Dear ABA-IPL Members;

Welcome to the 9th edition of the International Associates Action Group Newsletter. We are still looking for contributors so please get in touch with me at david@gearhartlaw.com If interested in becoming a an editor or just want to get involved in our Action group please do let myself or Matthias Berger know. See you next Month!

Yours,
David Postolski

Welcome to our IAG October 2015 Newsletter

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Brazilian PTO News
Brazilian PTO issues technical note in respect of trademarks containing signs of star rating system

With the purpose of updating and improving the examination of trademarks, the Brazilian PTO has created a Special Committee called *Permanent Committee of Improvement of Trademark Examination Proceedings and Guidelines (CPAPD)*.

On July 15, 2015, CPAPD issued Technical Note No. 06/2015, entitled “*Appliance of items VI and XI of Article 124 of the Industrial Property Law in the examination of trademarks containing a reproduction of signs of the star rating system*”.

On the abovementioned Technical Note, CPAPD states that in Brazil, the star rating system for hotel industry is foreseen by Law No 11.771 of 2008, which confers to this classification system an official character. Consequently, graphic elements consisting of stars horizontally displayed at regular intervals, which bear an official characteristic that guarantees a pattern in the hotel industry are not registrable in accordance with Article 124, item XI, of the Industrial Property Law (IPL). This is because this legal provision expressly prohibits the registration as trademarks, of signs that reproduce or imitate an official stamp regularly adopted to assure the guarantee of a pattern of any genre or nature.

Thus, whenever a trademark application is filed with stars horizontally displayed at regular intervals, in connection with accommodation/hosting services, the PTO will issue an office action requesting that the applicant inform whether it wishes to proceed with the application with the withdrawal of the star designs. It should be noted, however, that such official action will only be raised in cases where the removal of the star design(s) does not change the main characteristics of the trademark originally filed.

If the applicant wishes to maintain the stars horizontally displayed at regular intervals in the trademark, the corresponding application shall be rejected on the basis of Article 124, item XI, of the IPL, due to the official character of the device element.

What if an application for a trademark with stars horizontally displayed at regular intervals is filed in respect of goods or services of another field of activity?

It is known that in other areas of activity, the star rating system is often used with the same purpose of indicating a quality pattern of goods/services, despite the fact that such system is not regulated. In these cases, according to Technical Note No. 06/2015, the Brazilian PTO considers that the stars horizontally displayed at regular intervals are of common use and consequently, cannot be appropriated as a trademark on an exclusive basis, as per Article 124, item VI, of the IPL.

Therefore, trademark applications which identify goods/services of another field of activity and which incorporate star designs horizontally displayed at regular intervals will bear a disclaimer to the effect that no rights are given to the exclusive use of the star designs.

CPAPD stresses that the abovementioned new proceedings will be applied only to signs containing images of stars undoubtedly displayed in way that indicates a quality pattern. On the other hand, distinct combinations and dispositions of stars are not subject of these proceedings.
From a practical perspective, the new proceedings instituted through the abovementioned Technical Note shall be observed by the hotel industry which, from now on, will not be allowed to register trademarks containing stars horizontally displayed at regular intervals.

Trademark applicants of other fields of activity who wish to obtain registrations on trademarks incorporating star designs that indicate the quality of their goods/services should bear in mind that unless the star designs are combined in a distinctive manner, they will be considered of common use and competitors from the same field of activity will be able to use and/register trademarks with the same star designs.

Patricia Lusoli, Guerra IP, Brasil
Mouse Over, Game Over!

Free of charge does not mean free of rules: The license terms of Creative Commons images ask for a reasonable author’s attribution when using these images on a website. Now a German Court has shed light on the question of what a reasonable attribution exactly is.

A photographer did not laugh when he saw a German travel website using his picture of a famous German comedian to promote an offer of a weekend trip. The Court granted the photographer a cease-and-desist order and compensation for lack of reasonable attribution.

Sites like Wikipedia or Flickr provide a large number of professionally shot photos under a royalty free Creative Commons license. Using these images on commercial websites has become increasingly popular in recent years. The fact that the use of the images is “free”, however, does not protect website owners against legal action. If such an image is not properly attributed to the author, there is a risk of receiving a warning letter and being ordered to pay damages.

In the present case the website owner had taken the comedian’s image from Wikipedia where the photographer had uploaded it under a Creative Commons license. The attribution to the photographer was embedded into the code of the defendant’s website but only became visible when the website visitor hovered the mouse directly over the image for a few seconds. The Court held that the website owner did not comply with the Creative Commons license requirements because the name of the author was not provided in a “reasonable” manner.

**Attribution must work on all devices**

According to the German Court, an attribution that is only visible on hovering the mouse over the image does not comply with the Creative Commons license because it is not certain that the website visitor will see the author’s name. Further, the Court argued that users of mobile devices cannot access the author information at all.

For lack of attribution the Court also granted compensation to the photographer in spite of the fact that he had decided to make the image available under a Creative Commons license. In this regard the Court ruled that the photographer wanted to grant a free license only if all conditions of the license, including the attribution were met.

Sven-Alexander von Normann, Fieldfisher, Hamburg, Germany
(Sven-Alexander.VonNormann@fieldfisher.com)
Re-Examination in Australia – An alternative to costly litigation

Litigation is both costly and time-consuming in Australia. Fortunately, we do have some alternatives in Australia. One of these is the ability to request re-examination of granted patents.

It has been pointed out to me that re-examination does have possible drawbacks. For example, an enhanced presumption of validity can result from a successful defence of the patent. However, re-examination does have a role to play in clearing a path for a prospective infringer. It is not unusual for a defendant to pay up to $200 000 (roughly USD150 000) before even being heard in the Federal Court. Furthermore, once the patentee launches proceedings, failure to put up a defence can result in a defendant’s business being shut down. It is simply not an option to ignore an application to the Federal Court asserting infringement of patent rights, no matter how “weak” the patent.

In stark contrast to the cost of litigation, the official fees for requesting re-examination are just $800 (roughly USD600). Further costs will be incurred for preparing the accompanying arguments and a possible search. These should be insignificant compared to the cost of litigation.

Of course, a client has to be aware of potential infringement. Clients should be encouraged to carry out investigations on competitors’ patents. It is important to bear in mind that in Australia, the patentee is very much given the benefit of the doubt. In the event that it is possible for a patentee, even at a stretch, to interpret the claims to capture your client’s product, re-examination should be considered. It is also possible that the patentee may wish to create an air of impropriety about the client’s product. This can make all the difference when the parties are competing for the attention of a common retailer, for example. In short, your client needs to be proactive in neutralising threats to business in Australia.

It should be made clear at this point that the purpose of re-examination is not necessarily revocation of the patent. On the contrary, it should be regarded as a low-cost strategy for achieving amendment of the offending claims so that your client can avoid infringement.

It is not possible to request re-examination while court proceedings are pending. It follows that it is important that the patentee not be approached before the request is filed. That said, it is possible for the patentee to launch proceedings in the event that re-examination is requested. This will stop the re-examination. It is possible to request re-examination without revealing the identity of your client. This can be an appropriate strategy where there is concern that the patentee may launch proceedings.
The process is simple. Before starting, you should consider an invalidity search. Your Australian associate collates all the prior art documents and sends them through to IP Australia with a covering letter explaining the relevance of the prior art\(^3\). The time taken to examine the patent will vary, depending on the subject matter and the extent of the prior art. It should not take more than three months. It is possible to put the examiner under some pressure, either in a letter requesting that the process be expedited or even just with a phone call. There should be good reason to expedite, though, such as potential loss on orders placed.

Note that this is not an \textit{inter-partes} proceeding. The examiner simply provides a report setting out the findings. The patentee will be provided with the report and will have 2 months from the date of the report to respond. Failure by the patentee to respond will likely result in the Commissioner setting the matter down for a hearing with a view to revoking the patent.

The Commissioner can decide to re-examine the application in light of a response with amendments filed by the patentee. This process is simply another cycle of re-examination.

The Commissioner will send out a copy of the report(s) to the requestor. However, there is no further opportunity to provide arguments and submit further prior art. That said, given the simplicity and relatively low cost, it is always open to the client to request re-examination again, based on fresh prior art. Furthermore, given that the amendment is to a granted patent, client can oppose the amendment under our opposition regulations.

Considering the high cost of litigation, not to mention the inconvenience, re-examination is an effective and low-cost alternative when used with appropriate prior art.

\textbf{Written by Barry Eagar of Eagar & Martin (www.emip.com.au)}

\textbf{Email: beagar@emip.com.au.}

\textbf{Endnotes:}
\begin{enumerate}
  \item Section 97(4) Patents Act 1990
  \item Section 97(5) Patents Act 1990
  \item Reg 9.2. Patents Regulations 1991
\end{enumerate}
PTO’s decisions regarding highly renowned status of BRAHMA and MASTERCARD

On August 19 2013 the Brazilian Patent and Trademark Office (PTO) issued Resolution No 107, which rules the examination of highly renowned trademarks.

One of the main points of Resolution No 107 is that a ‘highly renowned mark’ is defined as “a registered mark whose performance in distinguishing goods or services and whose symbolic efficacy leads it to exceed its original goal, thereby going beyond the so-called principle of 'speciality', in view of its distinctiveness, of its recognition by a wide portion of the public, of the quality, reputation and prestige related to it, and of its flagrant capacity to attract consumers by its mere presence”.

After the issuance of the abovementioned Resolution, the Brazilian Patent and Trademark Office has issued decisions either accepting or denying the recognition of highly renowned trademarks. Amongst these decisions, two of them have called our attention because the Patent and Trademark Office has rejected the recognition of highly renowned trademarks in connection with the famous marks BRAHMA and MASTERCARD.

With regard to the decision issued in connection with the trademark BRAHMA (which identified beer), it should be noted that the Brazilian Patent and Trademark Office has mentioned in its opinion, that although Ambev (the owner) has submitted documents evidencing marketing investments associated with the mark in traditional and in electronic media, including social networks, cultural and sports events and packages of goods, such documents do not contain information relating to profile and geographic range of consumers or to the impact of marketing campaigns over consumers or to the effect that the mark produces to consumers. The Brazilian Patent and Trademark Office further stated that Certificates of Registration on the mark BRAHMA issued in all five continents neither attest to the extensive recognition of the mark in Brazil nor evidence the prestige achieved by this mark amongst a wide and differentiated public of Brazilian consumers.

Another peculiar reason mentioned by the Brazilian Patent and Trademark Office not to recognize the highly renowned status of the mark BRAHMA in Brazil is that Ambev has failed to submit a survey “or other elements” which objectively attest to the perception of quality, reputation and prestige of this mark amongst a wide range of Brazilian consumers (besides beer consumers).

The other decision refers to Mastercard International Incorporated’s request of recognition of highly renown status of the mark MASTERCARD. The Brazilian PTO has rejected this request and has cited a few arguments as basis for its decision, which are summarized in the paragraphs below.

One of the reasons given by the PTO in its opinion is that a part of the evidence submitted by the owner of the mark refers to the mark MASTERCARD generically, without specifying the composite mark which was object of the request (abovementioned logo).
Interestingly, the Brazilian Patent and Trademark Office has also pointed failures in the surveys attached to Mastercard International Incorporated’s request. For instance, according to the Brazilian Patent and Trademark Office’s opinion, the surveys failed to indicate in which cities of regions they were conducted and questions posed consumers who were interviewed were not indicated.

Moreover, the Brazilian Patent and Trademark Office stated that the other documents submitted by Mastercard International Incorporated, namely, brochures, advertising materials, list of trademark applications/registrations and Certificates of Registration issued in other jurisdictions, do not prove knowledge of the mark by a wide range of Brazilian public in general.

Finally, another aspect raised by the Brazilian Patent and Trademark Office in its opinion is that the word element of the mark is formed by the evocative term MASTER and by the descriptive term CARD, thus concluding that the mark has a low degree of distinctiveness.

It is important to mention that in addition to both decisions mentioned in this articles, other decisions relating to recognition of highly renowned marks show that the PTO has been very tough whenever analysing requests for this type of recognition. Detailed evidence has been required attesting that the mark is recognized by a wide portion of Brazilian public, as well as that the mark enjoys quality, reputation and prestige in Brazil. In addition, in certain cases the PTO has analyzed the degree of distinctiveness of the mark.

Discussions are open in Brazil in order to try to enhance the quality of the decisions and the analysis of this type of recognition request.

Patricia Lusoli, Guerra IP, Brasil
The New Brazilian Civil Procedure Code

In March, 2015 Brazil enacted a New Civil Procedure Code under Law nº 13.105, and this is, one of the most important and deep legislative changes in the Brazilian Judiciary history. The Law is still in its one year vacatio legis and will come into force in March, 2016.

Many changes will be implemented by the New Code, not only in the scope of the proceedings, but also in the appeals system and the general principles to conduct the Court’s activities.

The main change of this brand New Code can be defined on the named constitutionalisation of the proceedings in Civil Courts. It means that Brazilian Federal Constitution’s principles formally provide the basis of the New Code, such as the absolute requirement to respect the adversary system, the celerity and effectiveness of the proceedings.

An important novelty is the creation of a judicial precedent system under which similar lawsuits or similar factual situations must be treated in the same way, with the specific purpose to increase stability and legal security to the parties. This is a clear attempt to approach Brazilian Civil Law system to the common law. The consequences and effective implementation of this mixed system will certainly require a great change of mentality in Courts, not only by the Judges, but also by the parties and attorneys at law.

Still approaching the common law and arbitration rules, the parties involved in a civil lawsuit will be authorized to celebrate procedural agreements, in order to jointly establish the procedural schedules, deadlines and even the evidences to be produced before the Court.

Another relevant aspect of the New Code is the major focus on the promotion of conciliation and on the attempt to resolve the conflicts through mediation. Brazilian Judiciary has always concentrated on litigation. The possibility of conciliation, despite being already contemplated by the current Civil Procedure Code, has never been duly valued. With this New Code, the conciliation will be a mandatory stage of the proceeding and all the Justice structure will suffer changes and investments to value the culture of conciliation and mediation.

The Principle of the Cooperation between the parties and the Judge was strengthened by the New Code. Although the essence of the judicial proceeding is the resolution of conflicts and contrary interests, the parties, the Judge and all the individuals involved in civil lawsuits will be demanded to act in a collaborative way to the effective solution of the case. By that, it is possible to conclude that the parties must act in good faith and procedural loyalty, the Judge shall always promote the adversary proceeding, the due process and base properly its decisions.

About the strictly procedural novelties, it is worth to note that the appeal’s system was significantly reduced and simplified. The injunction relief system was unified, strengthened and simplified, among other various changes, always aiming to reach effectiveness and faster outcomes.
As we can glimpse from this brief report, the changes to be implemented by the New Code are deep and materialize an enormous effort to make the Brazilian Judiciary system faster, secure and effective, which will certainly favor the protection of intellectual property rights.

Rodrigo A. Torres and Felliphe Pereira, Dannemann, Siemsen, Bigler & Ipanema Moreira, ratorres@dannemann.com.br, Brazil.
OHIM introduces new e-filing forms for Community design applications

On September 28, 2015, the Office for Harmonization in the Internal Market (“OHIM”) introduced two new online forms for submitting Community design applications.

The first is the Four-Step form, aimed at fast tracking design applications through to registration within two days of filing. It is a simplified form that allows applicants to obtain enforceable registered rights in a matter of days and with minimal fuss, which is no doubt attractive to rights holders. However, because it is a stripped back process, applicants do not enjoy the full flexibility that designs offer.

The second is the Advanced form which is geared towards more complex applications. In contrast to the Four-step form, applicants using the Advanced form can take advantage of all the features of the Community design system.

Both forms also incorporate a new feature that allows applicants to upload 3D representations of their designs. The representations can be manipulated so that they can be viewed from multiple angles and distances, and static snapshots can be taken so that up to seven protected views (and three unprotected views) can be created. When the design is published, the 3D representations will appear on the OHIM’s online register. Interested parties will be able to manipulate the 3D representations which in turn will help them form a better understanding of the features of the design and how the static views relate to each other. Presently, the OHIM will only accept OBJ, STL and X3D files for 3D representations.

The other notable feature of the new online forms is the ability to file up to three unprotected views of a design (as mentioned above), in addition to the seven protected views. The additional views help identify the features of a design and can form part of a convention priority claim for a subsequent application elsewhere.

Comment

The uploading of 3D representations is a radical departure from the traditional way of representing designs as a series of images. To the best of our knowledge, it is the first time an Intellectual Property office has permitted use of 3D representations in this way and it is pleasing to see the OHIM adopt this type of technology.

It may even pave the way for more flexibility in the way non-traditional trademarks are filed and registered. Currently, trademarks must be represented graphically in order to be eligible for registration. For instance, the Twentieth Century Fox fanfare that we so often hear at the cinema is registered as a Community Trademark by reference to a visual waveform (satisfying the graphical representation requirement) and a link to the sound itself.

With the graphical representation requirement soon to be removed from EU trademark, we could see a future where sound marks are accepted as audios file only and shape marks – of course – in the 3D form that designs can now be submitted.

Richard Hing, Fieldfisher, richard.hing@fieldfisher.com
The continued dangers of a descriptive or non-distinctive trademark

In the last couple of years OHIM and, to a lesser extent, the UK IPO have stepped up how rigorously new applications are examined for registrability. The effect has been an increase in registrability objections being issued against trademarks that may previously have been accepted. This obviously makes it more important than ever for a new trademark to be considered carefully before being adopted, and for marketing departments to develop creative brand names rather than adopting the “it does what it says on the tin” approach.

However, this increased rigor is also starting to impact on existing brands as illustrated in Reed Exhibitions Ltd v Office for Harmonisation in the Internal Market (OHIM) (Case T-633/13). Here the General Court upheld OHIM’s original decision to refuse their application for registration of the word mark INFOSECURITY in Classes 16, 35 and 41, even though the applicant had registered a variation as a Community Trademark over a decade earlier in 2002. The basis for the refusal was that the mark was considered both descriptive and devoid of distinctive character. The applicant attempted to overcome the objection by arguing inherent distinctiveness and acquired distinctiveness but was ultimately unsuccessful (save for a limited number of claims in Class 35).

Comment

What is arguably more interesting about this decision is the trend highlighted for existing brand owners rather than the specifics of the arguments raised. It is the aim of any business for their brands to evolve over time, and possibly for new goods and services to be offered under a trademark as a brand continues to grow. It will always be prudent to ensure new goods and services are covered in a trademark registration which will mean making fresh applications. It is also common for brands to reinvent themselves by updating existing trademarks. The decision in Reed Exhibitions highlights the continued risk of utilizing arguably descriptive and/or non-distinctive trademarks even if you have previously managed to secure protection for them.

Existing brand owners should always consider the inherent registrability of their trademark before proceeding with a fresh application. Considering the matter before filing will allow an applicant to decide whether a visual element such as a logo could be added to their arguably descriptive trademark to alleviate the risk of an objection being raised. If a new visual element is not an option, time spent collating extensive evidence of acquired distinctiveness through use of a “risky” trademark before a fresh application is filed will be significantly less pressured than when faced with a deadline to respond to an objection. However, if filing in the EU, it must be kept in mind just how difficult it can be to prove acquired distinctiveness for a Community Trademark as it must be proved throughout all 28 Member States of the EU. This cautionary tale also helps to highlight the importance for brand owners to maintain extensive documentary evidence of use of their trademarks in case a situation like this ever arises.

Joel McDonald, Fieldfisher, joel.mcdonald@fieldfisher.com
Brazilian PTO News

Publications of the resume of Patent Applications are temporary suspended in Brazil

We are all surprise with this new decision of the Brazilian PTO. They published last September 09, 2015 that to accelerate the patent application procedure, temporarily, they will no longer publish the resume of the patents applications at the electronic magazine that is available every week. From now on to get this it will be necessary to login into their website and the information will be available through search.

Unfortunately this will not help the users in which creates more steps to get the information and deliver to the clients but at least still available to us. We hope the backlog will diminish as the reason of that decision.

The Ministry of Developments, Industry and Commerce of Brazil recognize the necessity of more examiners at the Brazilian PTO.

It is known from all that Brazil needs a better environment to the innovation. The main problem is that this situation will only occur when the Brazilian PTO receive the necessary support of the government.

The Minister in his speech giving the position to the new President of the Brazilian PTO Mr. Luis Otavio Pimentel recognized the operational incapacity of the BPTO. He mentioned that the office would need a leader that needs to be capable to go forward with the challenges and also mentioned that what we will have in the future will not be easy.

As we stated in the other BPTO update, one of the challenges that Mr. Pimentel will have is to diminish the patent backlog. In some areas, we are facing a period over 7 years. The apparently reasons for such delay is that in Brazil one examiner analyze 10 times more cases than the recommended scale and adopted in other territories.

Even with such reality we are unhappy to say that any immediate announce was made.

Appear that the users and the authorities knows that more examiners are needed. To see the processes and get better productiveness with the intense use of the information technology and through international cooperation with other international patent offices may be one way of doing so.
What is necessary for Brazil is very clear, we should improve the capacity of the BPTO training and hiring more people so we hope this new president will be able to do so in the near future so we can have better quality and velocity of the decisions.

Cristina Guerra
GuerralP
International Action Group (IAG)

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