

Trademarks 2020

Contributing editors
Theodore H Davis, Jr and Olivia Maria Baratta



Publisher

Tom Barnes

tom.barnes@lbresearch.com

Subscriptions

Claire Bagnall

claire.bagnall@lbresearch.com

Senior business development managers

Adam Sargent

adam.sargent@gettingthedealthrough.com

Dan White

dan.white@gettingthedealthrough.com

Published by

Law Business Research Ltd

Meridian House

34-35 Farringdon Street

London, EC4A 4HL

Tel: +44 20 3780 4147

Fax: +44 20 7229 6910

The information provided in this publication is general and may not apply in a specific situation. Legal advice should always be sought before taking any legal action based on the information provided. This information is not intended to create, nor does receipt of it constitute, a lawyer-client relationship. The publishers and authors accept no responsibility for any acts or omissions contained herein. The information provided was verified between August and September 2019. Be advised that this is a developing area.

© Law Business Research Ltd 2019

No photocopying without a CLA licence.

First published 2005

Sixteenth edition

ISBN 978-1-83862-161-2

Printed and distributed by

Encompass Print Solutions

Tel: 0844 2480 112



Trademarks

2020

Contributing editors**Theodore H Davis, Jr and Olivia Maria Baratta****Kilpatrick Townsend & Stockton LLP**

Lexology Getting The Deal Through is delighted to publish the sixteenth edition of *Trademarks*, which is available in print and online at www.lexology.com/gtdt.

Lexology Getting The Deal Through provides international expert analysis in key areas of law, practice and regulation for corporate counsel, cross-border legal practitioners, and company directors and officers.

Throughout this edition, and following the unique Lexology Getting The Deal Through format, the same key questions are answered by leading practitioners in each of the jurisdictions featured. Our coverage this year includes new chapters on Bosnia and Herzegovina, Canada, China, Croatia, Denmark, the European Union, Italy, Kosovo, Montenegro, North Macedonia, Slovenia, South Africa and Sweden.

Lexology Getting The Deal Through titles are published annually in print. Please ensure you are referring to the latest edition or to the online version at www.lexology.com/gtdt.

Every effort has been made to cover all matters of concern to readers. However, specific legal advice should always be sought from experienced local advisers.

Lexology Getting The Deal Through gratefully acknowledges the efforts of all the contributors to this volume, who were chosen for their recognised expertise. We would like to thank the contributing editors, Theodore H Davis, Jr and Olivia Maria Baratta of Kilpatrick Townsend & Stockton LLP for their assistance with this volume. We also extend special thanks to Claus Eckhartt and Christine Fluhme of Bardehle Pagenberg Partnerschaft mbB, who contributed the original format from which the current questionnaire has been derived, and who helped to shape the publication to date.



London

September 2019

Reproduced with permission from Law Business Research Ltd

This article was first published in October 2019

For further information please contact editorial@gettingthedealthrough.com

Contents

Angola	5	Guatemala	95
Patrícia Rodrigues RCF – Protecting Innovation SA		Marco Antonio Palacios and Hilda Monterroso Palacios & Asociados/Sercomi	
Austria	10	Honduras	102
Peter Israiloff Barger, Piso & Partner		Ricardo Anibal Mejia and Blanca Rebeca Mejia Bufete Mejia & Asociados	
Bosnia and Herzegovina	18	Italy	110
Merima Čengić-Arnaut and Selma Čustović Zivko Mijatovic & Partners		Michelle Vanzetti and Mark Bosshard Vanzetti e Associati	
Brazil	25	Japan	116
Philippe Bhering and Jiuliano Maurer Bhering Advogados		Masayuki Yamanouchi, Ai Nagaoka and Satoko Yokogawa Anderson Mori & Tomotsune	
Canada	34	Korea	123
Monique M Couture and R Nelson Godfrey Gowling WLG		Mi-Cheong Lee and So-Jung Bae Lee International IP & Law Group	
China	41	Kosovo	130
Angell Xi (Minjie) Jingtian & Gongcheng		Marija Markicevic Zivko Mijatovic & Partners	
Colombia	50	Kyrgyzstan	135
María Alejandra Pava and Juan Felipe Acosta Olarte Moure Y Asociados SAS		Omurgul Balpanova and Aisulu Chubarova ARTE Law Firm	
Croatia	57	Macao	142
Ivana Ervaćanin, Luka Jelčić and Ivana Šarlija Zivko Mijatovic & Partners		Patrícia Rodrigues RCF – Protecting Innovation SA	
Denmark	64	Malaysia	147
Christina Type Jardorf and Rasmus Torp Accura Advokatpartnerselskab		Jin Nee Wong Wong Jin Nee & Teo	
European Union	71	Malta	156
Michael Hawkins and Tobias Dolde Noerr		Steve Decesare, Sharon Xuereb and Maria Grima Camilleri Preziosi	
Germany	79	Mexico	165
Tanja Hogh Holub Beiten Burkhardt Rechtsanwälts-gesellschaft mbH		Marcela Bolland Uhthoff, Gomez Vega & Uhthoff SC	
Greece	88	Montenegro	171
Vali Sakellarides Sakellarides Law Offices		Rajka Vukcevic and Marija Savic Zivko Mijatovic & Partners	

North Macedonia	177	Slovenia	236
Aneta Indovska and Aleksandar Bogojevski Zivko Mijatovic & Partners		Petra Sever and Metka Malis Furlan Zivko Mijatovic & Partners	
Pakistan	183	South Africa	242
Ali Kabir Shah and Hanya Haroon Ali & Associates		Shamin Raghunandan, Linda Thilivhali, Jeremy Speres and John Foster Spoor & Fisher	
Peru	191	Sweden	250
María del Carmen Arana Courrejolles Estudio Colmenares & Asociados		Oscar Björkman Possne, Emma Kadri Bergström, Matilda Fridh and Sandra Torpheimer Mannheimer Swartling Advokatbyrå AB	
Portugal	200	Switzerland	258
Patrícia Rodrigues RCF - Protecting Innovation SA		Jürg Simon, Sevan Antreasyan, Adrian Wyss and David Hitz Lenz & Staehelin	
Russia	206	Taiwan	265
Vladimir Trey and Evgeny Alexandrov Gorodissky & Partners		Victor SC Lee, Crystal J Chen, Nick JC Lan, Yiling Liu and Iris LC Lin Tsai, Lee & Chen	
Saint Lucia	215	Tanzania	272
Cheryl Charmaine Goddard-Dorville Goddard-Dorville Legal		Patrick Sanga and Haika-Belinda John Macha Vemma Consult Attorneys	
Saudi Arabia	222	Turkey	277
Mohammad Jomoa and Asif Iqbal Kadasa Intellectual Property (Kadasa IP)		Ahmet Akguloglu ATG Law Firm	
Serbia	230	United States	284
Dusko Majkic Zivko Mijatovic & Partners		Theodore H Davis Jr and Olivia Maria Baratta Kilpatrick Townsend & Stockton LLP	

United States

Theodore H Davis Jr and Olivia Maria Baratta
Kilpatrick Townsend & Stockton LLP

LEGAL FRAMEWORK

Domestic law

1 | What is the primary legislation governing trademarks in your jurisdiction?

Both federal and state law govern the protection and registration of trademarks in the United States. On the federal level, the Lanham Act (15 USC section 1051 et seq) is the primary legislation. Each state has its own trademark laws.

International law

2 | Which international trademark agreements has your jurisdiction signed?

The United States is a member of the following international agreements:

- the Madrid Protocol;
- the Paris Convention for the Protection of Industrial Property (Paris Convention);
- the North American Free Trade Agreement;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights; and
- the Singapore Treaty on the Law of Trademarks.

Regulators

3 | Which government bodies regulate trademark law?

The US Patent and Trademark Office (USPTO) is the federal body responsible for examining and registering trademarks. An unsuccessful applicant may appeal to the Trademark Trial and Appeal Board (TTAB), which is a part of the USPTO. TTAB decisions may be appealed to a federal court. State offices – usually those of secretaries of state – examine and register marks at the state level.

REGISTRATION AND USE

Ownership of marks

4 | Who may apply for registration?

Any natural person or entity that uses a mark or has a bona fide intent to use a mark may apply to register it.

Scope of trademark

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

Subject to certain exceptions, any distinctive and non-functional word, symbol, drawing or combination thereof may be registered in the USPTO or protected under the common law without a registration. In

addition, certain product shapes, packaging, slogans, colours, sounds, fragrances, flavours and other non-visual matter can be registered or protected.

Unregistered trademarks

6 | Can trademark rights be established without registration?

Yes. An unregistered but otherwise valid trademark (also known as a common-law trademark) is protectable under section 43 of the Lanham Act (15 USC section 1125). However, except in certain circumstances, unregistered trademark rights are geographically limited to the region in which the trademark is used or is known to consumers. Unlike a registered trademark, an unregistered trademark is not presumptively valid. Therefore, to protect an unregistered trademark, the rights holder must prove that it owns a valid trademark.

Famous foreign trademarks

7 | 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?

A famous mark enjoys broader protection than a mark that is not famous. However, US law generally does not protect either famous and well-known marks (as that phrase is used in the World Intellectual Property Organization (WIPO) Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks) or marks that are not used within the United States.

The benefits of registration

8 | What are the benefits of registration?

Registration is presumptive evidence of the registered mark's validity and nationwide priority of rights dating to the filing date of the registrant's application. It also serves as constructive notice of the registrant's claim of ownership. Owners of registered marks may:

- use the ® symbol;
- protect their marks in federal court;
- obtain certain remedies (especially those against counterfeiting) not otherwise available; and
- use the US registration as basis for applications abroad.

Filing procedure and documentation

9 What documentation is needed to file a trademark application? What rules govern the representation of the mark in the application? Is electronic filing available? Are trademark searches available or required before filing? If so, what procedures and fees apply?

Each application requires the following:

- the applicant's name, address and entity type;
- the applicant's signature or verification;
- identification of the relevant goods or services;
- the filing basis;
- a drawing of the mark;
- a description of the mark; and
- payment of the filing fee.

However, there are additional requirements depending on the filing basis. For example, if the applicant files based on use in commerce, the application must include:

- a verified statement that the mark is in use in commerce;
- the date of first use;
- the date of first use in commerce; and
- specimens showing use of the mark for at least one good or service in each class.

If the applicant files based on a bona fide intent to use the mark in US commerce, the application must include a verified statement to this effect. Applications based on foreign filing priority under the Paris Convention must supply details concerning the home country application or registration and a verified statement confirming the applicant's bona fide intent to use the mark in US commerce. Registration sought through the Madrid Protocol must meet the requirements set out by WIPO, including submission of Form MM 18 (Declaration of Intent to Use the Mark: United States of America), and also include a verified statement confirming the applicant's bona fide intention to use the mark in US commerce.

Applicants are not required to undertake searches prior to filing.

Applicants domiciled outside the United States must retain US counsel to prosecute their applications. An applicant lacking US counsel has six months to retain one. Although the application will retain its filing date, the USPTO will not process it until the applicant has identified a licensed US attorney

Registration time frame and cost

10 How long does it typically take, and how much does it typically cost, to obtain a trademark registration? When does registration formally come into effect? What circumstances would increase the estimated time and cost of filing a trademark application and receiving a registration?

If no substantive issues arise during the examination process, a registration can issue within six to nine months of the application's filing date.

The standard USPTO application fee is \$400 per class, although two reduced fee options are available if the application meets certain requirements.

A Trademark Electronic Application System (TEAS) Reduced Fee filing costs \$275 per class and requires the applicant to:

- receive solely email correspondence from the USPTO; and
- file certain required submissions electronically.

A TEAS Plus filing costs \$225 per class and requires the applicant to:

- file a complete application (ie, with no application form fields left incomplete);

- use approved USPTO Identification Manual language for the description of goods and services;
- pay fees for all classes at the time of submission;
- file electronically; and
- receive email communications only.

The USPTO no longer accepts applications in hard-copy form.

A trademark registration formally takes effect upon its issuance; however, once registration issues, most of the rights provided by registration will date back to the filing date of the application.

Classification system

11 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?

The USPTO follows the International Classification System.

Multi-class applications are available. There is no reduction in USPTO fees for filing a multi-class application.

Examination procedure

12 What procedure does the trademark office follow when determining whether to grant a registration? Are applications examined for potential conflicts with other trademarks? Are letters of consent accepted to overcome an objection based on a third-party mark? May applicants respond to rejections by the trademark office?

A USPTO examining attorney will review the application for completeness and compliance with registrability requirements, as well as for potential conflicts with other registered or pending trademarks. The USPTO will consider a consent agreement between the parties, but the agreement must recite the reasons why confusion is unlikely and the steps the parties will take should confusion occur. A mere letter of consent is not sufficient.

The applicant may respond to and resolve any objections. Most likely, the examining attorney will issue an office action, to which the applicant will have six months to respond. If the objection is relatively minor, the examining attorney may contact the applicant (or its counsel) by telephone or email

Use of a trademark and registration

13 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?

The United States belongs to the Paris Convention, and section 44 of the Lanham Act allows the registration of marks that have been applied for or registered in a convention member's country of origin. A foreign registration or pending application also can provide the basis for extending protection to the United States through the Madrid Protocol. Generally, ownership of a foreign trademark registration cannot overcome the refusal of an application or support an enforcement action against an infringing use in the United States.

Markings

14 | 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?

All mark owners may use the ™ symbol to reflect a claim of trademark rights, regardless of whether their marks are registered.

The ® symbol should be used with marks registered with the USPTO. It should not be used prior to the grant of registration.

Marking is not mandatory but is strongly recommended to provide notice of trademark rights and to ensure proper trademark use to avoid jeopardising rights in the mark. The failure of a federal registrant to use the ® symbol may reduce the monetary relief available in an action to protect the registered mark

Appealing a denied application

15 | Is there an appeal process if the application is denied?

Yes. Unsuccessful applicants may appeal to the TTAB by filing a notice of appeal and paying the requisite fee within six months of the date of final rejection. Notices of appeal must be filed through the Electronic System for Trademark Trials and Appeals. The applicant must then file an appeal brief within 60 days of the date of the appeal. The examining attorney will then have an opportunity to respond, and the applicant can then file a reply brief. An applicant dissatisfied with the TTAB's decision can appeal to the US Court of Appeals for the Federal Circuit or to the US District Court for the Eastern District of Virginia.

Third-party opposition

16 | 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?

Yes. US law allows 'any person who believes it is or will be damaged by registration of a mark' to oppose an application. The only requirement is the allegation of facts sufficient to show a real interest (ie, a real and personal stake) in the outcome of the proceeding.

Opposers can challenge applications on a number of grounds, including:

- non-compliance with the main registrability requirements; and
- if registration of the applied-for mark is likely to dilute the distinctiveness of the plaintiff's famous mark.

On publication, would-be opposers have 30 days to file a formal opposition or request an extension of time to do so. The deadline can be extended for up to 90 days without the applicant's consent and an additional 60 days with the applicant's consent. Oppositions are governed by the Lanham Act, the Trademark Rules (Parts 2 and 7 Title 37 of the Code of Federal Regulations) and the TTAB Manual of Procedure.

The Trademark Rules outline a standard time frame for the discovery period, testimony periods and briefing schedules. The standard schedule has the opposer's reply brief on the merits due 550 days after the filing of the notice of opposition. The TTAB usually issues a decision within eight months of submission of the briefs. The parties can agree to an accelerated case resolution schedule, which can shorten that time frame considerably.

The losing party in an opposition can appeal to either the US Court of Appeals for the Federal Circuit or a federal district court with jurisdiction over the parties. Appeals to the Federal Circuit are governed by the Federal Circuit Rules, while appeals to a federal district court are governed by the Federal Rules of Civil Procedure. The notice requirements and deadlines for filing an appeal are set out in the TTAB Manual of Procedure. Parties generally have 60 days from the date of a decision in which to appeal. If a party appeals to the Federal Circuit, the non-filing party has 20 days to elect to have the decision reviewed by civil action.

A registration can be cancelled for abandonment at any time. The challenger must show that use of the registered mark has been discontinued with an intent not to resume use. Non-use for three consecutive years constitutes prima facie evidence of abandonment. The procedure for cancellation (revocation) on the basis of abandonment is the same as the procedure for cancellation (revocation) on other grounds.

If the registration has not passed its fifth anniversary, it can be cancelled:

- for any reason that would have prevented its issuance in the first place; or
- because the continued registration of the mark is likely to dilute the distinctiveness of a prior user's famous mark.

If the registration has passed its fifth anniversary, the grounds for cancellation are narrowed to the following:

- the registration was procured or maintained through a fraudulent filing;
- the registered mark has become generic;
- the registered mark is functional;
- the registered mark has been abandoned (non-use);
- as of the registration date, the registered mark:
 - was deceptive;
 - falsely suggested a connection with a person, institution, belief or national symbol;
 - comprised the flag or coat of arms or other insignia of the United States, any state or municipality or any foreign nation; or
 - comprised a name, portrait or signature identifying a particular living individual (unless with consent) or the name, signature or portrait of a deceased US President during the life of their widow or widower (unless with written consent);
- the registered mark has been used to misrepresent the source of the goods or services with which it is used; or
- if a certification mark, the registered mark has been used as a trademark or service mark.

Any person who believes he or she will be damaged by a trademark registration may file a cancellation action.

A cancellation action is commenced by filing a petition for cancellation before the TTAB along with the required fee. The petition must be filed electronically and signed by the petitioner or the petitioner's attorney. It need not be verified.

A petition must include:

- a short and plain statement of the reasons the petitioner believes it is or will be damaged by the registration; and
- the grounds for cancellation.

The petition need only give fair notice of the basis for each claim. However, fraud as a ground for cancellation must be pleaded with particularity. Evidence should not be filed with the complaint.

The TTAB will then serve the registrant with the petition and set deadlines for the registrant's answer, discovery, initial and expert disclosures, and trial.

A final TTAB decision on a cancellation or revocation may be appealed to either the US Court of Appeals for the Federal Circuit or a federal district court with jurisdiction over the parties. Appeals to the Federal Circuit are governed by the Federal Circuit Rules, while appeals to a federal district court are governed by the Federal Rules of Civil Procedure. The notice requirements and deadlines for filing an appeal are set forth in the TTAB Manual of Procedure. Parties generally have 60 days from the date of the decision in which to appeal the TTAB's decision. If a party appeals to the Federal Circuit, the non-filing party has 20 days to elect to have the decision reviewed by civil action. If appealed through a new civil action, the district court may adjudge whether a registration should be cancelled.

Duration and maintenance of registration

17 | 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 can be maintained indefinitely if the owner submits proper maintenance and renewal documents. To maintain a registration, the owner must file both a statement of use and a specimen showing current use of the mark in US commerce between the fifth and sixth anniversaries of the registration date. The registration must be renewed in the one-year period before the 10th anniversary of the registration date and can be renewed every 10 years thereafter, if the owner files an accompanying statement of use and specimen showing current use of the mark in commerce.

Surrender

18 | What is the procedure for surrendering a trademark registration?

A registration may be surrendered for cancellation. There is no fee to do so, and the request may be submitted electronically. Unless the registration is the subject of a cancellation proceeding before the TTAB, a request for surrender is handled by the Post-Registration Division of the USPTO. If the registration being surrendered is the subject of a cancellation proceeding before the TTAB, the TTAB will process the surrender.

Related IP rights

19 | Can trademarks be protected under other IP rights (eg, copyright, designs)?

Yes. Designs, words and sounds used as trademarks may, under certain circumstances, be protected under copyright law as well as trademark law. While trademark law protects marks used with goods or services, copyright law protects original works of authorship fixed in a tangible medium. A mark owner generally can claim copyright as well as trademark protection in an original design. While a single word can be protected under trademark law, it is unlikely to be protected under copyright law. A slogan or sentence may be protected under both copyright and trademark law. A musical composition may be protected under both copyright and trademark law if the music is used in connection with goods or services, although trademark law would not apply if the product associated with the composition is the composition itself.

A mark owner also can secure trade dress protection for the design and shape of a product, its packaging or its overall appearance. The aspect of a product claimed as trade dress may be protected only if it is non-functional (ie, it does not serve a utilitarian purpose).

A mark satisfying the requirements for trade dress protection also may receive protection under a design patent if it is a novel and ornamental design. Design patents protect the non-functional, non-obvious,

ornamental features of a product or container. A design patent may be particularly useful in protecting a design against use by others of a similar design used for unrelated goods where confusion is unlikely.

Publicity rights also may be available in specific instances. An individual whose likeness is used in association with goods and services and has acquired distinctiveness may be protected under the laws of publicity rights.

Trademarks online and domain names

20 | What regime governs the protection of trademarks online and domain names?

The Anti-cybersquatting Consumer Protection Act (15 USC section 1125(d)) protects against the misappropriation of marks in domain names. It provides a federal cause of action against a person who:

- has a bad-faith intent to profit from another party's trademark; and
- registers, traffics in or uses a domain name that is identical or confusingly similar to that trademark (or, in the case of a famous trademark, is likely to dilute the distinctiveness of that mark).

The statute precludes liability if the registrant had reasonable grounds for believing the use was a fair use or otherwise lawful. Remedies include the forfeiture or cancellation of the domain name or the transfer of the domain name to the mark's owner.

LICENSING AND ASSIGNMENT

Licences

21 | May a licence be recorded against a mark in the jurisdiction? How? Are there any benefits to doing so or detriments to not doing so? What provisions are typically included in a licensing agreement (eg, quality control clauses)?

There is no mechanism for recording a licence in the United States.

A trademark owner must exercise quality control over the licensed goods or services. Failure to exercise quality control may result in an abandonment of rights.

The terms of a trademark licence can vary depending on the parties and the goods or services involved, but typically include the following:

- the parties;
- the effective date;
- the marks to be licensed;
- the goods to be licensed;
- the term of the licence;
- the territory;
- royalties;
- mechanisms allowing the licensor to control the quality of the goods or services provided; and
- a termination provision.

Assignment

22 | What can be assigned?

An assignment must assign the goodwill of the business associated with the mark. An assignment without goodwill is considered an invalid assignment in gross. With respect to intent-to-use trademark applications, the legal requirements of the assignment depend on whether the applicant has filed an allegation of use of the mark or whether the transfer of the intent-to-use application is in connection with the sale of the portion of the ongoing business associated with the mark.

A mark can be assigned with respect to all or some of the goods and services; it is unnecessary to assign other business assets.

Assignment documentation

23 | What documents are required for assignment and what form must they take? What procedures apply?

An assignment must be written and identify the assignor, the assignee, and the marks with specificity. It must be signed by the assignor. Notarisation is not required.

Validity of assignment

24 | Must the assignment be recorded for purposes of its validity?

Recordation of an assignment with the USPTO is recommended and provides certain advantages, including 'constructive notice' to the public as to trademark ownership and priority between conflicting and subsequent assignments.

Security interests

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

Yes. A lender may perfect a security interest by recording it under article 9 of the Uniform Commercial Code, as adopted by the states. Although not legally required, a lender should record its trademark security interests with the USPTO in addition to making state filings to protect its interests against later bona fide purchasers. The security agreement should define the trademarks to include the goodwill of the business with which the trademarks are associated. Taking a security interest without the associated goodwill could result in the trademark being voided on foreclosure.

ENFORCEMENT

Trademark enforcement proceedings

26 | 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?

The primary action against trademark violations is a civil suit in federal or state court. To bring suit, a plaintiff must have standing, prepare a complaint alleging liability and file the complaint with the requisite filing fee. The complaint should allege the following:

- the plaintiff owns valid and protectable rights;
- the defendant's mark is used in commerce;
- the defendant has violated the plaintiff's rights; and
- that likely confusion harms or likely harms the plaintiff.

To prevail, a plaintiff asserting infringement must establish that confusion is likely between the parties' marks. Different courts have different – but substantially similar – multi-factor tests for evaluating whether confusion is likely. For example, the Second Circuit refers to factors first articulated in *Polaroid v Polarad Elecs Corp* (287 F2d 492 (2d Cir 1961)). These include:

- the strength of the plaintiff's mark;
- the degree of similarity between the parties' marks;
- the competitive proximity of the goods or services sold under the marks;
- the likelihood that either party will bridge the gap between the parties' goods or services;

- actual confusion;
- the defendant's intent when adopting its mark;
- the quality of the defendant's goods or services; and
- the sophistication of the parties' customers.

Not all factors must be met, and some may have more weight than others.

A plaintiff asserting a dilution-based claim must demonstrate its mark is famous and that the defendant's mark is likely to blur or to tarnish the distinctiveness of the plaintiff's mark.

Remedies for infringement can include injunctive and monetary relief, with injunctive relief being the most common. Monetary relief can take many forms, including (but not limited to) the plaintiff's actual losses, the defendant's profits, and corrective advertising. In some circumstances, the court may treble monetary relief. Damages and profits are available in dilution-based actions only if the defendant acted wilfully. Punitive damages may be available under state law. Reasonable attorneys' fees are available in exceptional cases.

Federal and state criminal statutes protect only against counterfeiting and can be enforced only by criminal prosecutors.

For some forms of online trademark infringement, administrative action is available through the Uniform Domain Name Dispute Resolution Policy.

Procedural format and timing

27 | What is the format of the infringement proceeding?

The time required to resolve lawsuits varies greatly with the facts of particular cases and the litigiousness of the parties. Discovery and live testimony from fact and expert witnesses are permissible. Liability, actual damages, and certain defences may be decided by either a jury or a judge. The availability of injunctive relief, the disgorgement of a defendant's profits, and certain defences are decided by a judge. Criminal prosecutions for counterfeiting must be initiated by the government.

Burden of proof

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

The plaintiff must prove liability by a preponderance of the evidence and testimony. If it does so, the defendant must prove the existence of affirmative defences under the same standard.

Standing

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

There are several statutory bases for claims under the Lanham Act: sections 32, 43(a), 43(c) and 43(d).

Only mark owners have standing to bring actions under sections 32, 43(c) and 43(d), and section 32 additionally requires mark owners claiming its protection to have registrations. The term 'registrant' includes legal representatives, predecessors, successors and assignees, but generally not licensees.

Other parties such as licensees may have standing to bring actions under section 43(a) if:

- they are within the 'zone of interest' protected by the Act; and
- they can show the alleged misconduct proximately caused them to suffer an injury

Border enforcement and foreign activities

30 | What border enforcement measures are available to halt the import and export of infringing goods? Can activities that take place outside the country of registration support a charge of infringement or dilution?

Customs enforcement is available to owners of registered marks. Generally, the customs authorities will seize or detain goods copying or simulating a registered trademark only if the registration has been recorded with US Customs and Border Protection.

If the customs authorities decline to act, a mark owner can bring a private action against the importer or bring a proceeding before the International Trade Commission. If liability is found, the remedial action is submitted to the International Trade Commission president, who has 60 days to disapprove of the action. If there is no veto, the defendant importer may appeal to the Federal Court of Appeals.

Although the customs authorities generally focus on the importation of goods bearing infringing or counterfeit marks, it has similar authority to prevent the export of those goods.

Discovery

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

US law provides for certain mandatory disclosures and permits the parties to engage in discovery to frame the issues for trial. Discovery can include interrogatories, document requests, requests for admissions, and depositions of witnesses. These mechanisms can be effective, but they also can require considerable investments of time and money. A party failing to disclose information or documents during discovery may be precluded from relying upon them at trial.

Timing

32 | 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 time frame can vary greatly, depending on the complexity of the case and the deadlines set by the court. Motions for preliminary injunctive relief can be resolved as early as two months after filing, while litigation of a dispute through a full trial and the appeal process can take years.

Limitation period

33 | What is the limitation period for filing an infringement action?

Infringement actions based on state law are subject to the relevant state statute of limitations. Federal law does not provide a statute of limitations, but courts typically refer to state statutes of limitations when determining whether a plaintiff's delay has prejudiced the defendant for purposes of the equitable defences of laches and acquiescence.

Litigation costs

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

Litigation costs and attorneys' fees can vary widely depending on the length of the proceeding and its complexity; some cases can require investments in the millions of dollars. Unless counterfeiting is involved (in which case, an award of the prevailing plaintiff's attorneys' fees is virtually automatic), the prevailing party can recover its attorneys' fees

under section 35 of the Lanham Act, 15 USC section 1117(a), only if the case is an 'exceptional' one. That standard is high, but it can be met based on either (or both) the weakness of the losing party's case or its conduct during the litigation. www.kilpatricktownsend.com

Appeals

35 | What avenues of appeal are available?

The losing party in a case brought in federal district court can appeal to an intermediate US court of appeals. It then can seek discretionary review by the US Supreme Court, but that is rarely granted.

Defences

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

Laches

Laches is an equitable affirmative defence. A defendant claiming laches must prove an unreasonable delay by the plaintiff in bringing suit and prejudice arising from that delay.

A plaintiff's delay in moving for a preliminary injunction can negate the alleged need to grant an injunction.

Similarly, acquiescence occurs if a plaintiff affirmatively communicated its consent to the defendant's conduct and then unreasonably delayed in challenging that conduct. As with laches, acquiescence requires proof of prejudice.

Unclean hands

Unclean hands is an equitable affirmative defence that may bar relief to the plaintiff and also may bar other equitable defences. To prove unclean hands, a defendant must demonstrate the plaintiff intentionally acted inequitably or illegally. The claim underlying an unclean hands defence must directly relate to the trademark at issue. A plaintiff's general misconduct will not suffice. Unclean hands succeeds only in the most egregious circumstances.

Fair use

A defendant may assert two types of fair use: classic fair use and nominative fair use.

Classic fair use is an affirmative defence that may be asserted if the use of words making up a plaintiff's trademark is non-trademark in nature and merely for purposes of describing the defendant's goods or services, the source of the defendant's goods or services, or individuals involved with the defendant's business.

The nominative fair use doctrine applies if the defendant uses a trademark to identify the plaintiff's goods or services rather than the defendant's goods or services. To assert this defence, the defendant must demonstrate:

- the goods or services cannot be identified without the use of the plaintiff's mark;
- the use of the plaintiff's mark is limited to what is necessary; and
- the defendant's use does not suggest the plaintiff's sponsorship or endorsement of the defendant's goods or services.

Courts are split on whether nominative fair use is an affirmative defence provable by the defendant or, alternatively, whether it is something the plaintiff must overcome.

First Amendment free speech

The constitutional guarantee of free speech is not an affirmative defence, but rather serves as an alternative argument against a finding of liability. Free speech protection is available for parody and expressive works.

Remedies

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

Remedies typically include injunctive and monetary relief, with injunctive relief being the most common. A prevailing plaintiff seeking permanent injunctive relief must establish:

- it has suffered an irreparable injury;
- other remedies such as monetary relief will not adequately compensate for that injury;
- a balancing of the parties’ respective hardships favours the plaintiff; and
- a permanent injunction will benefit the public interest.

A plaintiff also can seek a preliminary injunction while filing the complaint or shortly thereafter.

To obtain preliminary injunctive relief, a plaintiff must satisfy the same four-factor test provided above for permanent injunctions and also establish a likelihood of success on the merits. A plaintiff pursuing a preliminary injunction must post a bond to make the defendant whole for its damages if the defendant ultimately prevails after trial.

A plaintiff may seek an ex parte temporary restraining order, which can issue without response by the defendant. Temporary restraining orders issue only in the most urgent circumstances and expire within 14 days, unless they are converted into preliminary injunctions.

Injunctive relief can take many forms, depending on the circumstances of the case. A court may order:

- a cessation of the challenged mark’s use;
- a recall of goods bearing that mark;
- some form of corrective advertising by the defendant; or
- any number of other things as equity may require.

Preliminary injunctive relief is usually limited to cessation of the unlawful activity, with more extreme forms – such as recalls – being reserved until after a full trial.

In addition to injunctive relief, prevailing plaintiffs may pursue monetary relief. The court has broad discretion to determine the availability and amount of the relief. If the court grants monetary relief, federal law permits the doubling or trebling of the relief and, in exceptional cases, attorneys’ fees.

In the case of a non-competing trademark owner and accused infringer, the court may deny actual damages if the infringement did not divert trade or injure the plaintiff. However, a court may grant a successful plaintiff an accounting of the defendant’s profits if:

- the defendant was unjustly enriched;
- the trademark owner sustained damage; or
- the accounting is necessary as a deterrent to future misconduct.

If the parties are competitors, the court may award actual damages in the form of the plaintiff’s lost revenues. A successful plaintiff also may pursue an accounting of the defendant’s profits. In such an accounting, the plaintiff must demonstrate the defendant’s gross revenues. The burden then shifts to the defendant to apportion those revenues between infringing and non-infringing sources and to prove any deductible expenses.

The Lanham Act also authorises the ex parte seizure of goods bearing counterfeit imitations of registered marks. Trebled awards of damages and accountings of profits ordinarily are mandatory in counterfeiting cases.

The Lanham Act does not authorise punitive damages, but these may be available under state law.



Theodore H Davis Jr
tdavis@kilpatricktownsend.com

Olivia Maria Baratta
mbaratta@kilpatricktownsend.com

1100 Peachtree Street NE
Suite 2800
Atlanta, GA 30309
United States
Tel: +140 4815 6500
Fax: +140 4815 6555
www.kilpatricktownsend.com

ADR

38 | Are ADR techniques available, commonly used and enforceable? What are the benefits and risks?

Both mediation and arbitration are available and widely used. Courts generally defer to arbitrators’ decisions, which makes them difficult to challenge.

UPDATE AND TRENDS

Key developments of the past year

39 | Are there any emerging trends, notable court rulings, or hot topics in the law of trademark infringement or dilution in your jurisdiction?

In recent years, US courts have increasingly protected uses of trademarks in creative works by finding those uses protected free speech.

Other titles available in this series

Acquisition Finance	Distribution & Agency	Investment Treaty Arbitration	Rail Transport
Advertising & Marketing	Domains & Domain Names	Islamic Finance & Markets	Real Estate
Agribusiness	Dominance	Joint Ventures	Real Estate M&A
Air Transport	e-Commerce	Labour & Employment	Renewable Energy
Anti-Corruption Regulation	Electricity Regulation	Legal Privilege & Professional Secrecy	Restructuring & Insolvency
Anti-Money Laundering	Energy Disputes	Licensing	Right of Publicity
Appeals	Enforcement of Foreign Judgments	Life Sciences	Risk & Compliance Management
Arbitration	Environment & Climate Regulation	Litigation Funding	Securities Finance
Art Law	Equity Derivatives	Loans & Secured Financing	Securities Litigation
Asset Recovery	Executive Compensation & Employee Benefits	M&A Litigation	Shareholder Activism & Engagement
Automotive	Financial Services Compliance	Mediation	Ship Finance
Aviation Finance & Leasing	Financial Services Litigation	Merger Control	Shipbuilding
Aviation Liability	Fintech	Mining	Shipping
Banking Regulation	Foreign Investment Review	Oil Regulation	Shipping
Cartel Regulation	Franchise	Partnerships	Sovereign Immunity
Class Actions	Fund Management	Patents	Sports Law
Cloud Computing	Gaming	Pensions & Retirement Plans	State Aid
Commercial Contracts	Gas Regulation	Pharmaceutical Antitrust	Structured Finance & Securitisation
Competition Compliance	Government Investigations	Ports & Terminals	Tax Controversy
Complex Commercial Litigation	Government Relations	Private Antitrust Litigation	Tax on Inbound Investment
Construction	Healthcare Enforcement & Litigation	Private Banking & Wealth Management	Technology M&A
Copyright	Healthcare M&A	Private Client	Telecoms & Media
Corporate Governance	High-Yield Debt	Private Equity	Trade & Customs
Corporate Immigration	Initial Public Offerings	Private M&A	Trademarks
Corporate Reorganisations	Insurance & Reinsurance	Product Liability	Transfer Pricing
Cybersecurity	Insurance Litigation	Product Recall	Vertical Agreements
Data Protection & Privacy	Intellectual Property & Antitrust	Project Finance	
Debt Capital Markets		Public M&A	
Defence & Security		Public Procurement	
Procurement		Public-Private Partnerships	
Dispute Resolution			

Also available digitally

[lexology.com/gtdt](https://www.lexology.com/gtdt)