or, if prior to establishing use, subject to the condition that the assignment is to the successor of applicant's business or portion of the business to which the mark pertains, if such business is existing and ongoing.

An assignment can be of the entire mark or only with respect to some of the listed goods and services.

A trademark assignment must always be together with the goodwill of the business or part of the business to which the mark pertains. Also, the assignment must be for a valuable consideration, though it is not necessary to indicate the exact remuneration.

14 Assignment documentation

What documents are required for assignment and what form must they take?

The assignment instrument must be in writing and signed at least by the assignor or the mark's owner. There is no need for notarisation or legalisation, and since recordation of assignment can be done through e-filing, a simple copy of the executed assignment agreement would suffice.

15 Validity of assignment

Must the assignment be recorded for purposes of its validity?

Recordation of assignment is a ministerial act and the USPTO record is a prima facie evidence of its execution, but it does not determine mark's validity or title in the application or registration.

A trademark assignment must be recorded with the USPTO in order to take effect against subsequent purchaser for valuable consideration, and the assignee has a three-month period after the agreement's execution to record the assignment in order to have precedence over subsequent purchasers. In addition, failure to record the assignment may eventually lead to claim of a mark's use not inuring to the owner's benefit and allegation of abandonment.

16 Security interests

Are security interests recognised and what form must they take. Must the security interest be recorded for purposes of its validity or enforceability?

Security interests are recognised and usually take form of an agreement in writing. There is no duty to record a security document, and its recordation with the USPTO is not a determination of the effect of the document on the chain of title. However, since such recordation is made in the public interest in order to give third parties notification of equitable interests or other rights relevant to trademark ownership, it is recommended to record security interest with the USPTO for the holder of interest to safeguard its rights and have priority over subsequent bona fide security interest holders or purchasers of the mark.

There is no prescribed form and no formalities are required. A simple copy of the signed agreement is sufficient in order to e-record it with the USPTO.

17 Markings

What words or symbols can be used to indicate trademark use or registration? Is marking mandatory? What are the benefits of using and the risks of not using such words or symbols?

Use of marking to indicate trademark use and registration is not mandatory. However, use of appropriate symbols provides notice of a claim of either common law or registered rights in a trademark, and use of symbols identifying a registered mark may confer on its owner, in case of an enforcement action, certain presumptions and right to damages.

Until mark's registration, whether an application therefor has not yet been filed, is pending or was refused by the USPTO, the mark's owner may use the TM symbol for a trademark or SM for a service mark, effectively providing a notice of claim of common law rights to the mark in connection with goods and services on which such symbol is used.

Owner of a registration on either Principal or Supplemental Register may use the ® symbol, constituting a notice of the registrant's exclusive registered rights to the mark for goods and services listed in the registration. Alternatives to the ® symbol are 'Registered in United States Patent and Trademark Office' or its abbreviation 'Reg. US Pat. & Tm. Off'.

18 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce the rights of a trademark owner against an alleged infringer or dilutive use of a mark, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark infringement or an equivalent offence?

There are several types of enforcement proceedings that are available to the trademark owner. Most common is litigation in a federal or state court. The remedies available in litigation are injunctive relief to prevent continued infringement, destruction of infringing merchandise, an award of monetary damages and, in 'exceptional' cases the award of attorney's fees. Although federal and state courts have concurrent jurisdiction over trademark infringement litigation, by far the majority of trademark infringement litigation is brought in federal court.

In addition to trademark infringement litigation, an aggrieved trademark owner who operates a US industry may apply for exclusionary relief before the US International Trade Commission (ITC). ITC proceedings often proceed more quickly than typical court litigation, but no monetary relief is available.

Finally, US Customs and Border Protection, a branch of the Department of Homeland Security operates a very effective border enforcement program. Owners of US trademarks may record those registrations with Customs, and Customs will detain or seize at the border infringing merchandise. This protocol provides for very cost-effective enforcement of trademark rights.

19 Procedural format and timing

What is the format of the infringement proceeding?

Trademark infringement litigation follows the typical format of civil litigation in the United States. Discovery is allowed on all relevant

issues and live testimony is typically taken at trial or at hearings on preliminary injunctive relief. Expert testimony is quite common, especially with respect to the use of trademark confusion surveys and the award of monetary damages. Motions for preliminary injunctive relief are decided by the court, without a jury as are motions for permanent injunctive relief where no claim for damages is made. However, if a claim for damages is made, then either party may demand the right to have the case tried before a jury.

Appeals from judgments entered after trial are heard by appellate courts in either the federal or state systems, depending on where the original litigation was commenced.

In addition to the civil remedies described above, criminal enforcement proceedings are available at both the federal and state levels. Counterfeiting is a crime in the United States and in virtually every state. As with all criminal matters, the federal government or state is the complaining party and is represented by a United States attorney or state district attorney as the case may be. A person found liable for criminal trademark counterfeiting may be subject to fine or imprisonment.

20 Burden of proof

What is the burden of proof to establish infringement or dilution?

The burden of proof to establish infringement or dilution is by a preponderance of the evidence. That is, the evidence must show that it is more likely than not that infringement or dilution has occurred.

21 Standing

Who may seek a remedy for an alleged trademark violation and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner or exclusive licensee has the right to commence an action for trademark infringement. With respect to criminal complaints, typically the trademark owner brings suspected activities to the attention of the government, and the case is then prosecuted by the government.

22 Foreign activities

Can activities that take place outside the country of registration support a charge of infringement or dilution?

US Constitution allows Congress to regulate activities that take place in interstate or foreign commerce. Thus, any activity that implicates United States commerce, even if partially conducted abroad, can give rise to a charge of infringement of a United States trademark.

23 Discovery

What discovery or disclosure devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery in trademark infringement litigation is subject to the same rules as apply to other forms of civil litigation in the United States. That is to say, discovery can be wide-ranging and expensive even though there are ongoing attempts, especially in federal court, to curb discovery abuses. Discovery can take the form of requests for production of documents, written questions known as interrogatories, requests for a party to admit the genuineness of documents or the existence of facts, and depositions in which a party or an individual is subject to pretrial examination by counsel for the other side. Discovery using any of these vehicles is available to subjects that are relevant to the action, and under circumstances where the value of the discovery is proportional to its significance to the case.

24 Timing

What is the typical time frame for an infringement or dilution, or related action, at the preliminary injunction and trial levels, and on appeal?

The typical time frame for obtaining preliminary injunctive relief is approximately three months from the filing of the complaint, depending on the jurisdiction. If the case proceeds to trial, then it is not typical

Update and trends

There are a few trends in infringement litigation that are worthy of note.

First, unlike the situation that existed in the past, proof of a likelihood of confusion no longer creates a presumption of injury for purposes of the grant of injunctive relief. This follows the law that has developed in the United States in patent cases.

In addition, the US Supreme Court has held that under many circumstances, administrative proceedings before the Trademark Trial and Appeal Board can be given preclusive effect in subsequent trademark infringement litigation in federal court.

Finally, and again following the trend in patent cases, it is now easier for a prevailing plaintiff to obtain an award of attorney's fees, since the US Supreme Court has liberalised the meaning of the statutory requirement that the case be 'exceptional' to permit the award of such fees.

for trademark infringement litigation to take more than two years to run its course. If the lower court judgment is appealed, it is not untypical for the appellate process to take about a year.

25 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Unfortunately, trademark litigation like other civil litigation in the United States can be quite expensive. It is not uncommon for litigation costs through trial to exceed \$1 million, including trial preparation and trial. Appeals to either the federal or state courts of appeal can add an additional \$100,000 or more to this amount.

In federal (but not state) trademark infringement litigation, a prevailing party can recover its attorney's fees if it is able to establish that the case is 'exceptional' in the words of the statute. Recent case law defines exceptional as a case which stands out from the others, either in terms of the lack of merit of a defendant's position, or the unreasonable way in which the defendant has litigated the case. Note that a prevailing defendant can also recover attorney's fees subject to the same standards.

26 Appeals

What avenues of appeal are available?

Appeals from either the grant or denial of preliminary injunctive relief and from judgments entered after trial are made to separate appellate courts. In the federal system, appeals in a trademark infringement cases are heard by one of the 11 regional federal circuits. Each panel is composed of three appellate judges (who often have prior experience as district trial court judges). In the appeal process, the parties rely on their briefs and on the record developed in the court below. There is no additional taking of testimony or introduction of new evidence permit. In very rare cases, appeals can be taken from the decisions of these appellate courts to the United States Supreme Court. The Supreme Court generally only hears trademark infringement cases where there is a split in authority among the regional circuits, or where there is a particularly important issue of law to be clarified.

27 Defences

What defences are available to a charge of infringement or dilution, or any related action?

There are several defences available to a party who is charged with infringement. These defences include that the plaintiff's trademark is invalid, for example, as being generic, merely descriptive without evidence of acquired distinctiveness, has been abandoned, and the like. In addition, the accused infringer typically alleges that his or her activities are not likely to cause confusion, mistake or deception or that his or her activities constitute a 'fair' use. An example of a 'fair' use is a party making descriptive, and non-trademark use of the term to describe his or her goods. This fair use defence is specifically codified in the federal trademark statute.

28 Remedies**What remedies are available to a successful party in an action for infringement or dilution, etc? What criminal remedies exist?**

A wide range of remedies is available to the successful plaintiff in trademark infringement litigation. Turning first to injunctive relief, this is available either preliminarily or on a permanent basis where the party can demonstrate (in addition to success on the merits) that it is likely to be irreparably harmed from the infringement, that monetary damages would be inadequate, that the balance of hardships tips in its favour and against the accused infringer, and that the public interest would not be harmed by grant of an injunction.

Monetary relief is available both in terms of damages that plaintiff can prove as well as disgorgement of the defendant's profits, both of which are subject to the principles of equity. In awarding monetary relief, the amount of money awarded is to be apportioned to include only the damages or profits attributable to the infringement.

29 ADR**Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?**

ADR techniques are available and commonly used. Indeed, many federal courts in trademark cases and other civil litigation require that the parties engage in an ADR proceeding. ADR proceedings may take place before magistrate judges (who are lower-level federal judicial officers) or private mediators. Sometimes the private mediators operate without a fee to assist the courts, and sometimes, especially in high-value cases, parties take advantage of private mediation services.

Other than the cost of preparing for and attending ADR proceedings, there is little risk involved. Of course, the potential benefit is that the parties may be able to resolve their dispute without excessive resort to costly litigation. In addition, with the aid of a skilled mediator, the parties may be able to fashion complex remedies in terms of permitted uses of a trademark which would be outside the purview of a judge or jury.

30 Famous foreign trademarks**Is a famous foreign trademark afforded protection even if not used domestically? If so, must the foreign trademark be famous domestically? What proof is required? What protection is provided?**

Despite the Paris Convention, the law is unsettled in the United States as to whether or not a famous foreign trademark would be protected even if it has not been used or become famous in the United States. US trademark law has traditionally been based on use in the United States, with the relatively recent adoption of the intent-to-use system (in 1989). Although owners of registrations based on foreign applications do not need to prove trademark use in the United States to obtain registration, it is not certain that famous trademarks that are not subject to US registrations (or use) can be protected.

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