



PROGRAM MATERIALS

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Foreign Trademark Filing Considerations and Pitfalls to Avoid

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5255 North Federal Highway, Suite 310, Boca Raton, FL 33487
Phone 561-241-1919 Fax 561-241-1969



FOREIGN TRADEMARK FILING CONSIDERATIONS AND PITFALLS TO AVOID

Peter E. Nussbaum

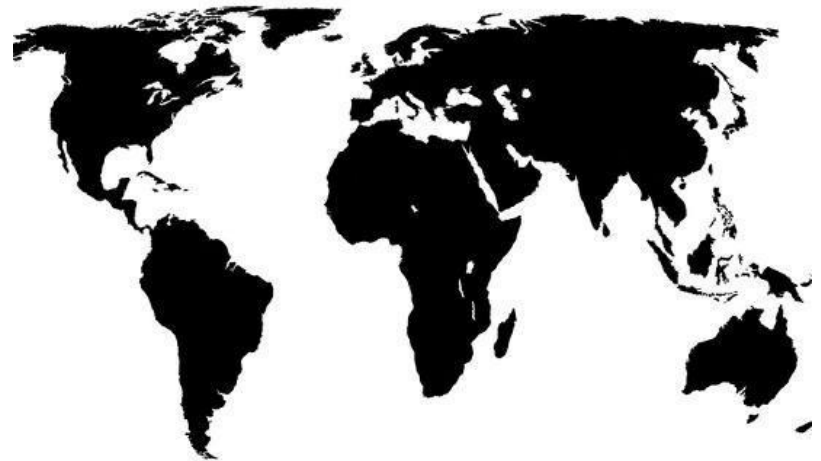
Neha Bhalani

Chiesa Shahinian & Giantomasi PC

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TRADEMARK PROTECTION IS GEOGRAPHICALLY LIMITED

- U.S. Federal Trademark rights stop at the U.S. border.
- Trademark protection must be sought separately in foreign territories.



WHAT WE WILL COVER IN THIS PROGRAM

- Trademark Basics
- Establishing Priority
- First to Use v. First to File Jurisdictions
- National Registrations v. International Registrations
- Trademark Refusals and/or Objections
- Trademark Enforcement
- Practice Tips and Pitfalls to Avoid

OVERVIEW OF U.S. TRADEMARKS

- Federal Statute - Lanham Act (15 U.S. C. §1051 et seq.).
- U.S. Statutory Definition of Trademark (15 U.S. C. §1127).
 - word, name, symbol, or design, or any combination thereof;
 - used (or intended to be used) in interstate commerce; and
 - which identifies and distinguishes the source of goods and services.
- Types of marks Recognized by the Lanham Act:
 - Trademark
 - Service Mark
 - Certification Mark
 - Collective Mark
- Federal Registration with the United States Patent & Trademark Office.
- State Registration within a specific state.
- Common law rights for marks that are in use but not registered.

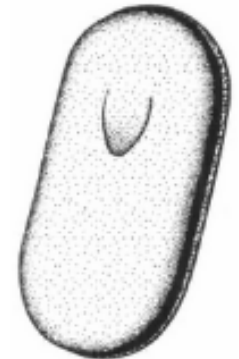
EXAMPLES OF PROTECTABLE MARKS

- BRAND NAMES
- TAGLINES
- LOGOS
- DISTINCTIVE PACKAGING
- PRODUCT CONFIGURATION
- SOUND
- COLOR
- SMELL

Coca-Cola



JUST DO IT



GOVERNING LAWS AND BODIES (U.S. AND ABROAD)

- Country Specific Trademark Laws and Intellectual Property Offices.
- International Treaties:
 - The Paris Convention provides for reciprocity between members and establishes the six month window for claiming “priority”.
 - The Madrid Agreement and Madrid Protocol provide for an International filing system for member states.
- World Intellectual Property Organization
 - Specialized Agency of the United Nations
 - Administer the Madrid International Registration filings.
- Regional Offices and Agreements
 - European Union Intellectual Property Office (E.U. Trade Mark)
 - Benelux (Belgium, Netherlands, Luxembourg)
 - African Regional Intellectual Property Organization (English Speaking)
 - African Intellectual Property Organization (French Speaking)
 - Andean Pact (Bolivia, Colombia, Ecuador, and Perú)

OBTAINING TRADEMARK RIGHTS IN THE U.S.

- Use of a Trademark:
 - Rights begin when a party first uses the mark (actual first use).
 - Use immediately affords common law protection.
 - Common law rights are limited to markets where the mark is used.
- Federal Registration with the United States Patent & Trademark Office:
 - Use in commerce is required for registration.
 - “Use in Commerce” is the bona fide use of a mark in the ordinary course of trade (token use is not sufficient).
 - Has to be commerce regulated by Congress (i.e. interstate).
 - Use based Application under Section 1(a)
 - “Priority” is established by first use (claimed date in Application).
 - Intent-to-use based Application under Section 1(b) – “bona fide intent”
 - “Priority” is established by filing (constructive first use date).
 - Requirement for filing a Statement of Use to obtain registration.
- State Registrations with individual State Registers:
 - Protection is geographically limited by state borders.
 - Most states require use within the state before filing.

So... WHAT IS “PRIORITY”?

- Being the first to obtain trademark rights in a certain territory is known as having “priority.”.
- Generally, a party who has “priority” within a certain territory is deemed to be the rightful owner of a trademark.
- Determining who has priority is instrumental in resolving disputes between owners of the same or similar marks.

ESTABLISHING PRIORITY

▪ “First-to-Use” Jurisdictions

- The party that first uses the mark has priority, regardless of whether the mark is registered.
- In the U.S. common law rights are geographically limited, so federal registration is important.
- In the U.S., the filing date of an intent-to-use based Application provides a constructive first use date and establishes priority against later users and later filers.
- First-to-Use Jurisdictions include:
 - United States, Canada, Puerto Rico, Australia, New Zealand, Israel, South Africa, Singapore, India, Zimbabwe.
 - Registration strengthens rights.

▪ “First-to-File” Jurisdictions

- The party that first files for the trademark has priority, regardless of whether such party has actually started to use the mark.
- In most first-to-file jurisdictions, the registrant enjoys the full rights of trademark protection even if they have not used the mark.
- The first filer can rely on its filing to sue a party that has already been using the same or a confusingly similar mark for trademark infringement.
- First-to-File Jurisdictions
 - Majority of countries
- Exceptions
 - Famous Marks
 - Bad faith filing

PRIORITY RIGHTS UNDER THE PARIS CONVENTION

- The Paris Convention for the Protection of Industrial Property
 - International treaty for intellectual property.
 - 177 countries have joined – called members of the Paris Union.
 - Provides for reciprocity of IP rights between member countries.
 - Foreign Applicants from another member country are afforded the same advantages for trademark protection and enforcement as the rights afforded to home Applicants under the laws in the country where protection is sought.
- “Convention Priority”
 - An Applicant in a member country has six months to file Applications in foreign member countries and claim a priority date back to its home country filing date.
 - Example: If you file in the U.S. on January 1, 2021, you have until July 1, 2021 to file in other member countries with a priority claim. Your Application in the foreign member country would be given a priority date of January 1, 2021.
 - This provides a huge advantage over trademark squatters.

FILING METHODS IN FOREIGN TERRITORIES

▪ International Registrations

- Application must be based upon an existing National filing (application or registration) in a member country.
- Claims for protection must be identical to the existing base filing.
- Application may be filed by a U.S. Attorney directly through the USPTO.

▪ National Registrations

- Application must be filed directly with the respective Trademark Office.
- No need for existing filing (unless claiming priority).
- Applicant must engage a foreign agent to file in the respective territory.

MADRID INTERNATIONAL TRADEMARK FILINGS

- Madrid System for International Registration of Marks
 - Administered by the World Intellectual Property Organization (WIPO)
- Based on two international Treaties
 - The Madrid Agreement (Agreement)
 - Nationals of any signatory may secure protection in all other signatory countries based on a trademark that is registered in the country of origin.
 - The Madrid Protocol (Protocol)
 - Nationals of any signatory may secure protection in all other contracting jurisdictions based on a pending application or registration in the country or jurisdiction of origin.
 - U.S. is governed by the Madrid Protocol.

BENEFITS OF MADRID SYSTEM

- The Madrid System allows for a streamlined process for obtaining protection in foreign countries.
- Filing a Madrid Application can be extremely cost effective for the Applicant, as there is no need to engage a foreign agent for filing.
 - The costs include a USPTO Base filing fee, a WIPO Base filing fee and individual fees for each country designated.
 - Country specific fees range from approximately \$100 USD to about \$1500 (can be more for more classes), most fall on the lower end of that range.
- A U.S. Attorney can file the Application through the USPTO.
- The Application can designate as many or as few member countries in the first instance, and countries can be added later by filing a “Subsequent Designation”.
- The Madrid filings are eligible for Convention Priority claims.
- The ensuing registration is valid for 10 years and can be maintained by filing a Renewal Application directly with WIPO – most countries do not require additional maintenance filings (though some, like the U.S. do).
- All changes to ownership and/or attorney can be recorded centrally in one place with WIPO, as opposed to recording changes separately in each country.

DRAWBACKS OF MADRID SYSTEM

- Not all countries are members of the Madrid System.
 - Key territories where many countries are not members:
 - Caribbean
 - South America
 - Middle East
- The claims in the International Registration must be identical to those in the Application or Registration upon which it is based.
 - For National Registrations, Applicants are only limited to claims in the base filing if there is a Convention Priority claim being made.
- Five year “Dependency” period.
 - The ensuing International Registration is 100% contingent on the underlying base Application or Registration being valid for 5 years.
 - If the base Application or Registration is abandoned or invalidated for any reason, the rights in and to the International Registration will also be lost.
- Request for “Transformation”
 - Designations under the International Registration may be transformed into Applications for National Registrations.
 - Transformations can be extremely costly, as the requests need to be filed directly with the individual trademark offices (with the help of foreign agents), obviating the cost benefits associated with filing under the Madrid System.
 - The transformation requests must be filed within three months of the date that the International Registration was cancelled in order to maintain the Madrid filing priority date.

REFUSALS AND OBJECTIONS

- Refusals based on eligibility for registration.
 - Non distinctiveness, goods not eligible for registration, other policy grounds.
- Refusals based on the relation to other trademarks.
 - “Likelihood of Confusion”
- Oppositions.
 - In most jurisdictions, an Application is published for opposition, giving third parties an opportunity to object to the registration of the pending Application.
 - The publication period differs country by country, but can be anywhere from 30 days to 6 months.
- Applications for International Registrations:
 - Notifications will be communicated by WIPO directly to the attorney who filed the International Registration.
 - Responses need to be filed directly with the respective trademark office by a foreign agent.

TRADEMARK SQUATTERS

- The benefits associated with having trademark priority has created the problem of trademark “squatters” in first- to- file jurisdiction.
- Trademark squatters monitor successful brands (and their trademark filings) and obtain trademark Registrations in foreign countries before the valid trademark owner has a chance to file in those countries.
 - This is where claiming priority under the Paris Convention becomes extremely valuable, as it puts the rightful owner ahead of the squatter so long as the rightful owner’s home filing predates the squatter’s foreign filing.
- A Trademark squatter can enjoy the full rights of a valid trademark owner until the squatter is subject to use requirements (typically from three to five years depending on the country).
- Trademark squatting is particularly a big problem in China because the Chinese Intellectual Property Office and courts adhere to a strict first-to-file standard.
- Squatters are often willing to assign trademark Registrations to the rightful owner, but at a high cost.

“LIKELIHOOD OF CONFUSION” IN THE U.S.

- Legal concept that may be the basis for either refusing registration or finding trademark infringement.
 - Is the co-existence of the marks likely to cause consumers to be confused as to the source of the respective parties goods and/or services?
- U.S. Law:
 - Polaroid Factors (or some variation) are used by most courts:
 - *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961)
 - Strength of the senior user’s mark.
 - Similarity of the marks.
 - Similarity of the products or services.
 - Likelihood that the senior user will bridge the gap.
 - The junior user’s intent in adopting the mark.
 - Evidence of actual confusion.
 - Sophistication of the buyers.
 - Quality of the junior user’s products or services.
 - Related products and services.

“LIKELIHOOD OF CONFUSION” – FOREIGN STANDARDS

- Most countries use a somewhat similar set of factors in determining whether a likelihood of consumer confusion exists, but ultimately the outcome is based on the laws and practice standards of that country.
- Trademark Guidelines Issued by E.U. Intellectual Property Office (EUIPO)
 - Comparison of the goods and services.
 - Nature, intended purpose, method of use, complementarity, competition, distribution channels.
 - Relevant public and degree of attention.
 - Relevant Public – general public, professional public, territory defined by earlier mark
 - Higher degree of attention – cost, hazardous purchase, pharmaceuticals, brand loyalty.
 - Comparison of the signs.
 - Identity of the mark, similarities, differences, distinctive elements, dominant elements
 - Distinctiveness of the earlier mark.
 - Inherent distinctiveness or enhanced distinctiveness (i.e. acquired distinctiveness)
 - Other factors
 - Family or series of marks, co-existence of conflicting marks, actual confusion, prior decisions by EUIPO.
- Other factors effecting likelihood of confusion standards:
 - Non-English Speaking
 - Foreign Translation or Meaning

OTHER TYPES OF REFUSALS – DIFFERING STANDARDS

- Descriptiveness:
 - Name of musician is not eligible for registration in Singapore.
- Protected Designations of Origin:
 - Stilton, Vidalia, Champagne, Tequila
- Protectable Goods – based on country's laws:
 - Limited protection for cannabis goods in the U.S.
 - No protection for alcoholic beverages in Islamic nations.
- Identification of Goods / Services:
 - Nice Classification – International Classification system.
 - United States – flexible approach.
 - Other countries – adhere more strictly.
- Immoral Marks:
 - China, Russia, Taiwan, Slavic Nations
 - “Riot” or “Bitch”
 - Designs of skulls

EUROPE SPECIFIC CONSIDERATIONS

- An E.U. Trade Mark (EUTM) covers the 28 member countries of the E.U.:
 - Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.
- Effect of Brexit:
 - U.K. no longer covered under an EUTM, however, some rights existing prior to Brexit have been grandfathered in and adopted by the U.K. trademark office.
- Key countries not covered by EUTM:
 - Norway, Switzerland, Turkey, Russia, Iceland
 - These can all be designated individually under the Madrid System.
- Conversion:
 - EUTM filings can be converted into National Registration filings if need be.
 - Example: The EUTM is opposed on the basis of a holder of prior rights in only one or limited territories within the E.U.
 - Available both for EUTMs filed with the EUIPO and Madrid System designations.
- Opposition System:
 - Unlike the USPTO, the EUIPO will not refuse an Application on the basis of a likelihood of confusion.
 - EUIPO will notify prior rights holders of Applications for similar marks.
 - Prior rights holder has the onus to oppose the Application when published.
 - Failure to file an opposition does not waive right to object at a later date.

ENFORCING TRADEMARKS IN FOREIGN COUNTRIES

- Cease and Desist Letters.
 - Can't always find the culprit.
- Online Takedown Requests.
 - Alibaba.com, Wish.com.
- Recording Trademarks with Customs and Borders.
 - Only stops importation of infringing goods into the U.S.
- Litigation.
 - Disadvantage of being a foreign Plaintiff.

GLOBAL SCOPE OF CLIENTS' BUSINESSES

- Advise clients to consider and account for growth when choosing a trademark.
- Questions to ask clients:
 - Who is the target consumer?
 - Where are the biggest potential markets?
 - Will the goods or services be offered online?
 - What countries are most likely to knock off the product?
 - Where are the goods being manufactured?
- If applicable, advise clients to budget for potential foreign filings.

TRADEMARK SEARCHES

- Conduct U.S. Clearance Searches
 - Eligibility for registration.
 - Is the mark generic, descriptive, and/or scandalous, etc.?
 - Third party marks.
 - Are there conflicting third party marks?
 - Is there a crowded field?
- Foreign Searches
 - If applicable for your client's business, foreign searches should be done before U.S. filings.
- Searches: Databases / Resources / Programs
 - Trademark Office Databases (USPTO, Madrid Monitor).
 - Common Law searches:
 - Internet search engines (Google, Bing, etc.)
 - Social Media (Facebook, Instagram, YouTube, etc.)
 - Third party services or programs (Saegis, Clarivate, etc.).
 - Foreign trademark attorneys.

TRADEMARK FILING STRATEGIES

- File in the U.S. as early as possible.
 - Benefits of Federal Registration:
 - Common law rights establish priority but are geographically limited.
 - The ensuing Federal Registration can gain incontestable status after 5 years of registration on the Principal Register.
 - Filing an Intent-to-use Based Application establishes a constructive first use date and priority.
- File foreign Applications within 6 months in order to claim conventional priority pursuant to the Paris Convention.
- Determine the appropriate type of filing based on the relevant circumstances.
 - Are the territories of interest eligible for International Registration under the Madrid System?
 - Is the basic U.S. Application at risk of being invalidated during the 5 year dependency period?

THANK YOU



Peter E. Nussbaum

Member
Chiesa Shahinian & Giantomasi PC
973.530.2025
pnussbaum@csglaw.com



Neha Bhalani

Counsel
Chiesa Shahinian & Giantomasi PC
973.530.2178
nbhalani@csglaw.com

Considerations for Obtaining Foreign Trademark Registrations in a Global Economy

Many U.S. brand owners do not realize that their valuable trademark rights stop at the U.S. border. In order to be protected outside of the U.S., trademark rights must be obtained separately across territories. The authors provide valuable tips and insights into this area of law.

Peter E. Nussbaum and Neha Bhalani, *New Jersey Law Journal*
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A trademark is a name, logo, slogan or design that distinguishes the source of a company's goods or services from those of others. In the U.S., trademark rights are created through use of a mark and perfected through obtaining a Federal Registration with the United States Patent and Trademark Office (USPTO). Many U.S. brand owners do not realize that their valuable trademark rights stop at the U.S. border. In order to be protected outside of the U.S., trademark rights must be obtained separately across territories. Further, eligibility for trademark registration as well as the standard for trademark infringement differs in every country. Accordingly, companies that have potential for growth outside of the U.S. need to proactively plan for and obtain trademark protection in foreign territories relevant to their specific industries. Below we discuss important differences that brand owners and their counsel should consider when seeking trademark protection within the U.S. and abroad, filing timelines to be aware of, and provide key takeaways and pitfalls to avoid.

First-to-Use v. First-to-File Territories and Establishing Priority

The United States (along with Canada, Australia and a few other countries) is a "first-to-use" territory. This means that trademark rights begin and belong to the first entity that uses a specific trademark in interstate commerce. Merely coining a brand name or incorporating one's business under a tradename does not sufficiently satisfy the use in commerce requirement – the trademark must actually be used in connection with the promotion or sale of goods and/or rendering of services in order to qualify as trademark usage.

Being the first to obtain trademark rights in a certain territory is known as having "priority". In the U.S., a senior user can assert priority rights to object to a junior user's Registration (for up to five years from the date of that Registration) of an identical or a confusingly similar mark *even if* the senior user never obtains a Federal Trademark Registration. While a Federal Trademark Registration confers many benefits, including a presumption of trademark validity and the possibility for a trademark to become incontestable, the ability to rely on common law (use-based) trademark rights offers substantial protection to even an unregistered trademark owner.

Finally, in the U.S., a trademark must actually be used in commerce to be eligible for a Federal Registration. However, in order to secure an earlier priority date, one can file an "intent-to-use" based trademark application prior to ever using the proposed trademark so long as the applicant has a *bona fide* intent to eventually use it. The filing date of an intent-to-use based application creates a constructive first use date and therefore establishes trademark priority. Accordingly, an applicant may rely on its intent-to-use based application filing-date to stop later users from registering an identical or confusingly similar mark *even if* the applicant has not yet used the trademark in U.S. commerce or has not yet been granted a Registration.

In contrast, the majority of territories, including China, Japan, and the E.U., are “first-to-file” territories. As the name suggests, in first-to-file territories, the party that files for a trademark first is considered to have priority in that country and can obtain a Registration, often, without even using the trademark. Such Registrations are often enforceable against parties who are already using the same or confusingly similar mark in those countries. Moreover, the first filer can rely on its Registration to sue a party that has already been using the same or a confusingly similar mark for trademark infringement. In some first-to-file countries, there are exceptions where the fame or the substantial goodwill of the unregistered mark, or a tort claim such as “passing off”, provide some limited safeguards and can be used against first-filers. However, in most instances, the first filer will be in a position to stop a prior user of an unregistered trademark from 1) obtaining a Registration, and worse yet, 2) continuing to use the mark in that territory. Note that in first-to-file territories, Registration owners are eventually subject to use requirements after a certain number of years. If not used, the trademark could be invalidated on the basis of non-use.

Not surprisingly, due to the ease of obtaining a Registration in many first-to-file territories, trademark “squatting” is a substantial problem for brand owners. Squatters can monitor successful brands in the U.S. (and elsewhere) and obtain trademark Registrations in foreign countries before the valid trademark owner has a chance to file in those countries. The trademark squatter can then enjoy the full rights of a valid trademark owner until the squatter is subject to use requirements (typically from three to five years depending on the country). By way of example, squatting is problematic in China because the courts and trademark office take a fairly strict approach with respect to filing-based priority. This can have a disastrous effect on a company, as it could lose out on years of valuable sales in one of the largest global economies. Note that squatters are often willing to assign trademark Registrations to the rightful owner, however that often comes at a hefty price.

While establishing priority in foreign territories is therefore extremely important, it can also be quite expensive and cost prohibitive for many new brand owners. Fortunately, the U.S. is a signatory to the Paris Convention—an international intellectual property treaty. Pursuant to the Paris Convention, a U.S. trademark owner can file for its trademark in other member countries and claim priority back to the original U.S. filing date, so long as the foreign application is filed within six months of the initial U.S. filing date. As most countries are signatories to the Paris Convention, this is a valuable tool that can help new U.S. trademark owners spread out the substantial expense associated with foreign filings while still being in a position to jump ahead of and assert priority against those who file in such foreign territories for the same or confusingly similar marks during this six-month priority window.

International Registrations v. National Registrations

Owners of U.S trademarks can obtain protection in foreign territories in two ways. One way is to file for an International Registration pursuant to the Madrid Protocol (another international trademark treaty) and designate protection in countries that are members of the Madrid Protocol. The other way is to file applications for National Registrations with the individual Trademark Offices of the countries of interest.

The benefit of filing for an International Registration is that the process is streamlined and the costs can be significantly lower than filing for National Registrations in individual countries. The registrant can renew the International Registration and record changes to the International Registration (i.e. owner or address changes) centrally through a single filing with the International Bureau instead of having to do so separately in each designated country (which can be time consuming and expensive).

There are also potential downsides to filing for an International Registration. The biggest one is that the validity of the International Registration in every designated territory is contingent upon the underlying U.S. application maturing into a Registration and remaining valid for five years. If the underlying application is cancelled for any reason, the rights in the foreign territories will be lost as well. Accordingly, in situations where the underlying U.S. application has a reasonable chance of ultimately being denied, it would make sense to file applications for National Registrations in foreign countries in order to avoid the dependency requirement. However, unlike the streamlined International Registration filing process, which may be handled through the USPTO by a U.S. attorney, applications for National Registrations must be filed directly with the individual trademark offices in each country or territory where protection is sought. This requires engaging foreign attorneys to file the applications which can add substantial expense.

Takeaways and Pitfalls to Avoid

1. Consider global issues and account for potential growth when choosing a trademark. Among other things, brand owners should consider: 1) what their biggest potential markets are, even if there is no current plan to sell abroad, 2) whether the goods will be sold online and if they will be shipped abroad, 3) in what countries are the goods most likely to be knocked-off, and 4) where the goods are being manufactured.
2. Once a mark is chosen, conduct a U.S. trademark clearance search to ensure that 1) the trademark is eligible for registration, and 2) that the proposed trademark does not conflict with any third party trademark rights.
3. Conduct foreign trademark searches in order to make sure that you will not be blocked from expanding into or selling in foreign countries of interest.
4. Do not delay in filing a U.S. application, as there are numerous benefits to obtaining a Federal Trademark Registration and filing early. Importantly, filing an intent-to-use based application will give you a constructive first-use date and establish filing based priority in the U.S.
5. File in foreign territories within six months of filing in the U.S. in order to claim priority back to the U.S. application filing date.
6. File the right type of application in foreign territories (International Registration vs. National Registration) depending upon the circumstances.
7. Work with an experienced trademark attorney that understands the global trademark landscape and works with a network of reliable trademark attorneys in foreign countries.

Peter E. Nussbaum is a member with Chiesa Shahinian & Giantomasi PC and serves as co-chair of the firm's Intellectual Property Group. Neha Bhalani is counsel with CSG's Intellectual Property Group.

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