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EDITOR: KAREN LIM

JUNE 2017

CHAMBERS USA 2017 ranked Fross Zelnick in Band 1 for Intellectual Property: Trademark, Copyright & Trade Secrets, describing the firm as a “[s]talwart IP boutique excelling in . . . anticounterfeiting, trademarks and copyrights,” and also noting our strength in the protection of design rights. Interviewees remarked that the firm’s lawyers “really are experts” and “great listeners.” [ROGER ZISSU](#) (“enjoys ‘a lot of respect’ in the industry”) was named a Senior Statesman, and [SUSAN UPTON DOUGLASS](#) (“very accomplished”), [RICHARD LEHV](#) (“well known and respected”), and [JAMES WEINBERGER](#) (“litigates across the trademark and copyright spectrum”) were recognized as Leading Individuals

MANAGING INTELLECTUAL PROPERTY listed Fross Zelnick in Tier 1 for Copyright in the United States in its 2017 “IP Stars” rankings. The firm’s Tier 1 rankings for Trademark Prosecution and Trademark Contentious were announced in our [March 2017 newsletter](#). The publication also named [LARRY APOLZON](#) a “Patent Star,” and [ALLISON STRICKLAND RICKETTS](#) in its worldwide list of Top 250 Women in IP.

FINANCE MONTHLY LAW AWARDS 2017 named Fross Zelnick “Trademark – Law Firm of the Year – USA.”

[SUSAN UPTON DOUGLASS](#) spoke on the panel “In All Honesty: How to Navigate Ethical Issues in Trademark Investigations” at the program *On Your Marks: Frontline Issues in Trademark and Advertising Law*, hosted by the New York City Bar Association on April 24, 2017.

[ERICA GOULD](#) presented “The Cuban Riddle, What’s Next?” at the program *Fashion Law in Latin America: Current Challenges for U.S.-Based Fashion Companies Doing Business in LATAM*, hosted by Cardozo Law School on March 23, 2017.

[CRAIG MENDE](#) moderated the panel “The Answer is Not Always ‘It Depends:’ Fair Use and Freedom of Expression Under Copyright and Identity Rights Laws” at the May 2017 INTA Annual Meeting in Barcelona.

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Information Letter

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UNITED STATES

SUPREME COURT

- New Copyright Eligibility Test For Clothing Designs And Other Useful Articles
Star Athletica, L.L.C. v. Varsity Brands, Inc.

Supreme Court: NEW COPYRIGHT ELIGIBILITY TEST FOR CLOTHING DESIGNS AND OTHER USEFUL ARTICLES

Star Athletica, L.L.C. v. Varsity Brands, Inc., 137 S.Ct. 1002 (2017)

On March 22, 2017, the Supreme Court of the United States issued a decision in a highly-anticipated case concerning the copyrightability of clothing designs, concluding that designs on cheerleading uniforms could be protected by U.S. copyright. The Supreme Court rarely takes on copyright cases, and this case has been of particular interest to the fashion industry, which has long bemoaned the scant protection available under U.S. law for clothing designs.

Basic Legal Framework. Since clothing designs serve a function—to cover the body—they are classified under the U.S. Copyright Act as “useful articles,” which are excluded from U.S. copyright protection. As

useful articles, clothing designs could achieve U.S. copyright protection only if—and only to the extent that—the design “incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.” 17 U.S.C. § 101 (“Section 101”).

Figuring out where the utilitarian aspects of clothing end and the copyrightable aspects of clothing begin has befuddled litigants and courts for decades and, by some counts, more than a dozen different and competing legal tests have been developed for determining whether the “separability” requirement of Section 101 is satisfied. Almost all relied on the legislative history of Section 101, which introduced the idea of “physical” and “conceptual” separability. With *physical* separability, the design features can be physically separated from the useful article while leaving the article intact; with *conceptual* separability, the

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design feature cannot be physically separated from the article but is nonetheless recognizable as distinct from the useful article (*e.g.*, an intricate carving of leaves and vines on a chair back).

History of the Case. The case that made its way to the Supreme Court involved two companies that market and sell cheerleading uniforms: Star Athletica and Varsity Brands (“Varsity”). In 2010, Varsity sued Star Athletica alleging infringement of Varsity’s copyrights in five cheerleader uniforms bearing designs created from shapes and stripes of colored fabrics. Varsity had obtained U.S. copyright registrations for its cheerleader uniforms as “2-dimensional artwork” or “fabric design (artwork),” and had submitted as specimens sketches or photographs of the uniforms. The following is one of the works at issue:



Design 299B
Registration No. VA 1-319-226

At the trial court level, upon a motion for summary judgment filed by defendant Star Athletica, the U.S. District Court for the Western District of Tennessee held that Varsity’s designs were useful articles and thus not eligible for copyright protection. *Varsity Brands, Inc. v. Star Athletica, LLC*, No. 10-2508, 2014 WL 819422 (W.D. Tenn. March 1, 2014). More specifically, the District Court concluded that the designs applied to the cheerleading uniforms were part-and-parcel of the function of the uniform itself and, in the words of Section 101, could not “be identified separately from” or “exist[] independently of, the utilitarian aspects of the article.” 2014 WL 819422 at *8. As the District Court reasoned, “a cheerleading uniform loses its utilitarian function as a

cheerleading uniform when it lacks all design and is merely a blank canvas.” *Id.* The District Court therefore granted summary judgment to defendant Star Athletica.

On appeal, the United States Court of Appeals for the Sixth Circuit disagreed with the District Court’s conclusion that the graphic designs were necessary to a cheerleading uniform’s purpose. *Varsity Brands, Inc. v. Star Athletica, LLC*, 799 F.3d 468 (6th Cir. 2015). The Sixth Circuit concluded that the only utilitarian aspects of a cheerleading uniform were to cover the body, permit free movement and wick moisture. *Id.* at 490. Since the design appearing on the face of the uniforms contributed nothing to these utilitarian aspects, the designs were separable from the utilitarian aspects and therefore eligible for copyright protection. *Id.* at 491-92. (The Sixth Circuit Court expressly refrained from offering any opinion as to whether Varsity’s designs were sufficiently original for copyright protection. *Id.* at 493.) Our 2015 report of the Sixth Circuit’s opinion can be viewed [here](#).

The Supreme Court Opinion. In delivering the opinion of the Court (to which Justices Alito, Kagan, Roberts, and Sotomayor joined), Justice Thomas noted that the Supreme Court had accepted the case to resolve “widespread disagreement” on the proper test to assess separability under Section 101. 137 S.Ct. at 1007. Hewing closely to the language of Section 101, the Court proceeded to set forth a new two-part test, which now applies nationwide:

[A] feature incorporated into the design of a useful article is eligible for copyright protection . . . if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic or sculptural work—either on its own or fixed in

some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated.

Id. In the Court’s view, “[t]he ultimate separability question . . . is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.” *Id.* at 1011. Thus, “a feature of the design of a useful article is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.” *Id.* at 1012.

In adopting this test, the Court abandoned the distinction between “physical” and “conceptual” separability. Noting that Section 101 does not require the underlying useful article to remain once the design element is separated, the Court concluded that the question is statutorily confined to conceptual separability. *Id.* at 1014. Relatedly, the Court pointedly rejected the question that had divided the trial and appellate courts—namely, whether a cheerleading uniform can still be a cheerleading uniform without the design elements. The Supreme Court viewed that debate as “unnecessary” since Section 101 requires the focus to be “on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction.” *Id.* at 1013.

Applying the Court’s new test to the cheerleading uniform designs in question, the Court’s majority had no trouble finding that the designs satisfied the two-part test and thus are eligible for copyright protection:

First, one can identify the decorations as features having

pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter’s canvas—they would qualify as ‘two-dimensional . . . works of art,’ § 101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. . . . The decorations are therefore separable from the uniforms and eligible for copyright protection.

Id. at 1012.

The Court was, however, quick to point out that copyright protection (if any) extended only to the designs on the cheerleading uniforms and not the uniforms themselves: “To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art. [Varsity] ha[s] no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut and dimensions to the ones on which the decorations in this case appear.” *Id.* at 1013. Further, the Court, like the Sixth Circuit before it, expressly refrained from deciding whether the designs, though separable from the useful article and thus eligible for copyright protection, are sufficiently original to qualify for copyright protection. *Id.* at 1012, n.1.

Thus, we await the trial court’s decision on whether Varsity’s cheerleader uniform designs qualify for copyright protection now

that the Supreme Court has determined that they are copyright eligible. And we will also wait to see the extent to which the Supreme Court's decision and the new nationwide test for separability affect copyright protection for clothing and other fashion designs going forward.

[-LPR](#)

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Information Letter

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International

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- Rare Interlocutory Injunction By Federal Court In Trademark Infringement Case
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- Design Law Updates

Canada: RARE INTERLOCUTORY INJUNCTION BY FEDERAL COURT IN TRADEMARK INFRINGEMENT CASE

Sleep Country Canada Inc. v. Sears Canada Inc., 2017 FC 148 (February 9, 2017).

The Canadian Federal Court recently issued a rare interlocutory injunction to a plaintiff in a trademark case. Interlocutory injunctions are often sought in trademark infringement cases as it can take many months or even years before the case goes to trial. Historically, interlocutory injunctions

are notoriously difficult to obtain in trademark infringement cases in Canada because it is hard to prove that the alleged harm is irreparable. In *Sleep Country Canada Inc. v. Sears Canada Inc.*, the Federal Court enjoined Sears Canada Inc. ("Sears") from using the slogan THERE IS NO REASON TO BUY A MATTRESS ANYWHERE ELSE (the "Sears Slogan") which Sleep Country Canada Inc. ("Sleep Country") alleged infringed its registered right in its slogan WHY BUY A MATTRESS ANYWHERE ELSE (the "Sleep Country Slogan").

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Sleep Country was founded in 1994 and since then has been using the Sleep Country Slogan in TV, radio, and other advertising. Sleep Country also owns two trademark registrations for its slogan. In 2016, Sears started using the Sears Slogan. Sleep Country sent Sears a cease-and-desist letter alleging infringement, but Sears refused to stop.

Sleep Country had sought an interim injunction against Sears (i.e., to enjoin Sears up until an interlocutory motion could be decided) but that action was dismissed on the basis that there was no clear evidence of irreparable harm. Sleep Country proceeded with its motion for an interlocutory injunction against Sears pending the outcome of an infringement action. The primary issue in the interlocutory injunction motion was whether Sears' continued use of its slogan would cause Sleep Country irreparable harm. In reaching the opposite conclusion from the court that heard the interim injunction motion, the Federal Court noted that the record on the interlocutory motion was much more extensive and that the earlier decision did not provide detailed reasons for dismissing the motion.

To obtain an interlocutory injunction, a party must successfully establish three elements: (1) that a serious issue has been raised; (2) that it will suffer irreparable harm if the injunction is not granted; and (3) that the balance of convenience favors the party seeking the injunction. Sears conceded that a serious issue had been raised. The Federal Court found that the balance of convenience favored Sleep Country, in large part because Sears could easily revert to the pre-slogan approach that it had used for years. The Federal Court focused its discussion on the irreparable harm component, the second and most difficult element of the test. The key issue that was analyzed was whether Sleep Country had established with clear and non-speculative evidence that it would

suffer harm through confusion, depreciation of goodwill, or loss of distinctiveness until the action would be finally determined. If the harm cannot be quantified or compensated in damages, then it would be considered irreparable.

Sleep Country argued that irreparable harm would be manifest through lost sales that would be impossible to quantify and through depreciation of goodwill and loss of distinctiveness of its slogan which is intangible and also not capable of quantification. In a detailed decision, the Court ultimately found in Sleep Country's favor.

First, the Court found that there would be a likelihood of confusion until the disposition of the infringement action, given that the phrases are almost identical and convey the same idea, and given that Sleep Country had been using its slogan for over twenty years while Sears had only recently begun using its slogan. The Court specifically noted that in making this determination, it could put itself in the shoes of a "harried consumer" and that expert evidence was not necessary. It further held that the evidence established that the likely confusion would result in lost sales. In addition, the Court found that the evidence established that Sears' use of its slogan until the trial would cause a loss of distinctiveness of Sleep Country's slogan. This confusion and loss of distinctiveness would cause a depreciation of goodwill which, the Court held, was not possible to quantify.

Moreover, despite the expert evidence put forth by Sears, the Court found that any lost sales could not be quantified. Apportioning Sleep Country's lost sales due to Sears' use of its slogan would require using many variables and adjustments based on data that may not exist and "[a]t some point, the obstacles amount to an impossibility, as the evidence demonstrates is the case here." The Court distinguished this case from prior

cases because it relates to an infringing slogan used as part of a marketing strategy, whereas other cases involved sales of an infringing product where damages might be more easily quantified.

This decision demonstrates that while proving irreparable harm to obtain an interlocutory injunction is difficult, it is not impossible. Until recently, interlocutory injunctions had been far and few between. The first reported decision in many years in a trademark infringement case (apart from counterfeit cases) was in 2015 ([Reckitt Benckiser LLC v. Jamieson Laboratories, 2015 FC 215](#)), however the facts of that case were very specific whereas this case has a somewhat more traditional fact pattern. With this holding, the Federal Court may be sending a message that it is prepared to issue pre-trial injunctions upon a satisfactory showing of concrete and non-speculative evidence of irreparable harm, and provides some guidance on how brand owners seeking injunctive relief may frame their arguments and evidence

-HD

China: SUPREME PEOPLE'S COURT PROVIDES GUIDANCE ON MERCHANDISING RIGHTS

In 2008, shortly after release of Dreamworks' Kung Fu Panda film in China, a local individual filed a trademark application for KUNG FU PANDA covering various vehicle-related goods (e.g., steering wheel covers, seat covers, and car seats for infants). DreamWorks opposed, based on the merchandising rights in the film title, which it claimed extended to such goods, even in the absence of specific trademark coverage. The China Trademark Office ("CTMO") dismissed the opposition on the ground that DreamWorks did not have trademark protection for the subject goods, and the Trademark Review and Adjudication Board ("TRAB") affirmed, concluding that coexistence of the marks would not result in confusion given the

different coverage for the respective parties' marks, and because local law did not protect "merchandising rights." After losing its first appeal to the Beijing No. 1 Intermediate People's Court, DreamWorks appealed further, to the Beijing Higher People's Court. In August 2015, the Higher People's Court ruled largely in Dreamworks' favor, in effect recognizing its right to exploit its merchandising rights in the title, and returning the case to the TRAB for re-examination based on these rights.

More recently, in January of this year (effective March 1, 2017) the Chief Judge of the Intellectual Property Rights Tribunal of the Supreme People's Court (China's highest court) released the "Provisions of the Supreme People's Court on Several Issues Concerning the Hearing of Administrative Cases on Granting and Affirming Trademark Rights" (the "Provisions"). Article 22.2 of the Provisions addresses the protection of names and characters in creative works, which was at issue in the Kung Fu Panda case. Specifically, Article 22.2 states: "Provided the names and characters in works that are still protected by copyright are well known, the use of such names on products concerned may mislead the public that the names are used with the permission of the copyright owner or specifically associated with the copyright owner. The court shall uphold claims by parties concerned for prior rights and interests" (unofficial translation). Further, if such character or name is not protected by copyright, such properties would be protected as "prior rights" under Article 32 of the Trademark Law which states: "No trademark application shall infringe upon another party's existing prior rights. Nor shall an applicant rush to register in an unfair manner a mark that is already in use by another party and enjoys substantial influence" (unofficial translation).

This case is significant in that the Supreme People's Court enjoys substantial respect in

the intellectual property area. The Provisions, moreover, have now confirmed the Higher People's Court recognition of merchandising rights, applying a broad interpretation of trademark law. We note that the Provisions are binding on the CTMO, TRAB, and courts.

[-JLH](#)

China: TRADEMARK OFFICIAL FEES HALVED

Official trademark fees in China were reduced by 50% from April 1, 2017. The current fees are listed below:

Action	Fee (RMB)	Fee (USD)*
Filing trademark application (per class)	300	44
Additional fees for goods/services in excess of ten items per class	30	4
Applying for re-issuance of a registration certificate	500	74
Applying for assignment / transfer of a trademark registration/application	500	74
Renewal of trademark registration (per class)	1000	147
Late filing of renewal documents during grace period	250	37
Applications for trademark review before the Trademark Review and Adjudication Board ("TRAB") (refusal appeal, opposition appeal, nonuse cancellation appeal, invalidation)	750	110

Recording change of name or address or agent of owner for mark (per class)	250	37
Obtaining a certified document	50	7
Applying for collective or certification mark per class	1500	221
Filing an opposition per mark per class	500	74
Cancellation procedures per mark per class	500	74
Applying for recordal of a license	150	22

**USD figures are subject to foreign currency fluctuations.*

The fee reductions are consistent with the Chinese government's five-year plan to raise China's status as a country strong in IP assets. The plan also calls for procedures to simplify online filing and to open up centers throughout the country to receive new trademark applications. While the lower fees benefit trademark owners, they also raise concerns about increased bad-faith filings.

[-KL](#)

European Union: EUTM REGISTRATIONS MAY BE ENFORCED WITHIN FIRST FIVE YEARS WITHOUT PROVING USE

Länsförsäkringar AB v Matek A/S, C-654/15, EU:C:2016:998, December 21, 2016

The Court of Justice of the European Union (ECJ) recently held that the actual use of a trademark does not affect the extent to which an owner of an EUTM registration can enforce its rights within the first five years following registration.

Länsförsäkringar AB, a Swedish bank and insurance company, owns a 2008 EUTM registration for the following logo covering,

inter alia, building construction services in Class 37.



Matek A/S, an Estonian maker of timber frame houses, uses the following logo, for which it owns a 2009 Estonian registration covering various construction-related goods in Class 19, which it sought to extend into Sweden among other European countries, through an International Registration.



Länsförsäkringar asserted that Matek's use infringed its registered EUTM rights and won an injunction in the Stockholm District Court enjoining the use. The Svea Court of Appeal set that decision aside, requiring that the analysis of the similarity of goods and services focus not on Länsförsäkringar's registered coverage, but instead on actual use. Given no relevant use by Länsförsäkringar, no likelihood of confusion was found.

On appeal, the Supreme Court of Sweden referred the issue to the ECJ, which decided in favor of Länsförsäkringar. As the ECJ concluded: "[D]uring the period of five years following registration of an EU trade mark, its proprietor may, if there is a likelihood of confusion, prevent third parties from using in the course of trade a sign identical or similar to his mark in respect of all goods and services identical or similar to those for which that mark has been registered without having to demonstrate genuine use of that mark in respect of those goods or services."

This decision is consistent with relevant EU law, which allows the owner of an EUTM registration a five-year grace period to begin use. Only after this grace period has expired is the registration subject to the use requirement and cancellation in whole or in part by a third-party based on the registrant's lack of use.

[-AT](#)

Germany: CEASE-AND-DESIST ORDERS INCLUDE IMPLICIT OBLIGATION TO RECALL INFRINGING PRODUCTS

Obligation of the Respondent to Recall Infringing Products – "*Rescue Tropfen*," Case I ZB 34/15, Federal Court of Justice, September 29, 2016 (published January 10, 2017)

In a landmark decision, the Federal Court of Justice, the German supreme court, ruled that a cease-and-desist order, as a matter of course, obligates an infringer to withdraw the infringing products from the market. This obligation applies even to those goods that are out of the infringer's direct control and are being distributed by third-party business partners and retailers.

The defendant in this matter was found to be unlawfully distributing, via third-party pharmacies, products under the trademarks RESCUE TROPFEN and RESCUE NIGHT SPRAY which had been held by an intermediate German court to infringe the complainant's rights. In a judgment of January 31, 2013, which included a cease-and-desist order, the defendant was prohibited from distributing or promoting these products. However, this order nowhere stated that the defendant was obligated to recall its RESCUE TROPFEN and RESCUE NIGHT SPRAY products from the market, nor had the rights owner's claims specifically raised this point.

The Supreme Court observed, however, that an infringer is not required merely to

refrain from injurious activity, but must do all that is necessary and reasonable to prevent future infringements from occurring, or to correct ongoing infringements. Applying this standard, the Supreme Court noted that the defendant had not availed itself of all available and reasonable measures to prevent the distribution of the infringing RESCUE TROPFEN and RESCUE NIGHT SPRAY products through the pharmacies that the infringer itself had supplied. Specifically, the defendant's failure to recall the products contravened its obligation under the earlier cease-and-desist order.

This decision provides trademark owners with fresh munition in enforcing their rights in Germany and ridding the market of objectionable goods. On the other hand, it significantly adds to the imperative that traders doing business in Germany must be ever vigilant of prior rights, or risk making a potentially costly misstep that can inflict serious business damage.

[-KLD](#)

South Korea: KEYWORD ADVERTISING CONSTITUTES VALID TRADEMARK USE IN NON-USE CANCELLATION PROCEEDING

Dong-Hun Lee V. Tae-Sun Park, Intellectual Property Trial And Appeal Board (Case No. 2016 HEO 5439, March 15, 2017).

In June 2015, Tae-Sun Park, a Korean individual, filed a non-use cancellation action before the Intellectual Property Trial and Appeal Board ("IPTAB") against a registration for FILLTOX & Korean transliteration covering medical clinic services, dermatology, plastic surgery, and related services in Class 44. In July 2016, the IPTAB found in Park's favor and issued a decision cancelling the registration.

On appeal before the Patent Court, the registrant Dong-Hun Lee submitted evidence of keyword advertising for his plastic surgery clinic. The evidence

showed that when an Internet user typed the Korean transliteration for FILLTOX (that is, the Korean part of the registration at issue) into a search engine as a keyword search, a link to Lee's plastic surgery clinic's website would appear. Upon clicking the link, users would be directed to the clinic's website where use of the mark FILLTOX & Korean Transliteration was used in connection with a cosmetic procedure for filler injections.

The Patent Court held in Lee's favor and determined that use of the Korean portion of the registered mark in keyword advertising for the plastic surgery clinic constituted sufficient use of the FILLTOX & Korean Transliteration mark for the registered services. As such, the IPTAB's decision should be overturned as the registration was not vulnerable to cancellation for non-use.

In reaching its holding, the Patent Court indicated that the keyword used in the advertising must be *identical* to the registered mark. Additionally, the website located as a result of the keyword search must offer or advertise the goods/services covered by the registration. From a policy perspective, the Patent Court noted that the purpose of non-use cancellation actions is to encourage use of registered trademarks, and not to penalize their non-use. As such, the issue of whether or not consumers perceive the mark as a source identifier is not the dispositive factor in a non-use cancellation action; rather, it comes down to whether the registrant is using the mark to differentiate its goods/services from another's.

Here, the Patent Court found that use of only the Korean transliteration portion of Lee's mark was sufficient, despite not being completely identical to the registered mark, which also included the FILLTOX term in English. Nevertheless, the Court considered the use of only the Korean part as identical to the registration and found

that it should not be cancelled due to non-use given the use of the term in the context of keyword advertising. The case was remanded to the IPTAB for re-examination, and in March 2017, the IPTAB rendered its decision and held that the mark was indeed in use, pursuant to the conditions set out by the Patent Court.

[-MS](#)

South Korea, Taiwan, Turkey:

DESIGN LAW UPDATES

Significant recent changes to the local design laws in the Republic of Korea, Taiwan, and Turkey, are discussed below. Each of these may help design owners expand the range of protectable designs and of available design protections.

South Korea—Broadened Scope of Designs Eligible for Registration

The Korean Intellectual Property Office recently amended its examination guidelines for registered designs, making it easier to meet the design “creativity” eligibility requirement. Effective January 1 2017, these guidelines require examiners to base any rejections citing lack of creativity on substantial evidence, and not on mere contentions that the design at issue comprises recognized geometric shapes or other assertedly minimalist shapes or patterns. This evidence could comprise cited prior art designs or evidence that the design reflects ways of expression that are common in the particular design field.

These changes follow analogous changes in 2016 to allow registration of computer screen icons and other digital graphics projected onto a fixed surface. As in the U.S., a design registration in South Korea can only issue for an actual article of manufacture or portion thereof, so the portion of the article where the icon is displayed must be identified in the application drawings.

With these changes, the recent trend in the Republic of Korea is to expand the range of registrable designs. Clients seeking international design registrations for new and novel designs, especially for digital graphics, should consider whether these changes can help enhance their international design filing strategies.

NOTE---Just prior to publication of our newsletter, we learned that additional amendments to the Design Protection Act in the Republic of Korea were published in March and will be effective in September. Probably the most significant amendment extends the grace period to file after a public disclosure of the design from six months to one year. Moreover, the grace period exception can now be invoked at any time during pendency of the application, instead of only up to the time a response to the first action is filed. This amendment will make design filings in Korea more accessible and will help temper the effect of public disclosures of the design that are only discovered after the application has been examined.

Taiwan—Grace Period for Filing Expanded

Design registrations in Taiwan were largely subject to an “absolute novelty” standard whereby any prior public disclosure of the design before filing destroyed novelty unless the disclosure fit within narrow exceptions. These exceptions were: Printed publications disclosing the design, display of the design at a Government-recognized exhibition, or a disclosure without the applicant’s consent. Moreover, even if one of these exceptions applied, the grace period permitted for filing was only six months from the first disclosure date.

Recent amendments to the Patent Act effective for applications filed after May 1, 2017 extend this grace period to twelve months. Moreover, the range of public disclosures covered by the grace period are expanded to include disclosures that are “against the intent of the applicant.”

These include disclosures resulting from a misunderstanding or negligence. Circumstances when the above apply include confidential disclosure to someone whom the applicant believes is required to keep it secret, or when the applicant's employees or agents inadvertently disclose the design to the public. But the grace-period exception would not apply in the case of a prior published design application, as the applicant's intent in filing the application without deferring publication would be presumed.

These changes help to excuse inadvertent public disclosures that otherwise would destroy the novelty of a design application, recognizing that oftentimes applicants are large companies with numerous potential sources from which information about a new design can be unwittingly disclosed. Moreover, the increase of the term to twelve months affords applicants more time to discover and address any prior inadvertent disclosures.

The new amendments move the law in Taiwan closer to other more expansive grace-period exceptions in other countries. But clients should nonetheless be mindful that any prior public disclosure could destroy the novelty of a registered design, making a significant source of design protection unavailable. Close consultation with counsel to streamline design development and filing as early as possible before disclosure are crucial to avoid loss of registration opportunities.

Turkey—Unregistered Design Right Enacted

Taking note of unregistered design rights recognized elsewhere (such as the European Union), Turkey amended its Intellectual Property Code as of January 10, 2017 to recognize similar enforceable unregistered rights for new product designs that are first introduced in Turkey. The term of protection is three years from first public disclosure.

The enactment of an unregistered right is welcome news, especially given Turkey's large export-oriented textile and leather industry. However, the right is subject to many of the same strict requirements and burdens of proof applicable to unregistered design rights in Europe. Often, proving ownership and development of the design as well as priority, and avoiding any prior art challenges, prove to be too daunting for many European design owners. Moreover, the scope of rights granted are typically quite narrow so, on the whole, only infringements featuring identical copies will be actionable. As a result, in most cases a showing of intentional copying will be required based either on direct evidence of bad faith or by establishing that the infringer had ample opportunity to encounter the protected design.

Of course, Turkey also has a well-developed design registration system. However, despite its limitations and hurdles, unregistered design rights (which can co-exist in Turkey with design registrations) provide a ready enforcement tool that can be asserted promptly. This can be very helpful to shore up protections in industries where designs change constantly and where many designs are copied almost immediately after launch.

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