



INTA Letter in ECJ Case Argues that Trade Names Can Infringe Registered Marks

In the SARL Céline v SA Céline case, the Cour d'Appel de Nancy referred to the ECJ the following question:

Must Article 5(1) of Directive 89/104/EEC be interpreted as meaning that the adoption, by a third party without authorisation, of a registered word mark, as a company name, business name or style in connection with the marketing of identical goods, amounts to use of that mark in the course of trade, which the proprietor is entitled to stop by reason of his exclusive rights?

INTA's Europe Amicus Subcommittee chaired by Susie Middlemiss and supported by Regular Member Committee Chair Bruce Ewing and Vice Chair Ruth Annand recommended to the Executive Committee that INTA file a letter in this case to assist the ECJ. The

Executive Committee unanimously endorsed the INTA letter. Although the *amicus curiae* letter was originally prepared for brand owner Céline SA to attach to its submission, Céline SA did not submit the letter. Instead, INTA provided the letter to the European Commission and to the UK Patent Office, since in cases referred to the ECJ, both the Commission and Member States have the opportunity to file observations with the Court on a particular legal issue.

INTA's letter recommends that the ECJ answer the above question in the affirmative, because use as a company or trading name may constitute use in the course of trade and thus is capable of being an infringing use within the meaning of Article 5(1) of the Trademark Directive.

Gregoire Triet from Gide Loyrette Nouel in Paris drafted the letter, which is available on the INTA website at www.inta.org/amicus. Special thanks to

SEE *CÉLINE* ON PAGE 4

Brazil Creates National Database to Fight Misappropriation of Generic Terms

On April 18, 2006, the Brazilian government announced a plan to protect the names of national fruits, plants and microorganisms against misappropriation as trademarks.

In the past, the Brazilian government has fought international battles against applicants who tried to obtain trademark registrations—and consequently exclusive rights—for names of indigenous fruits such as *cupuaçu* (pictured), relying on the fact that many trademark offices around the world were unaware of the generic nature of these terms. Trademark registrations for these national names are seen as a threat to Brazilian companies trying to export local fruits and plants and products derived from them.

After considerable research, the Ministry of Agriculture compiled a database of approximately 5,000 names of plants, fruits and microorganisms, such as *cupuaçu*, *açaí*, *pinhão*,



maracujá and *ayahuasca*. The list has names both in languages of Brazilian Indian tribes (such as *tupi guarani*) and in translations. This initial database was presented to an intellectual property task force composed of members of the Ministries of Industry and Commerce, Foreign Relations and Science and Technology.

The Governmental Task Force on IP has plans to distribute a digital copy of the database to trademark offices around the globe. The government will ask that the trademark offices consult the database and reject trademark applications containing the names of national fruits, plants and microorganisms as generic names.

The Brazilian Trademark Office already displays on its website a smaller list of fruits from the Amazon region, and is expected to adopt the new database to assist in the analysis of trademark applications.

Contributor: Rodrigo Borges Carneiro, Dannemann, Siemsen, Bigler & Ipanema Moreira, Rio de Janeiro; Verifier: Cesar D. Carvalho, Veirano Advogados Associados, Rio de Janeiro

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INTA Officers at Work for You



2006 INTA President
Paul W. Reidl

We are halfway through the year: our committees have all met face-to-face and are driving our Strategic Plan forward. The fantastic Annual Meeting in Toronto is receding into memory. Those of us who live in the Northern Hemisphere are looking forward to our summer vacations, and those in the Southern Hemisphere are hunkered down for winter.

In Toronto, I had the opportunity to meet and speak with many people. One of them asked me, "Just what does an INTA officer do?"

I thought it might be useful to take a moment and answer that question for *Bulletin* readers, because our officers do a tremendous amount of work for INTA and its members, and they deserve to have the extent of their contributions recognized.

INTA officers are the senior leaders of the Association. Working with the staff and our executive director, Alan Drewsen, they are directly responsible to the Board of Directors for implementing the Strategic Plan. Theirs is a huge responsibility, and each of them devotes a large amount of time to fulfilling it.

This year INTA has six officers: Gerhard Bauer (Germany), Richard Heath (United Kingdom), Rhonda Steele (Australia), Heather Steinmeyer (United States), Dee Ann Weldon-Wilson (United States) and me, plus counsel David Bernstein (United States). Officers and counsel are nominated by the Nominating Committee and elected by the Board of Directors for a one year term.

As INTA's counsel, David has a unique function: providing legal advice to the Association in a variety of areas. Each of the six officers has a supervisory function, an issue function, a reporting function and a planning function.

The reporting and planning functions are straightforward. Each officer must be prepared to report on their supervisory and issue functions every month: four times to the full Board and eight times to the Board's Executive Committee (which consists of the officers plus four Board members) during its monthly conference calls. The Board reports are lengthy documents that describe the officers' supervisory activities in great detail. The officers must also be prepared to handle questions from the Board or the Executive Committee on anything within their areas of responsibility. As for planning, each officer sits on the Board's Planning Committee, which has regular conference calls and two face-to-face meetings during the year.

Each officer has different substantive and issue responsibilities. Gerhard is INTA's secretary. Working with INTA's director of human resources and Association governance, Maria Bachman, he is responsible for the minutes of the Board meetings. His substan-

tive issue is Europe. He is leading a team of European members in developing recommendations for the Europe representative office that we plan to open later this year in Brussels, Belgium.

Heather is INTA's treasurer. She chairs the Board's Finance Committee. Working with Alan Drewsen, she is responsible for the budget and finances. Her substantive issue is internationalization, which is one of INTA's key Strategic Directives. She watches all of INTA's activities and makes sure that global perspectives are fully considered.

Richard is a vice president. He is also the group officer for the Education and Information Services (EIS) group of committees. Working with INTA's director of marketing and communications, Daryl Grecich, he is responsible for the activities of the nine committees in the EIS Group. His substantive issue is anticounterfeiting, and he represents INTA at conferences and other events on that subject.

Rhonda is also a vice president. She chairs the Planning Committee. Working with Maria Bachman, she has direct responsibility for monitoring INTA's progress against the Strategic Plan. Her substantive issue is the Asia-Pacific region. She has represented INTA at meetings throughout Asia and worked with various trademark offices in the region.

Dee Ann is the president-elect, which means she has my job in 2007. She is the group officer for the Policy Development and Advocacy (PDA) group. Working with INTA's director of external relations, Bruce MacPherson, she is responsible for the activities of the twelve committees in the group. Her substantive issue is leadership development.

That leaves me. As the president, I chair the Board and the Executive Committee. Part of this job involves preparing meeting agendas for those groups and reviewing the reports and draft Board resolutions. I also work regularly with the officers, have weekly conference calls with Alan, deal with issues that arise between those conference calls, keep Dee Ann apprised of issues that may land on her desk next year, and do the public relations and other things that presidents normally do—especially at the Annual Meeting and the Leadership Meeting. And I also need to squeeze in time for my paying job!

As you can see, INTA's officers are very, very busy. From my standpoint as the president, we could not ask for a more capable, passionate or dedicated group of senior leaders. I am proud to be part of their team.

Members' Efforts Are Key to Indiana's Adoption of Model State Trademark Bill

On March 22, 2006, the governor of the U.S. state of Indiana signed into law legislation based on INTA's revised Model State Trademark Bill (MSTB). With this legislation, now Public Law 135 of the Indiana Legislature's 2006 Regular Session, Indiana joins the approximately 27 other U.S. states that have already updated their trademark statutes based on the revised MSTB, which was drafted by INTA in 1992.

Promoting the MSTB in Indiana on the Association's behalf were Michelle Kaiser Bray and Stephanie Hale, both from the law firm of Baker & Daniels in Indianapolis, and Jonathan Polak, of Sommer & Barnard, also in Indianapolis. "I want to thank Michelle, Stephanie and Jonathan for their work on this bill," said MSTB Subcommittee Chair John Cyril Malloy III, of Malloy & Malloy in Miami. "They did it all when it came to getting this measure through the Legislature."

The revisions to the Indiana state trademark law become effective July 1, 2006.

By: Michael Heltzer, INTA External Relations Manager

Paraguay Roundtable on Administrative and Judicial Litigation Procedures

On April 5, 2006, a roundtable on "Administrative and Judicial Litigation Procedures" was held at the Gran Hotel del Paraguay, in Asunción. INTA arranged the roundtable with the cooperation of Berkemeyer, Attorneys & Counselors.

About 25 people participated in the roundtable, including attorneys from several local law firms—both INTA members and non-members.

Discussion topics included the relationship between professionals and the Industrial Property Office, the need to legalize and translate powers of attorney, recent Supreme Court cases regarding confusion between identical marks in different classes, adjudication costs and criteria for establishing bonds.

By: Jaqueline Querciola, Berkemeyer, Attorneys & Counselors, Asunción, Paraguay



INTA Roundtables

Topic: Trademark Searching and Clearance

June 12, 2006

12:00 p.m. – 2:00 p.m.

Gowling Lafleur Henderson LLP
Ottawa, Ontario, Canada

For registration details, please contact Robert MacDonald at robert.macdonald@gowlings.com

June 13, 2006

12:00 p.m. – 2:00 p.m.

Smart & Biggar/ Fetherstonhaugh & Co.
Vancouver, British Columbia, Canada

For registration details, please contact Timothy Lo at tplo@smart-biggar.ca

June 13, 2006

12:00 p.m. – 2:00 p.m.

Bereskin & Parr
Montreal, Quebec, Canada

For registration details, please contact Brigitte Chan at bchan@bereskinparr.com

June 13, 2006

12:00 p.m. – 2:00 p.m.

Bereskin & Parr
Toronto, Ontario, Canada

For registration details, please contact Nancy Miller at nmiller@kmelawyers.com

June 14, 2006

12:00 p.m. – 2:00 p.m.

Blake Cassels & Graydon LLP
Calgary, Saskatchewan, Canada

For registration details, please contact Monica Sharma at monica.sharma@blakes.com

CANADA

Association News

Céline

CONTINUED FROM PAGE 1

Tougane Koné-Loumeau and Anne-Charlotte Le Bihan for their invaluable assistance.

Facts of the Case

The respondent company SA Céline (plaintiff in the original proceedings) was established under that name in 1928 and is in the business of making and selling clothing and fashion accessories. The company owns a registration for the mark CÉLINE, obtained in 1948, for a wide range of goods and services, including clothes and shoes.

The appellant company SARL Céline (defendant in the original proceedings) claims it acquired the right to use the name CÉLINE from Adrien Grynfolgel, who in 1950 registered that name in the Nancy Commercial and Companies Register. In that registration, Mr. Grynfolgel described his business as involving “menswear and womenswear.” The appellant registered the name SARL Céline in the Commercial and Companies Register on January 31, 1992, and today the company trades in “ready-to-wear garments, lingerie, clothing, furs, a range of dress and accessories” (translated from the French court’s language).

As is clear from the Question, the issue before the ECJ concerns the scope of the exclusive right conferred by a national trademark registration, in particular, whether one company’s use of a business name that is the same as the registered trademark of another company constitutes infringement.

Having considered the Tribunal de Grande Instance’s decision in plaintiff’s favor (and against which the defendant appealed), the Cour d’appel cited two ECJ decisions, *Arsenal Football Club v. Reed* [2002] ECR I-10273 (Case C-206/01) and *Robelco v. Robeco groep* [2002] ECR I-10913 (Case C-23/01). Paragraph 34 of the *Robelco* decision indicates that where a third party’s use of a trademark is *not* for the purposes of distinguishing goods and services, the law of the Member State determines whether there is infringement:

Accordingly, where, as in the main proceedings, the sign is not used for the purposes of distinguishing goods or services, it is necessary to refer to the legal orders of the Member States to determine the extent and nature, if any, of the protection afforded to owners of trade marks who claim to be suffering damage as a result of use of that sign as a trade name or company name. (Paragraph 34).

The Cour d’appel in *Céline* observed:

Having regard to the formulation of the question referred to the Court of Justice in [*Robelco*], some doubt remains as to the applicability of trade mark law in the situation at issue where, in fact, the dominant tendency in decisions of the French courts is to hold that infringement follows from reproduction of the distinctive elements of a sign protected under the trade mark, whatever use is made of it.

For this reason, the Cour d’appel concluded that it was necessary to refer the matter to the ECJ for a preliminary ruling on whether use of the CÉLINE mark as a trade name could indeed constitute infringement.

Trademark Directive Article 5

Rights conferred by a trade mark

1. The registered trade mark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade:

(a) any sign which is identical with the trade mark in relation to goods or services which are identical with those for which the trade mark is registered;

(b) any sign where, because of its identity with, or similarity to, the trade mark and the identity or similarity of the goods or services covered by the trade mark and the sign, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association between the sign and the trade mark.

5. Paragraphs 1 to 4 shall not affect provisions in any Member State relating to the protection against the use of a sign other than for the purposes of distinguishing goods or services, where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark

Subcommittee analysis and recommendation

The Europe Amicus Subcommittee believes that ECJ jurisprudence supports a finding that trademark law should apply to use of a trademark as a corporate name, trade name or style. In particular, the Subcommittee rejects the Cour de Nancy’s concern that paragraph 34 of the *Robelco* decision calls for the conclusion that use of a registered trademark as a corporate name, trade name or style does not fall within the scope of Article 5(1) of the Directive, but rather within the scope of Article 5(5).

INTA’s letter illustrates that such an interpretation: (1) is in no way required by the *Robelco* case; and (2) would be inconsistent with well-established principles of trademark law.

1. The letter submits that paragraph 34 of the *Robelco* decision should be construed as a summary by the ECJ of the legal question at stake, as limited by the referring court. It should not be construed as ruling on the question of whether Article 5(1) may cover use of a trademark as a corporate, business name or style.
2. Furthermore, the letter illustrates how such an interpretation would be inconsistent with general principles of trademark law as established by ECJ case

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Céline

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law. The subcommittee relied on four ECJ cases (*see box on page 5*) to conclude that allegedly infringing trade names and trademarks should be treated equivalently, and it should make no difference whether the defendant's allegedly infringing designation is classified as a trademark or trade name. Infringement merely requires use of a "sign" and may arise where there is any use that affects or is liable to affect the function of the mark. The test for infringement under Article 5(1) as established by the ECJ depends purely on the **effect** of the use in question and not on the **nature** of that use. Therefore, use as a company name or trading name may constitute use in relation to the goods or services and is capable of being an infringing use. Whether it is, in particular circumstances, is a question of fact. In other words, the fact that a mark is used as a company or trading name rather than on the goods themselves does not by itself preclude infringement. The question is simply whether the use is such as to have an effect on the essential function of the mark.

Keep tuned to the *INTA Bulletin* to learn about further developments in the *Céline* case.

By: Chehrazade Chemcham, INTA External Relations Manager, Europe

Cases Cited in INTA's Letter

- In *Centrafarm BV and Adriaan de Peijper v. Winthrop BV* [1974] ECR 1974-1183 (Case 16-74), the ECJ ruled that, "in relation to trade marks, *the specific subject-matter of the industrial property is the guarantee that the owner of the trade mark has the exclusive right to use that trade mark*, for the purpose of putting products protected by the trade mark into circulation for the first time, and is therefore intended to protect him against competitors wishing to take advantage of the status and reputation of the trade mark by selling products illegally bearing that trademark."
- In *Hoffmann-LaRoche v. Centrafarm* [1978] ECR 1978-1139 (Case C-102/77) and several subsequent decisions, the ECJ ruled that *the essential function of a trademark is to guarantee to consumers the origin of the goods*, by enabling them without any possibility of confusion to distinguish certain products from products which have another origin.
- In *Arsenal Football Club v. Reed* [2002] ECR I-10273 (Case C-206/01), the ECJ ruled that trademark rights may only be invoked against use of a sign by a third party which affects or is liable to affect the functions of the trademark. That is the case, in particular, where the use of the allegedly infringing sign "*is such as to create the impression that there is a material link in the course of trade between the goods concerned and the trade mark proprietor.*" (See paragraphs 56 and 57).
- In *Anheuser-Busch Inc. v. Budejovicki Budvar* [2004] ECR (Case C-245/02), the ECJ held in substance that *use of a trade name may amount to trademark infringement if this use is such as to affect the essential function of a registered trademark.*

INTA Roundtables

Topic: Selecting Counsel and International Developments

June 22, 2006
1:00 pm
Lima, Peru

Location of Roundtable:
Amcham
Camara de Comercio Americana del Peru

Host:
Francisco Espinosa Reboa –
Estudio Francisco Espinosa Bellido Abogados

**For registration details, please contact
Francisco Espinosa Reboa at
fespinosar@espinosabellido.com**

Topic: Litigation Procedures for Trademark Attorneys

August 3, 2006
1:00 p.m.
Montevideo, Uruguay

Location of Roundtable:
The Sheraton Hotel Montevideo

Host:
Pittaluga & Associates

**For registration details, please contact
Ana Nocetti at anocetti@pittaluga.com**

LATIN AMERICA

Features

Don't Pinch It, It's Trademarked

These days, a good measure of a TV show's success is its contribution to the stock of catchphrases in general circulation. One example of this is the BBC's game show *The Weakest Link*. This show—through its steely-eyed hostess, Anne Robinson—has contributed a phrase now used anytime two or more people are gathered together and wish to be one fewer: "You are the weakest link; Goodbye!"

In the United Kingdom, a subversive TV comedy called *Little Britain* has had a huge impact. The absurd and unattractive characters use a range of set-piece utterances—notably "Yeah but no, but..." and "I want that one," which are mimicked in pubs, school playgrounds and mobile phone ringtones throughout the country.

The idea of catchphrases as trademarks is also gaining currency. For example, the BBC has secured UK trademark protection for YOU ARE THE WEAKEST LINK; GOODBYE across a range of merchandise. The BBC is also the owner of the LITTLE BRITAIN trademark in Classes 9 and 41, but Walliams and Lucas, the show's originators, have filed to protect a host of its notorious catchphrases for a wide range of merchandise. The phrases 321 ... YOU'RE BACK IN THE ROOM and I'M THE ONLY GAY IN THE VILLAGE have been registered across the spectrum.

YOU'RE FIRED has been registered as a Community trademark by JMBP, Inc., the rights company associated with the U.S. originator of the show *The Apprentice*. In the United Kingdom, the phrase is uttered not by Donald Trump but by Alan Sugar, the well-known UK entrepreneur who hosts the British version of the show.

Ownership of YOU'RE FIRED may not be subject to the same vigorous debate in the United Kingdom that it is in the United States, but ownership can always be an issue for marks of this character. Many catchphrases (or sound-alikes) are not registered by the person or entity that (arguably) made them famous. For example, in the United Kingdom, Lucas Film has registered a catchphrase from its *Star Wars* series, MAY THE FORCE BE WITH YOU, in Class 16; but a medical devices company owns the registration for that mark in Class 10. SHOW ME THE MONEY is registered by the maker of a TV game show of that name, not to Cuba Gooding Jr. or the makers of the film *Jerry Maguire*, and IS THAT YOUR FINAL ANSWER? (used in the game show *Who Wants to Be a Millionaire?*) is registered to Tesco Stores, Britain's largest grocer.

Proposals to turn catchphrases into trademarks are viewed with suspicion by the public. The public tends to believe that catchphrases—whether verbal or not—are what the public makes of them, and thus public property.

In legal terms, aside from sundry questions over ownership and attribution, the issue bedeviling catchphrases is the question of distinctiveness. There is no per se objection to catchphrases, nor, under EU rules, should they be treated as a special class. Unlike corporate slogans, few will be inherently descriptive in character, but depending on the phrase there may be questions regarding a phrase's capacity to individualize the products of just one undertaking. Obscure or impenetrable phrases may fare better, but where the phrase effectively translates as a generic value statement in relation to the product, as an inspirational or aspirational motto, as a personal statement or a badge of allegiance or just as plain decoration, distinctiveness objections may be raised. This is especially

so where registration is sought in Class 25; consumers are used to seeing such phrases adorning clothing and caps.

Where objections relate to distinctive character, the interesting question is whether distinctiveness has been, or can be, acquired. By definition, a catchphrase enjoys real public recognition—and is recognized as the stock phrase of a particular person or show. In practice, many consumers seeing a familiar phrase on a product of virtually any description *will* make an assumption about its origin. However, catchphrases are ephemeral; they are often picked up and made popular by different people at different times and, with the diversification of viewing habits, may have more of a cult following than a widespread recognition. There is also the problem that mere notoriety as a catchphrase does not help the public identify who—among a show's originator, star, producer and so forth—might be regarded as the owner of any corresponding trademarks.

Current EU law principles seem to preclude the possibility of recognition or even fame—however widespread—achieved entirely in a non-trademark context from contributing to acquired distinctiveness. A linked question is whether a high degree of recognition achieved purely as a catchphrase can afford a springboard towards achieving trademark distinctiveness more readily than would otherwise be the case—or, conversely, whether it might actually work against the potential trademark owner. Whatever the answer, those wishing to make trademark capital of their catchphrases need to establish their trademark credentials as clearly and early as possible.

By: Guy Heath, Nabarro Nathanson, London

INTA Roundtable

Topic:

Specific Advice and Possible Problems
Concerning Filing Trademarks in China

June 13, 2006

6:00 p.m.

Munich, Germany

Location of Roundtable: Kador & Partner
Speaker: Ms. Na Li, Trade Mark Attorney,
Zhongzi Law Office,
Beijing, China

Host: Kador & Partner
Address: Corneliusstrasse 15
80469 Munich

**For registration details, please contact
Barbara Regensburger at mail@intellectualproperty.de**

GERMANY

MARMITE

The question is simple: are you a lover or a hater? Ever since MARMITE yeast extract was introduced in the United Kingdom in 1902, it has caused a great divide in Britain.

MARMITE is a nutritious, black, tasty, savory spread made from spent brewer's yeast, and it comes in a distinctive black jar with a yellow lid. With an unmistakable odor, salty taste and an axle grease consistency, it has captivated the British for over 100 years—they consume almost 24 million jars a year! They spread it on buttered toast, put it into gravies, mix it with cheddar cheese. In fact, the possibilities are endless: one Internet source provides over 183 possible uses, from fish bait to aftershave!

The Marmite Food Extract Company Limited was founded in 1902, having negotiated the acquisition of the patents for a health-giving yeast extract. A small factory was set up in Burton-on-Trent, center of the British brewing industry and the place where the all-important yeast, MARMITE spread's main ingredient, was readily available.

The first experimental extracts were made in November 1902, but it took a couple of years to perfect the recipe. The popularity of MARMITE yeast extract grew steadily, necessitating the establishment of a larger factory at Camberwell Green, London in 1907. Recognized for its nutritional value, MARMITE spread was given to the British Army serving overseas during World War I as an aid to combating nutritional deficiency.

While the product was originally sold in small earthenware pots, the packaging was switched to glass jars with metal lids toward the end of the 1920s; today, the original earthenware pot can still be seen depicted on the labels.

By the 1950s, MARMITE yeast extract had reached cult status, aptly recognized by the public outcry when the jar lid was upgraded from metal to plastic in 1984. Many devotees felt the need to keep the old jars and lids or replace the new plastic lids with



the old metal ones. Of course, true fanatics take their MARMITE spread away with them if traveling abroad. So in the 1980s, the MY MATE MARMITE advertising campaign was launched.

Essentially unchanged from the original 1902 recipe, MARMITE yeast extract is today one of the United Kingdom's most popular savory spreads, dominating the meat and vegetable extract market with sales topping 23.5 million pounds. Now sold in more than 25 countries, it continues to be heralded for its nutritional content and unique taste. Love it or hate it, you cannot deny that its nutritional properties really do make it "MY MATE MARMITE."

Sources: <http://www.marmite.com/>
<http://www.accomodata.co.uk/marmite.htm>
<http://www.ilovemarmite.com/default.asp>
<http://www.spurgeon.org/~phil/marmite.htm>
<http://www.eddnet.org.uk/comedy/marmite00.php>
<http://www.unilever.co.uk/ourbrands/foods/marmite.asp>

By: Asa Le Fustec, CPA, Jersey, Channel Islands

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June 12 – 30, 2006

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- Earn CLE credits

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ARGENTINA

No Preliminary Injunction Against Domain Name Where Complainant's Legal Rights Were Unclear

On February 28, 2006, the Federal Court of Appeals confirmed the first instance court's decision in *Colella Martin Nicolás v. Lioy Gustavo et al.*, rejecting a motion for a preliminary injunction seeking recovery of a registration for the domain name cienciaactual.com.ar. The basis of the plaintiff's claim was the defendant's knowledge of the firm Ciencia Actual S.A. and its partners.

Mr. Colella filed a motion for a preliminary injunction against Mr. Lioy and others, alleging that Mr. Lioy knew the firm Ciencia Actual and its partners and was even linked to the company by means of a contractual relationship. In light of the relationship, the plaintiff argued that the defendant registered the domain name on the plaintiff's behalf. Furthermore, the plaintiff also invoked (1) ownership of an already-existing trade name, CIENCIA ACTUAL, that was in use prior to domain name registration, and (2) trademark applications filed by Ciencia Actual for the trademark CIENCIA ACTUAL.

The first instance court dismissed the motion, and the court of appeals upheld that decision. The appellate court reasoned that the granting of a preventive measure, such as a preliminary injunction,

was not subject to a categorical and conclusive analysis of the existing legal relationship between the parties.

The court noted that one of the crucial elements for the granting of a preliminary measure (i.e., that the complainant had a clear legal right) was missing, since: (1) it was not proved that the domain name registration was entrusted to the defendant by the plaintiff; (2) the existence of the alleged contract between plaintiff and defendant was unclear; and (3) Ciencia Actual did not hold a registration for the CIENCIA ACTUAL trademark but had only filed three applications.

The court held that the other condition for a preliminary measure to be granted (i.e., the need for urgency to avoid an irreparable harm) also was not fulfilled. Specifically, no urgency in the issuance of a preliminary injunction was found since the domain name was registered by the defendant on July 15, 2003, and the trademark applications were filed in June 2004.

Contributor: Paola Laurini, Gold & Berkenwald, Buenos Aires; Verifier: Andrés Moncayo von Hase, Estudio Zang, Bergel & Viñes, Buenos Aires

UNITED STATES

Keyword Purchase Not Trademark Use

In *Merck & Co. v. Mediplan Health Consulting, Inc.*, 2006 WL 800756 (S.D.N.Y. April 7, 2006), Merck sued six Canadian online pharmacies offering generic versions of their ZOCOR cholesterol drug to U.S. consumers. Three of the six defendants bought "zocor" as a keyword from Google and Yahoo! The court dismissed the trademark infringement action as to the keyword purchases.

Merck owns a U.S. patent covering simvastatin, ZOCOR's active ingredient. Merck's Canadian patent has expired, and generic simvastatin is available in Canada. Defendants operate websites in Canada, filling online orders for generic simvastatin and ZOCOR manufactured by Merck's Canadian affiliates. None of the defendants is authorized to sell prescription drugs in the United States.

There were claims for: (1) trademark infringement based on keyword purchases; (2) trademark infringement based on the use of the ZOCOR mark and design on the websites; (3) trademark dilution; and (4) false advertising. The defendants moved to dismiss and for judgment on the pleadings.

The U.S. District Court for the Southern District of New York rejected the claim that purchase of a keyword constituted trademark infringement. That is, the purchasing of the keyword "zocor" from an internet search service so that the purchaser's website link was prominently displayed when a user searched for "zocor" was not a trademark use. In reaching its holding, the court noted

that the ZOCOR mark was not placed on the goods, containers, displays or tags or labels. The court also acknowledged, though, that other courts reached a different conclusion with regard to keywords. It noted the importance of the fact that the defendants sell Canadian ZOCOR on their sites, holding that under the circumstances the keyword purchases were not improper.

As to the other claims, the court found that Merck had stated a claim for trademark infringement based on the use of the marks on the websites, as well as a valid claim for dilution. As to the false advertising claims, the court held that the defendants did not explicitly misrepresent FDA approval in the United States, and thus those claims were dismissed. However, the claim that defendants' activities were likely to cause confusion through affiliation with Merck was actionable.

This case causes more confusion as to whether the purchase and use of keywords with internet search engines is sufficient for a claim of trademark infringement (See "District Court Says Keywords Are Use in Commerce" on page 10).

Contributor: Michael Mlotkowski, Roberts, Mlotkowski & Hobbes, P.C., McLean, Virginia, USA; Verifier: Heath W. Hoglund, Hoglund & Pamias, P.S.C., San Juan, Puerto Rico, USA

AUSTRALIA

Australian Government Endorses Recommendations to Strengthen Trademark Protection

The Parliamentary Secretary for the Minister of Industry, Tourism and Resources recently announced the federal government's response to recommendations made by the Australian Advisory Council on Intellectual Property (ACIP), which examined issues relating to the enforcement of trademarks in Australia, and in particular whether small business was disadvantaged under the current system. The ACIP's recommendations were also intended to help strengthen Australian trademark rights, provide greater clarity of the rights available and potentially reduce the need for IP enforcement actions in Australia.

The federal government accepted recommendations that IP Australia (the government body responsible for oversight of the Trademark Office) should tighten its procedures regarding examination of and oppositions to trademark applications, including the handling of commercially sensitive material filed during the examination process or in the course of opposition proceedings. IP Australia will also take steps to ensure that nontraditional trademarks such as shapes, colors, scents and sounds are treated in a manner consistent with traditional word and device marks, utilizing recent judicial clarification of certain aspects of nontraditional trademarks.

The trademark opposition process and the current scale of costs recoverable on an opposition also will be comprehensively

reviewed, and IP Australia will consider the implementation of a case management system in order to streamline the handling of opposition proceedings.

The federal government has also provisionally accepted a proposal to extend the Australian Customs Service's power to seize goods that bear marks similar or closely related to notified trademarks. Since counterfeit goods produced within Australia are not within the jurisdiction of the Customs Service, IP Australia will collaborate with the Federal Police, Attorney General's Office and Customs Service to review the current official seizure powers relating to locally produced counterfeit goods.

Penalties for trademark infringement will be reviewed in conjunction with a general review of criminal penalties that began in late 2005.

Although the federal government did not accept all of ACIP's recommendations, most of the substantive proposals were accepted. The ongoing reform process that will be triggered by this endorsement should serve to clarify and strengthen trademark rights in Australia.

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POLAND

Application for STALINSKAYA Rejected as Immoral

On July 6, 2005, the Warsaw Regional Administrative Court issued its decision that the trademark STALINSKAYA is not registrable because it obviously and directly refers to the person of Stalin (Case No. VI SA/Wa 1863/04).

Initially, the company SC Prodal '94 SRL, Romania, obtained an international registration in Classes 33, 35 and 39 for STALINSKAYA, designating Poland, among other countries.

The Polish Patent Office refused extension to Poland, arguing that a trademark that violated the principles of social coexistence could not be registered.

The Patent Office argued that its refusal to protect the subject trademark in Poland resulted from the mark's meaning. STALINSKAYA means "Stalinowska" in Polish, which can be translated into English as "relating to Stalin" or "of Stalin." That designation could have been regarded as contrary to good morals, because its meaning offended patriotic feelings and political dedication of Polish citizens and evoked tragic memories of the past, given the negative role Stalin played in Poland's history.

When it reexamined the matter upon the request of the mark's owner, the Patent Office confirmed the decision.

SC Prodal '94 SRL filed a complaint against the Patent Office's



decision with the Warsaw Regional Administrative Court. It claimed that STALINSKAYA was a fanciful designation and that the Patent Office had not presented evidence to support the thesis that the mark STALINSKAYA was associated by ordinary customers with Stalin. The Russian language, the plaintiff argued, was known in Poland on a relatively small scale. The Russian sounding adjective STALINSKAYA was phonetically very different from its Polish counterpart STALINOWSKA. The trademark at issue was registered in the Czech Republic and even Georgia, where, contrary to Poland, the word STALINSKAYA was easily associated with Stalin.

The Warsaw Regional Administrative Court dismissed the complaint as being groundless for the reasons set out above. The decision is final and valid.

Contributor: Anna Zakrocka, Patpol, Warsaw; Verifier: Katarzyna Melgies, The Catholic University of Lublin, Lublin

Law and Practice

MEXICO

Industrial Property Law Amended as to Franchising

The Mexican Congress has approved amendments to the Industrial Property Law (IPL) regarding franchising. Effective January 26, 2006, the amendments add regulations governing the franchisor-franchisee relationship and state the minimum elements required for a franchise agreement in Mexico.

IPL Article 142—the article that governs franchising—has been revised. The revisions require that the franchisor provide certain information to any potential franchisee about the franchise at least 30 calendar days before the signing of the agreement. If that information is incorrect, the franchisee is entitled not only to demand cancellation of the agreement, but also to file an action to collect statutory damages or lost profits. The franchisee would have one year from the date of execution of the agreement to exercise that right.

New Articles 142 *bis*, 142 *bis* 1, 142 *bis* 2 and 142 *bis* 3 establish requirements for franchise agreements, including: (1) the

franchisor must have the right to participate in the organization and operation of the franchise; (2) the franchisee must have the obligation to keep confidential all information provided by the franchisor; and (3) the agreement may not be terminated unilaterally unless the agreement has an indefinite term or a justified cause for termination exists.

Furthermore, IPL Article 213, which includes all the scenarios that may constitute an industrial property infringement, has been amended with the addition of sections XXV and XXVI. The first addition refers to the failure to provide appropriate franchise information to the franchisee; the second, to a formal protection of trade dress linked to franchised establishments.

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UNITED STATES

District Court Says Keywords Are Use in Commerce Under “Plain Meaning of the Lanham Act”

In *Edina Realty, Inc. v. TheMLSonline.com*, 2006 WL 737064 (D. Minn. Mar. 20, 2006), the U.S. District Court of Minnesota addressed whether the purchase of a competitor's trademark as a search keyword constituted trademark infringement. The court did not resolve the case at the summary judgment phase, but rather set the case for trial.

Plaintiff sued defendant for trademark infringement, dilution and false advertising arising from defendant's purchase and use of search terms that contained formatives of plaintiff's trademark (EDINA REALTY) on the Google and Yahoo! search engines. As a result of the purchases, defendant's advertisements showed up at the top of the list of the websites generated pursuant to an internet search. Plaintiff's ads, on the other hand, appeared lower on the list. Defendant also used plaintiff's mark in hidden text and in its website.

Both parties filed summary judgment motions. Plaintiff's motion covered its claims of trademark infringement and dilution. Defendant's motion argued that defendant's purchase of plaintiff's mark as an internet search term was not use in commerce, that plaintiff did not demonstrate a likelihood of confusion and that defendant's use of plaintiff's mark was permissible under the doctrine of nominative fair use.

The court denied plaintiff's motion, and granted in part and denied in part defendant's motion. Without much explanation or without much precedent, and appearing to rely mostly on the “plain meaning of the Lanham Act,” the court held that defendant's use of plaintiff's mark was in fact “use in commerce.” As for the likelihood of confusion standard, the court found enough genuine issues of material fact about several of the likelihood of confusion factors to require trial on that issue. Finally, the court rejected defendant's argument that its use was a nominative fair use, on the basis that none of defendant's uses (as an internet search term, in its sponsored link ads and in hidden text and links) required use of plaintiff's mark. In other words, defendant could have described the contents of its website without using plaintiff's mark.

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IRAN

ORAL Is Dominant Portion of Marks for Toothbrushes

Gillette Canada Company brought an action against Iranian registrants Hassan Ghasemzadeh and Yousef Darouiyan, seeking to nullify their trademark registration for DR. ORAL, covering toothbrushes in Class 21.

Gillette brought the cancellation action based on its prior registration for the trademark ORAL-B in Iran and the fact that ORAL-B is a well-known mark around the world. Gillette argued that use of the mark DR. ORAL for identical goods would confuse and mislead the average consumer as to the goods' source.

The Iranian registrants argued that ORAL was a descriptive word and Gillette could not claim exclusive rights over ORAL apart from the mark ORAL-B. They also argued that the addition of -B in ORAL-B and DR. in DR. ORAL made the marks sufficiently distinctive so that consumers would not be confused.

The court decided that DR. ORAL was confusingly similar to ORAL-B in appearance, pronunciation and writing. In addition, the court held that the word ORAL was the dominant part of both marks and would increase the likelihood of consumer confusion.

On December 14, 2005, the appellate court upheld lower court's judgment.

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INDIA

Jurisdiction Ruling Brings Some Relief for IP Owners

After the Supreme Court's ruling earlier this year in *Dhoda House v. S.K. Maingi*, which restricted the territorial jurisdiction of the courts to the place where the defendant resides or carries on business (See *INTA Bulletin* Vol. 61 No. 4 February 15, 2006), the Delhi High Court's judgment in *Pfizer Products Inc. v. Chopra* brings some relief for owners of trademark rights in India.

In *Pfizer*, the Delhi High Court considered and distinguished the Supreme Court's ruling in *Dhoda House*, holding that the mere threat of sale of alleged infringing goods in a territory may be sufficient to invoke the court's territorial jurisdiction.

Pfizer brought suit for an injunction and damages on the grounds of passing off and unfair competition. Jurisdiction was invoked on the bases that the defendant had filed applications in the Trademarks Office in Delhi for registration of the marks at issue and that the defendants intended to sell the allegedly infringing goods in Delhi.

The Court noted that although the *Dhoda House* ruling held that a mere advertisement in the trademark journal in its territory would not in itself confer jurisdiction in a local court, that exclusion would not apply in cases where the defendant's application for registration was initiated in that jurisdiction.

As to the second ground for invoking territorial jurisdiction, the court held that even if there was a mere threat of sale of infringing goods, there would be a presumption in favor of the court's jurisdiction.

This case brings some relief to IP rights owners, who might otherwise be hard pressed to find efficient means of bringing proceedings after the *Dhoda House* decision.

Contributor: Rachna Bakhru, Rouse & Co. International, Dubai, UAE; Verifier: Manmohan Singh, Manmohan Singh Associates, New Delhi, India

June Trademark Administrators Roundtables

Topic: Alternative Search Tools
June 5 – 16, 2006 | Various U.S. cities

Meet with local colleagues to discuss how to perform domain name and common law use searches, as well as learning more about due diligence and maintenance.

Held in multiple U.S. cities, these roundtables are designed to fit into your busy schedule.

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UNITED STATES

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Beth A. Chapman, a former U.S. Patent & Trademark Office Trademark Trial and Appeal Board judge, has joined Oblon, Spivak, McClelland, Maier & Neustadt, P.C. in Alexandria, Virginia, USA.

Jeremy Drew has joined the London office of Reynolds Porter Chamberlain as a partner. He was previously a partner at Ashurst.

Nicole D. Hickey has joined Abbott Laboratories as senior counsel for trademarks. Before joining Abbott, Ms. Hickey was a partner at Frost, Brown, Todd LLC in Cincinnati, Ohio, USA.

Robert (Bob) Hollweg, general counsel and secretary of Weight Watchers International and 1994–1995 INTA president, has retired after 37 years with the company. **Jeffrey Fiarman** has succeeded Mr. Hollweg. Mr. Fiarman was the associate general counsel of Weight Watchers. Before that he was general counsel of WeightWatchers.com.

Michael J. Leonard has joined the Philadelphia, Pennsylvania, USA office of Pepper Hamilton LLP as a senior associate in the intellectual property practice group. Before joining Pepper, Mr. Leonard was living in Germany, where he served as a legal intern with the Munich office of Bardehle Pagenberg Dost Altenburg Geissler. He previously worked as an attorney in private practice in the Washington, D.C. area, most recently with Burns, Doane, Swecker & Mathis (now part of Buchanan Ingersoll).

Patricia McGovern has established the law firm P. McGovern & Co. Solicitors in Dublin, Ireland. Ms. McGovern was formerly with L.K. Shields Solicitors.

Stefan Osterbur has joined the Bloomfield Hills, Michigan, USA office of Rader, Fishman & Grauer. Before joining Rader, Fishman & Grauer, Mr. Osterbur was a law clerk with Harness, Dickey & Pierce PLC. He is also a former vehicle safety engineer with General Motors.

Jo-Ann See has joined Amica Law LLC in Singapore. She was formerly with Allen & Gledhill.

The "INTA Bulletin Board" announces job changes or other significant career news about individuals who belong to INTA organizations. To submit an item for consideration, send a brief message to bulletin@inta.org.



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June 4 – 30, 2006

E-Learning: Madrid Protocol 101 (with CLE)

Anywhere via the Internet

June 5 – 16, 2006

Roundtable: Alternative Search Tools

Various U.S. cities

June 5 – 30, 2006

E-Learning: Trademark Basics (with CLE)

Anywhere via the Internet

June 12 – 14, 2006

Roundtable: Trademark Searching and Clearance

Various Canadian cities

June 12 – 30, 2006

E-Learning: TTAB (with CLE)

Anywhere via the Internet

June 13, 2006

Roundtable: Trademark Filing in China

Munich, Germany

June 22, 2006

Roundtable: Selecting Counsel and International Developments

Lima, Peru

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