

New TLT brings more streamlined, harmonized procedures

The member states of the World Intellectual Property Organization (WIPO) signed the new Trademark Law Treaty (TLT), officially known as the Singapore Treaty on the Law of Trademarks, on March 28. The new treaty, which will coexist with the 1994 treaty rather than abolish it, deals mainly with procedural aspects of trademark registration and licensing but brings welcome harmonization in essential aspects of trademark law practice that have proved burdensome to trademark owners and practitioners alike.

The main reason behind the new treaty was WIPO's concern that the 1994 treaty was not keeping pace with developments in telecommunications. The new treaty therefore includes provisions to improve electronic communications between trademark offices and mark owners and trademark practitioners. Developing and least developed countries expressed concerns over the

financial burden of upgrading their systems to allow for electronic filing and requested an amendment to allow paper filing to continue indefinitely; a compromise was found whereby industrialized nations will provide technical assistance and economic aid.

The new treaty also reflects changes that have been introduced in many national laws since 1994 to allow service mark registrations and multiple class applications. However, the treaty does not remove the dual register systems, found mainly in African countries, under which mark owners have to manage applications, registrations and renewals for trademarks and service marks in two separate registers.

The treaty also simplifies the recordal of licences by setting out a maximum list of factors and conditions that may be required by national or regional authorities, and creates a framework for defining the reproduction of

non-visible marks, such as sound and smell marks.

Finally, it establishes an assembly of the contracting parties, which will review administrative details of a lesser order.

The new treaty was a long time coming but it has been welcomed as a positive step forward. "If it's what was needed to get more countries to sign up to the TLT, that is going to make a huge difference to mark owners worldwide," said Tibor Gold, a partner at Kilburn & Strode in London, and a member of the UK delegation.

Originally required to harmonize substantive as well as procedural aspects of the trademark laws of the WIPO member states, the treaty concluded in 1994 addressed only procedural issues. It introduced standard requirements and procedures for trademark registrations before the trademark offices of the contracting parties, in particular by alleviating

cumbersome documentation procedures, such as the submission of multiple powers of attorney, witness requirements and authentication and legalization requirements. Pursuant to the treaty, WIPO also issued model international forms for, among other things, trademark applications; powers of attorney and requests for the recordal of changes.

The model international forms are a useful tool for multinational companies that handle numerous trademark applications and registrations.

However, with only 33 signatories – most of them in Europe and already using streamlined procedures in the relevant areas – the success of the treaty was open to discussion. Having more developing countries sign up for harmonized simplified procedures will make a big difference to mark owners (and their representatives) who manage registrations worldwide. The flipside is that harmonized procedures could be a threat to the paralegal profession as paralegals working on worldwide assignments spend considerable time getting the right information to the right office.

News focus

New laws bring critical changes

Two key pieces of amending legislation are set to reshape the landscape for trademark law in the United States.

The Trademark Dilution Revision Act 2006, which addresses some of the discrepancies and ambiguities of the Federal Trademark Dilution Act, has now been passed by Congress. The new act clarifies the definition of a 'famous mark' and has changed the standard of proof to a requirement of a likelihood of dilution, rather than actual

dilution. It also provides two distinct causes of action, namely dilution by blurring and by tarnishment.

It is hoped that the new act will help to resolve a split in the case law of the US circuit courts. (See "State of the Union" on pages 47 to 53 for an in-depth discussion of the new act.) The Stop Counterfeiting in Manufactured Goods Act has also been signed into law. This is the first major amendment to the US anti-counterfeiting statute since the Anti-

counterfeiting Consumer Protection Act of 1996.

The act extends criminal sanctions to cover the use of a counterfeit mark on labels, stickers, packaging, documentation and similar articles that accompany goods. Prior legislation allowed counterfeiters to escape criminal liability by importing inferior manufactured goods that did not bear a counterfeit mark and thereafter placing counterfeit marks on them. The act is intended to close this loophole.

' .cn' dispute changes

Significant amendments to the '.cn' Dispute Resolution Policy (DRP) came into effect on March 17, making it more difficult for mark owners to recover domain names. The new policy introduces three major amendments to the existing '.cn' DRP: a time bar for domain name disputes; a narrowing of the scope of the bad-faith requirement; and a widening of the definition of 'legitimate interest', making it more difficult for a complainant to argue that the registrant has no legitimate interests in the disputed domain name.

Europe's court fashions trademark law

In *Emanuel v Continental Shelf 128 Ltd* C-259/04, the European Court of Justice (ECJ) has clarified the interpretation of Articles 3(1)(g) and 12(2)(b) of the First Trademark Directive (89/104/EEC). The former outlines circumstances in which a trademark is likely to deceive the public, while the latter provides for revocation of marks which have, since registration, become liable to cause such deception.

The case arose in relation to the mark ELIZABETH EMANUEL, which was originally owned by the fashion designer of the same name. Following a series of assignments, the ownership of the mark was transferred to a company with which she had no

connection. That company also applied for a second mark featuring the name.

Based on Articles 3(1)(g) and 12(2)(b), Elizabeth Emanuel opposed registration of the second mark and applied for revocation of the original mark. She stated that as she no longer had any link with the marks' owner, the marks and/or the use made of them were likely to deceive or mislead the public.

The ECJ found that even if the average consumer might be influenced in the act of purchasing a garment bearing the mark ELIZABETH EMANUEL by imagining that Emanuel was involved in the design, the characteristics and qualities of that garment remained

guaranteed by the mark owner. Article 3(1)(g) did not apply.

As to Article 12(2)(b), the ECJ stated that the disputed mark was not liable to revocation on the grounds of being misleading as the goodwill associated with the mark had been assigned together with the business.

The ECJ has also been busy looking at other trademark cases.

In *Matratzen Concord AG v Hukla Germany SA* C-421/04, the second case involving the mark MATRATZEN (the German word for 'mattresses') to come before the ECJ, the court has ruled that a descriptive word in the language of one EU member state may not be registered as a trademark in another member state where a

significant proportion of traders in and consumers of the product covered by the mark can reasonably be expected to understand the meaning of the word.

In *Mühlens GmbH & Co KG v Office for Harmonization in the Internal Market* C-206/04 P, the ECJ has affirmed a decision of the European Court of First Instance (CFI) which clarified the interaction between the phonetic and conceptual elements of trademarks when assessing the likelihood of confusion under Article 8(1)(b) of the Community Trademark Regulation (40/94). The CFI had held that the mark ZIRH for perfumes and toiletries was not confusingly similar to the earlier mark SIR for similar products because they are conceptually different.

Amendments to Japanese law

April saw the implementation in Japan of amendments to the Trademark Law which allow for, among other things, the registration of geographical names. The new provisions allow for the registration of a well-known trademark consisting of a geographical name and a generic term for a product or service that is owned by an industrial business cooperative association (including an equivalent foreign

entity), provided that the trademark fulfils the other requirements for registration. Both elements (ie, the geographical name and the generic term) must be present for the application to succeed.

In addition, the Ministry of Economy, Trade and Industry and the Japan Patent Office have announced that a bill partially amending the design law and other IP laws has been approved by the Cabinet. The

bill aims to increase the protection of IP rights; facilitate the acquisition of rights; and strengthen measures against counterfeit goods.

This follows on from the implementation at the end of last year of Law 75/2005, which amended the Unfair Competition Prevention Law. The new law clarifies the provisions on the protection of product configurations by defining the terms 'imitating' and 'configuration'. The law also introduced criminal penalties against counterfeiting activities.

London court tackles trademarks

The High Court of England and Wales's decision in *O2 Limited v Hutchison 3G (UK) Limited* [2006] EWHC 534 (Ch) may have interesting ramifications for the use of survey evidence in trademark infringement cases. The court held that a survey is an experiment, implying that it may amount to expert evidence, which can be adduced only with the leave of the court.

In *Special Effects Ltd v L'Oréal SA* [2006] EWHC 481 (Ch), the High Court has ruled that a party can be issue-estopped by proceedings in the UK Trademarks Registry from running the same arguments in a dispute between the same parties in any subsequent litigation.

In *Mastercigars Direct v Hunters & Frankau Limited* [2006] EWHC 410 (Ch), the court refused to accept that a history of earlier consignments of Cuban cigars successfully imported by Mastercigars was sufficient to show a previous course of dealing and thus consent on the part of the trademark owner.

New EU regulation published

The text of Council Regulation 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs has been published in the *Official Journal*.

An application for protection must be sent to the relevant national authority where it will be examined and then transmitted to the European Commission. The commission will grant protection if the application meets the requirements and there are no objections.

Olympics act in force

The London Olympics and Paralympic Games Act 2006 came into force on March 30 2006. The act, which relates to the 2012 games, has seen significant changes over the course of its journey through Parliament thanks to some much publicized lobbying and amendments tabled by the House of Lords.

One of the most important changes is a softening of the initial approach proposed to deal with any ambush marketing surrounding the London Olympics.

IP Enforcement Directive deadline

The deadline for implementation of the European Union's IP Enforcement Directive (2004/48/EC) was April 30 2006. At the time of writing, however, about half of the EU member states were expected to miss the deadline. (For comments on what the directive is expected to change for trademark law practice in Europe, see page 13.)

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