

915-932; supp 135-146

Recent decision...

Hot off the press (but hardly surprising): Consumers do not have standing to bring actions for false advertising under the Lanham Act. *Made in the USA Foundation v. Phillips Food, et. al.*, 03-1752 (4th Cir April 19, 2004).

MGM-Pathe v. Pink Panther Patrol (SNDY 1991) [916]

Compare the use of Polaroid factors here to *Yankee Publishing* [902].

[Note to students: it is really worth your time to work through this...]

Pretty different. Why?

Also, where's the commercial use?

One would suspect anti-gay prejudice except that Laval's career really suggests that's not what is happening.

LucasFilm v. High Frontier

Lucas can't block political use of "Star Wars" term.

Many other examples of this ("where's the beef?")

But, note troubles with government naming products e.g. "Clipper Chip"

Planned Parenthood v. Bucci (SDNY '97, aff'd mem. 2nd cir '98) [925]

"Defendant Bucci is the host of "Catholic Radio," a daily radio program broadcast on the WVOA radio station in Syracuse, New York. Bucci is an active participant in the anti-abortion movement. Bucci operates web sites at "www.catholicradio.com" and at "lambsofchrist.com."

Intent to confuse -- for political reasons. Used domain name and banner on homepage: "Welcome to Planned Parenthood Home Page!"

There was also a use-in-commerce issue in the case. On this, the judge held,

"The activity involved in this action meets the "in commerce" standard for two reasons. First, defendant's actions affect plaintiff's ability to offer plaintiff's services, which, as health and information services offered in forty-eight states and over the Internet, are surely "in commerce." Thus, even assuming, arguendo, that defendant's activities are not in interstate commerce for Lanham Act purposes, the effect of those activities on plaintiff's interstate commerce activities would place defendant within the reach of the Lanham Act."

Does the above contradict *Mattel* or is the type of harm to the mark here different or greater in a way that matters?

(The judge also said:

Notwithstanding its jurisdictional "in commerce" requirement, Section 1114 contains no commercial activity requirement; rather, it prohibits any person from, without consent of the registrant of a mark, using the mark "in connection with the sale, offering for sale, distribution, or advertising of any good or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive." The question the Court must decide, then, is whether defendant's use of plaintiff's mark is properly viewed as in connection with the distribution or advertising of goods or services.

Defendant's use of plaintiff's mark satisfies the requirement of Section 1114 in a variety of ways. First, defendant has stated that he chose to place materials about The Cost of Abortion on the "www.planned parenthood. com" web site because he wanted to help Roberge "plug" his book. Tr. 2/21/97 at 25. In addition, defendant agreed that he, by this activity, was helping the author sell his book. Id. at 30. Although defendant receives no money from any sales of the book that result from its exposure on his home page, there is no personal profit requirement in Section 1114. The materials on the home page, which are similar to a publisher's publicity kit, certainly relate to the advertisement and distribution of The Cost of Abortion.

If that's right, what's NOT a use in commerce online??? In a newspaper?

Jews for Jesus v. Brodsky (DNJ *aff'd mem.* 3rd Cir.) [927]

Similar facts - a misleading site for political/religious motives. Commercial activity? t-shirt sales.

Taubman Co. V. Webfeats (6th 2003) [supp. 135]

Odd case esp. in light of the PACAR decision from the same court.

PETA v. Doughney (4th 2001) [Supp139]

Probably the leading case now.

The amazingly odd thing about this decision is what qualifies as "commercial" here -- very hard to believe this is correct: "Doughney need only have prevented users from obtaining or using PETA's goods or services, or need only have connected the website to other's goods or services."

-- so any links to any commercial sites = cybersquatting?

-- any registration of a string that is trademarked "prevents users" from getting there?

Very very odd.

The court clearly thinks Doughney is acting in bad faith (is this more of the 'radicals lose'? or are PETA the 'radicals' here?) due to his 'negotiate with me' line of comments & the provision of also contact details.

Court also says in effect, this is an initial interest infringement case, not a parody case. [Note how necessary commercial aspect of the infringement -- the two part test suggested by the 9th circuit -- has also been ignored, as apparently the initial 'commercial' usage suffices here too!

Chapter 14: International Aspects of TM Protection

999-1004, 1020-1033, 1033-1050

TM law is one of the most fully harmonized areas of law.
Key treaties are Paris Convention and Madrid Protocol

Paris convention: NB. 6 month priority period [999].
Can get US registration of foreign-owned mark already registered abroad w/out domestic use!

Paris 6bis protects famous marks against uses for 'identical or similar' goods

TRIPS adds to protection of famous marks -- but a lot fewer countries have signed.

US Senate authorized US accession to the Madrid Protocol Oct. 17, 2002
implementing regulations recently issued.

Eight features of the "Madrid System." (adapted from
http://www.goodwinprocter.com/publications/IP_MadridProtocol_11_02.pdf)

Simplified Filing. The Madrid System allows for simultaneous application for the registration of a trademark (or service mark) in up to 70 member countries. Registration is a fairly simple procedure and is far less expensive than filing multiple individual national applications around the world. This process enables the trademark owner to file a single application in one place, in one language, paying just one fee in one currency, with a minimum of formalities, and resulting in one registration. Any U.S. entity which has filed a U.S. trademark application will also be able to file an International Registration designating any one or more of the 70 member countries which are signatories to the Madrid Protocol.

Portfolio Management. Subsequent management and renewal of the resulting International Registration is simplified and streamlined. Since an International Registration is effectively a bundle of national registrations, maintenance filings including renewals, assignments, amendments, etc., need only be filed in one place, again paying just one (much lower) fee.

Need for Local Counsel Eliminated. Because the Madrid application is submitted only to the trademark office in the applicant's home country, which then transmits the application to its counterparts in countries designated by the applicant for local examination, the Madrid System effectively eliminates the need to hire local counsel to file and shepherd the application in each designated country, resulting in further, substantial cost savings. Retaining local counsel only becomes necessary if the substantive examination by the national trademark office of a particular country results in the issuance of an Office Action Fees. The U.S. government has yet not determined what it will charge for designating the U.S. in an International Registration.

Review. The length of time from filing for an International Registration to having the application examined by a trademark examining attorney remains at 12 months or less in a majority of the

member countries. This is a much shorter time frame than the current U.S. registration process, which can take a minimum of 18 to 24 months. If one of the designated countries refuses to grant protection of the mark, that country can simply be removed from the application, and the remainder of the application proceeds to registration.

Registration. An International Registration under the Protocol lasts for 10 years and is renewable for subsequent 10-year periods upon the payment of applicable fees.

Dependency. During the first five years after registration, the International Registration is considered “dependant” on the fate of the underlying “basic” national application or registration. If, during that time, the basic mark lapses, is withdrawn, revoked or cancelled, or if it is otherwise invalidated in whole or in part, the International Registration is similarly effected in all of its designated countries. However, in the event the basic national application is attacked and the International Registration is then cancelled, or partially cancelled, an applicant under the Protocol may transform the international application into a series of national applications in each of the designated countries, all of which will stand on their own but also retain the original filing date. [see more on this at CB p. 1003]

Assignability. In addition to ease of recording assignments of registrations, one of the greatest benefits of the U.S. accession to the Protocol will be the ability to assign an International Registration to a U.S. entity. (International Registrations are only assignable if the assignee is a national or domiciliary of a Madrid System member state.) Under current law, a U.S. company must establish a subsidiary in a member state in order to hold rights in an International Registration. That will no longer be necessary once U.S. accession to the Protocol is complete.

B. US Registration

[Note p. 1012's discussion of how a foreign TM owner can register in the US on the basis of prior registration in "country of origin", or on an *application* to register abroad.]

Foreign residents can get a US TM without use, § 1126(f), but they will be considered to have abandoned the mark if not used in the US within three years or registration]

GREY MARKET / PARALLEL IMPORTS

K Mart Corp v. Cartier (US 1988) [1020]

There are three basic types of gray market cases.

Case 1: Domestic firm (DF) **buys** from *independent* foreign firm (FF) right to register & use FF's TM as a US TM and sell foreign-made product here.

Gray market if --

- (i) 3rd party buys from FF abroad and imports to US
- (ii) FF then imports directly (in violation of contract w/ DF?)

Case 2: DF registers US TM for goods made abroad by *affiliated* FF. DF **buys** goods from FF to sell in US

2(a): DF is a subsidiary of FF;

2.(a).i. grey market when 3rd party buys from FF abroad and imports to US

2.(a).ii grey market if (rare!) FF then imports directly (in violation of relationship w/ DF!)

2(b) DF establishes subsidiary abroad

2.(b).i. grey market if 3rd party buys from FF abroad and imports to US

2(c) DF has unincorporated mfg division abroad

2.(c).i. grey market if 3rd party buys from FF abroad and imports to US

Case 3: DF **authorizes** FF to use TM abroad

(i) grey market when 3rd parties buy goods and import them to US

(ii) grey market when FF exports into US (in violation of contract w/ DF?)

EXERCISE : ID cases above in (1)-(3) on p. 1022

Answer is: US customs rules EXCLUDE case 2 (affiliated firms), and in [p.1022] (3) exclude case three

Statute (§ 526) says:

"(a) Importation prohibited

"Except as provided in subsection (d) of this section [an exception added in 1978 for the importation of articles for personal use], it shall be unlawful to import **into the United States any merchandise of foreign manufacture if such merchandise, or the label, sign, print, package, wrapper, or receptacle, bears a trademark owned by a citizen of, or by a corporation or association created or organized within, the United States, and registered in the Patent and Trademark Office by a person domiciled in the United States, under the provisions of sections 81 to 109 of title 15, and if a copy of the certificate of registration of such trademark is filed with the Secretary of the Treasury, in the manner provided in section 106 of said title 15, unless written consent of the owner of such trademark is produced at the time of making entry.**"

Held, Cases 1&2 ok, 3 isn't.

Lever Bros. (CAD 1989) [1025]

The two corporations are "affiliated". Both make Shield & sunlight, but to different formulae, using somewhat different trade dress, and similar marks.

3rd parties import UK stuff to US.

Lever (US) says customs should block imports on §42 (no import of products 'which shall copy or simulate the name of any domestic manufacture [etc])

Customs says goods are genuine. Thus they neither 'copy' nor 'simulate'.
Legal issue is validity of §c(2) of regs:

(c) *Restrictions not applicable*. The restrictions ... do not apply to imported articles when:

(1) Both the foreign and the U.S. trademark or trade name are owned by the same person or business entity; [or]

(2) The foreign and domestic trademark or trade name owners are parent and subsidiary companies or are otherwise subject to common ownership or control....

The Customs Service regulation further provides an “authorized-use” exception, which permits importation of gray-market goods where

(3) [t]he articles of foreign manufacture bear a recorded trademark or trade name applied under authorization of the U.S. owner . . . 19 CFR § 133.21(c) (1987).

Issue: is the common control exception justified by §42?

D.C. Circuit says that since import is by 3rd party, it is not fair to say that this is an "authorization" or "resolve in the boardroom" issue [1031] i.e. this case is group 2(a)i in typology above.

Infringement & Unfair Competition
Protection of Foreign Marks in the USA [1033]

Davidoff Extension S.A. v. Davidoff Int'l, Inc. [SD Fla. 1983]

1126(c)(e) - can get US TM registration w/out alleging use in US based on foreign registration.
NB 1126(g) on protection of *trade names*. - protected w/out need to file!
1126(h) - protection from unfair competition

GM v. Lopez

Paris Convention provides "national treatment" i.e. given foreigners what you give locals. [1037]

But some courts say Lanham Act actually incorporates international agreements [cf. 1037 bottom &

1038

Court here finds a substantive right against unfair competition in 1126 (h) & (i) - reasoning is, it's in Paris convention, hence foreigners have it under (h), hence US citizens have it under (i).
[kinda reverse national treatment - bring US up to world level; no accident - IP folks work that way]

Persons's Co v. Chistman (Fed Cir. 1990) [1040]

Allows a us person to go abroad, see a foreign TM not used here, come home, copy it, and get away with it (as GOOD FAITH, no less!) so long as the foreigner had no plans to use, or actual use in US.

US person gets priority, and registration is not to be cancelled.

NB court also says [1044] that it won't adjudicate a Paris convention claim in a cancellation or opposition proceeding....