



THE NEW YORK PATENT, TRADEMARK AND
COPYRIGHT LAW ASSOCIATION

NYPTC BULLETIN

VOLUME 24

NUMBER 3

FEBRUARY 1985

President's Corner

On behalf of your Association, in November I attended the Centennial Judge's Dinner of the Patent Law Association of Chicago at the Palmer House Hotel.

The dinner was similar in format to our Annual Dinner in Honor of the Federal Judiciary, but with several significant exceptions. One of these I am sworn to secrecy not to reveal, but of the remainder I was particularly impressed by a short jazz and classical music concert immediately following an address by Judge Markey, which as usual was excellent. Also, the Patent Law Association of Chicago does not follow our custom of private cocktail parties in selected suites prior to the dinner.

The Patent Law Association of Chicago prides itself on being the oldest Association of patent, trademark and copyright lawyers in the United States. It was founded in 1884 by six Chicago lawyers and was followed by the organization of the Patent, Trademark and Copyright Section of the American Bar Association in 1894 and the Washington Patent Law Association in 1897. Over the years this latter organization has changed its name first to

the American Patent Law Association and more recently to the American Industrial Property Association. For comparison purposes our Association was founded in 1922 as the New York Patent Law Association. While not the oldest, our Association is the largest group of its kind in the country.

On March 29, 1985 our Association will hold its Sixty-Third Annual Dinner in Honor of the Federal Judiciary. Over the years this has become the premier event of our profession, and attorneys and judges from many parts of the country and abroad look forward to it as a way of seeing old friends and meeting new ones. The speaker this year is Judge William F. Mulligan, Esq., formerly of the Court of Appeals for the Second Circuit. Judge Mulligan is a long-time friend of the NYPTC, and as most of you know is an absolutely delightful raconteur. I am looking forward to seeing each and every one of you at the Dinner.

Lee C. Robinson, Jr.
President, New York Patent,
Trademark and Copyright Law
Association

Six Inventors Inducted into Inventors Hall of Fame

The inventors of air conditioning, the artificial heart, phototypesetting, magnetic recording and Teflon were inducted into the National Inventors Hall of Fame at the 13th Inventors Day Expo on February 10, in Arlington, Va.

The keynote speaker at the ceremony was Stanley C. Pace, vice chairman of the board of TRW, Inc.

and chairman of the National Association of Manufacturers. Acting Commissioner of Patents and Trademarks Donald J. Quigg noted that the ceremony highlighted a three-day event began with a National Inventors Conference Feb. 8.

The 1985 inductees were:

(continued on page 2)

Nominations Open for Inventor of the Year - 1985

Deadline - April 15, 1985

Nominations are now open for the Inventor of the Year - 1985 Award. The deadline for all nominations is April 15, 1985.

This marks the sixth year that the Association has made this Award.

By nominating a client, an employee of a client, or a fellow employee, you indicate that in your professional opinion that person has made a most significant contribution or contributions. This is an opportunity for recognition by you that is not often presented. Each nomination will be acknowledged in writing by the Association.

You may nominate as many inventors as you wish. You may nominate sole or joint inventors. The recipient will be chosen by the Board of Directors of the Association. The criteria used by the Board in making its choice is that the Inventor of the Year:

- a) must have been issued one or more United States Patents;
- b) must be able to attend to the presentation of the Award at the NYPTCA outing in May, 1985; and
- c) must be respected by the nominee's professional peers.

Enclosed is a nominating form.

Should you require any additional information or assistance in making a nomination, please contact the Chairman of the Committee on Public Information and Education, Philip Furgang, at 212-490-0013.

SIX INVENTORS

(continued from page 1)

Marvin Camras, born in Chicago, honored for his invention "Method and Means of Magnetic Recording," with a patent issued June 13, 1944. His invention was the forerunner of the modern tape recorder.

Willis Haviland Carrier, born near Angola in western New York, honored posthumously for his invention "Apparatus for Treating Air," patent issued Jan. 2, 1906. He invented air conditioning as we know it today by controlling humidity as well as temperature.

Dr. Willem J. Kolff, born in the Netherlands, honored for his invention "Soft Shell Mushroom Shaped Heart," with a patent issued Feb. 16, 1972. He has pioneered in the development of

artificial human organs.

Louis Marius Moyroud, born in Moirans, France, and co-inventor Rene Alphonse Higonnet (posthumously), born in Valence, France, honored for the "Photo Composing Machine," patent issued April 30, 1957. They developed the first phototypesetting machine.

Roy J. Plunkett, born in Chicago, honored for "Tetrafluoroethylene Polymers," patent issued Feb. 4, 1941. He invented the non-stick coating material called Teflon.

Thomas Fisher, president of the National Inventors Hall of Fame Foundation, Inc., will induct the six inventors, who will join 53 others in the Hall of Fame. The inductees were selected from 125 candidates by judges from 33 scientific associations and societies around the country.

Corp., 595 F.2d 1287 (3rd Cir. 1979) [U.S. plaintiff sued to enjoin its U.S. competitor from enforcing allegedly fraudulently obtained patents against it in Europe]. *Wells Fargo & Co. v. Wells Fargo Express Co.*, 556 F.2d 406 (9th Cir. 1977) [U.S. plaintiff sued U.S. subsidiary of Liechtenstein company and its parent to enjoin fraudulent use and registration of Wells Fargo mark in Europe]. *Scotch Whiskey Ass'n v. The Barton Distilling Co.*, 489 F.2d 809 (7th Cir. 1973) [U.S. trade association sued U.S. manufacturer for shipping deceptive Scotch whiskey labels to Panama for use on "scotch" manufactured in Panama]. *Columbia Nistri & Carta Carbone v. Columbia Ribbon & Carbon Mfg. Co.*, 367 F.2d 308 (2nd Cir. 1966) [U.S. company sought assignment of Italian trademark registrations held by Italian related company]. *Brown & Williamson Tobacco Corp. v. Philip Morris, Inc.*, No. 728/81 (N.Y. Sup. Ct. March 4, 1983), aff'd 101 App. Div. 2d 753 (1984) [U.S. manufacturer sued its largest U.S. and foreign competitor for unfair competition seeking an injunction against further prosecution and enforcement of foreign trademark applications allegedly filed to block marketing of plaintiff's product bearing the same mark abroad].

Management Foreign Trademark Litigation

by Virginia R. Richard*

I. Introduction

For the past seven years I have been kept relatively busy managing over 150 separate cases for several of our clients in about 70 different foreign jurisdictions.

These cases run the gamut from opposition and cancellation proceedings to civil actions for trademark infringement and unfair competition.

The purpose of this talk is to outline options available in litigating trademark questions in Western and Eastern Europe, how to institute the litigation and, finally, how to direct and supervise these types of cases through to final disposition.

Assume that you represent a large U.S. corporation which in 1983 introduced a terrific new toothpaste called Jell Light. Your client has spent 20 million dollars advertising this product in the U.S. in newspapers, magazines and television. It is sold outside the United States in duty-free shops and U.S. Army PXs, and your client is thinking about expanding its sales to domestic markets in Western and Eastern Europe. It obtained a U.S. trademark registration for Jell Light in late 1984.

Six months prior to Jell Light's planned introduction in Europe your client calls and asks you to file trademark applications in all countries in Eastern and Western Europe.

You order a search. The search results show pending applications and issued registrations for Jell Light in the name of your client's biggest competitor in foreign markets, in all EEC countries, East Germany and the U.S.S.R., filed one year after your client's first use in the U.S.

What do you do?

II. Litigation Options

1. Federal or State Court Litigation in the U.S.

If your client's competitor is a U.S. company or has a U.S. subsidiary, consider suit in the U.S. based on common law unfair competition grounds and Section 43(a) of the Lanham Act seeking injunctive relief, preventing further prosecution of the competitor's foreign applications, enforcement of its registrations and sales of its products bearing the mark Jell Light outside the U.S.

There a number of recent cases supporting U.S. jurisdiction of such actions, for example: *American Rice Inc. v. Arkansas Rice Growers Coop. Assoc.*, 701 F.2d 408 (5th Cir. 1983) [U.S. plaintiff sued U.S. competitor to enjoin sales of infringing goods in Middle east].

Mannington Mills v. Congoleum

2. European Litigation

If your client's competitor is a foreign company which is not subject to jurisdiction here, you must consider litigation in Europe, either in local Trademark Offices or in the courts to oppose the pending applications, cancel registrations, and enjoin sales of the infringing Jell Light product.

As a first step in determining which courses of action are open in each country, you should consult the following Treatises and Reporters:

Trademarks Throughout the World, Trade Activities 1984

This is a general work which summarizes trademark legislation and grounds for opposition and cancellation, if any, in each country of the world.

European Trademark Law and Practice, PLI 1971. - Summary of administrative and legal proceedings relating to trademarks in Western Europe.

Pinner's World Unfair Competition Law, Sijthoff & Noordhoff 1978 (Alpen aan de Rijn, The Netherlands) - This is also a general work which summarizes unfair competition legislation and case law throughout the world on a country by country basis. Individual contributors to this work are leading experts in the field in their home countries.

Trademark Reporter, Notes from Other Nations, - Reports of foreign cases appear in each issue.

OCH Common Market Law Reporter, Commerce Clearinghouse.

Guide to the Application of the Paris Convention, Bodenhausen, BIRPI (1968)

European Intellectual Property Review, ESC Publishing Co., Oxford, England.

Many foreign trademark agents and law firms specializing in trademark law provide yearly summaries of important trademark cases in their countries. If available, these summaries should also be consulted. The law libraries at N.Y.U. and Columbia also carry case reporters for many European countries but these are difficult to use unless you have a specific case reference, and the case reports are not translated into English.

A. Opposition Proceedings

With respect to the hypothetical fact situation posed, one course of action available if your competitor has made no use of Jell Light in Europe is to oppose its applications on grounds of (a) no *bona fide* intention to use at time of filing, (b) violation of Article 6 bis of the Paris Convention which prohibits the use or registration of a mark well-known in the country as being the mark of a person entitled to the benefits of the Convention, or (c) violation of Article 10 bis of the Paris Convention for the Protection of Industrial Property relating to unfair competition. The U.S. and all Western and Eastern European countries are members of this convention.

Article 10 bis provides:

- (1) The countries of the Union are bound to assure to nationals of such countries effective protection against unfair competition.
- (2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes unfair competition
- (3) The following in particular shall

be prohibited:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;
2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;
3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.

These general principles have been incorporated to a greater or lesser extent in local legislation of all Western European countries with the exception of the U.K. which relies on the common law of passing off and does not recognize the tort of unfair competition.

An opposition proceeding on one or all of these grounds would be available in:

| | |
|---------|------------|
| Ireland | Finland |
| U.K. | Iceland |
| Sweden | W. Germany |
| Denmark | E. Germany |
| Norway | Austria |

B. Cancellation Proceedings

In countries in which opposition is not possible, or where the time to oppose has expired, cancellation actions against the competitor's registrations for Jell Light could be filed on grounds that (1) Jell Light is a famous mark under Article 6 bis of the Paris Convention and your competitor's registration for the mark is deceptive, (2) your competitor had no *bona fide* intention to use the mark at the time of filing, or (3) your competitor's applications were filed only to take advantage of notoriety in the mark created by your client and therefore constitutes an act or threatened act of unfair competition citing Article 10 bis.

Cancellation proceedings on these grounds can be filed in: U.K.

| | |
|--|----------------|
| Benelux (Belgium, the Netherlands, Luxembourg) | |
| Liechtenstein | Switzerland |
| France | Italy |
| Monaco | Czechoslovakia |

| | |
|------------|----------|
| Yugoslavia | Bulgaria |
| U.S.S.R. | Poland |
| Hungary | Romania |

Successful cancellation actions based on similar facts to our hypothetical and asserting some or all of the grounds suggested above have been prosecuted in the U.K., Switzerland and the U.S.S.R.

Imperial Group Limited v. Philip Morris & Company, Ltd., Chancery Div. [1980] Fleet Street Reports 146; Court of Appeal [1982] Fleet Street Reports 72.

Moorgate Tobacco Co., Ltd. v. Philip Morris Inc., Swiss Federal Court, August 22, 1984, Case No. C 181/84.

Moorgate Tobacco Co., Ltd. v. Philip Morris Inc., U.S.S.R. Chamber of Commerce (1984)

C. Civil Litigation

If the competitor has made use of the mark in certain countries, civil action seeking injunctive relief must be considered. The basis for such an action varies from country to country as does the availability of injunctive relief as a remedy. It is not possible to file an action for trademark infringement in any European country without first obtaining a trademark registration for the mark involved. Therefore, our mythical client has no trademark infringement cause of action.

It is possible in the U.K. to file an action for passing off, based on an unregistered mark which has acquired a reputation in the U.K. Our client, having made no sales in the U.K. domestic market, would have a difficult time sustaining a cause of action for passing off here.

Anheuser-Busch Inc. v. Budejovicky Budvar NP, [1984] Fleet Street Reports 413 (Injunction denied on grounds of no use of Budweiser in U.K. on beer even though U.S. Budweiser proved a reputation in U.K.).

1. Actions for Unfair Competition in Western Europe

Civil actions for unfair competition seeking injunctive relief based on statutes which prohibit abuse of statutory trademark rights and even threatened acts of unfair competition (i.e., filing an ap-

plication for registration or obtaining a registration for a competitor's well known mark) are possible in:

| | |
|-------------------|-------------|
| Sweden | France |
| Norway | Switzerland |
| Denmark | W. Germany |
| Finland | Spain |
| Iceland | Austria |
| Benelux countries | Italy |

Moorgate Tobacco Co., Ltd. v. Philip Morris, Inc., Court of First Instance, Geneva, February 27, 1984, Case No. 66, Affirmed Swiss Federal Court, August 22, 1984, Case No. C 181/84.
Wells Fargo & Co. v. Wells Fargo Express SA, unpublished decision of Second Civil Court, Madrid, July 6, 1976, Case No. 634-975.
Wells Fargo & Co. v. Wells Fargo Express Ltd., First Civil Chamber, Milan, December 12, 1974, Sentence No. 4024/72 R 6.
Pechiney Ugine Kuhlmann SA v. Robert Aries, Court of First Instance, Paris, May 9, 1975.

It must be remembered that the basic claim here is that the defendant seeks to take unfair advantage of our client by registering or applying to register our client's famous mark Jell Light to reap the benefit of our client's goodwill or prevent our client from marketing its product in Europe. In cases involving well-known marks the principle of territoriality of trademark rights often comes into play. This doctrine holds that trademark rights are local, not international, in character and must be shown to exist on a country by country basis. European courts frequently require proof that the allegedly famous mark is well-known not only in its country of origin, but in the local jurisdiction as well.

For example, we had a case in France in which we could prove large sales to the Caribbean islands of Guadeloupe and St. Martin which are politically part of a department of France. The Court of First Instance in Paris refused to give any weight to these sales on the issue of whether the mark involved was well-known in France since St. Martin and Guadeloupe were not geographically within France.

2. Action for Unfair Competition in Eastern Europe

Eastern bloc countries, having regulated economies, generally have no modern statutes pertaining to unfair competition, but this is changing. Hungary has recently

enacted unfair competition legislation which provides for injunctive relief. I have been advised that in Czechoslovakia and other Eastern bloc countries litigation based on pre-War unfair competition legislation may be possible. However, no recent case law in this area exists in any of these countries.

III. Preparing for Foreign Trademark Litigation

If after reviewing the treatises and case law, you have decided that foreign litigation in some form is necessary and possible, what do you *do*?

Whether you decide to proceed against the infringer through opposition or cancellation proceedings or in civil litigation, the first and most important task is the collection of facts and evidence.

You must assemble all available evidence relating to your client's use and advertising of its mark in the U.S. and abroad including:

- Advertising expenditures and media used
- Circulation figures for magazines and newspapers in which ads appeared in the U.S. and in foreign countries
- Representative samples of original Jell Light ads
- Sales figures for Jell Light in the U.S. and abroad
- Copies of articles in the trade press concerning the introduction of your client's product in U.S. and foreign markets.
- Evidence of contacts, if any, between your client's personnel and the competitor relating to the product and its possible overseas marketing
- Evidence of past attempts by the competitor to block marketing of your client's products.

Once the evidence is assembled, you should prepare a brief chronological statement of the facts with references to the documentary evidence.

I cannot place too much emphasis on the importance of assembling all available evidence prior to the institution of foreign litigation. In the U.S. we often assemble skeleton evidence and file cases, filling in the blanks through discovery. This should not be done in European litigation.

Discovery as we know it is not available in Europe. Depositions are not available in any European jurisdiction. Discovery procedures in the U.K. are limited to bills of particulars, interrogatories and requests for documents. Procedures for enforcing discovery requests are cumbersome and

often ineffectual.

In France, discovery is limited to requests for production of documents identified by author, subject matter and date. Broad requests for categories of documents are not permitted.

Discovery in other European countries is unknown. This is because of the role played by judges in civil law countries. In these jurisdictions, it is the court which examines witnesses and calls for documents, not the parties.

Therefore, you must satisfy yourself that you have the evidence required to prove your case before you start, because you will not obtain it through discovery in European litigation.

Proof through documents rather than by affidavit or live witnesses is the preferred method of proof in civil law countries. Civil law judges determine prior to trial which witnesses or affidavits they will hear or accept. Therefore, do not plan to base your case on the testimony of one witness or facts recited in an affidavit unsupported by independent documentary evidence, as you will be in serious trouble if the testimony or affidavit is refused admission.

IV. Instituting Litigation

A. Selection of Counsel

Many individuals involved in the prosecution of trademark applications or maintenance of trademark registrations in European countries are trademark agents, not lawyers.

This presents serious problems in situations other than merely routine opposition and cancellation proceedings. These trademark agents are simply not qualified or able to give expert legal advice on complex trademark questions and related issues of unfair competition.

Accordingly, in the U.K. you must engage a solicitor with experience in the trademark field, who will then advise you on the selection of a barrister (a trial lawyer) specializing in the trademark area. Solicitors do not argue cases in the U.K.

In France there are lawyers who specialize in trademarks who will then recommend a trial lawyer who also specializes in trademark law.

This is also true in Spain and the Scandinavian countries.

In Switzerland, West Germany, Austria and Italy, there are intellectual property lawyers who both prepare and try trademark cases.

In the Eastern bloc countries, there are state controlled law firms which handle intellectual property matters.

You have no choice in the selection of the lawyer handling your case in these countries.

I have found that routine opposition and cancellation proceedings can be successfully directed from the U.S. through correspondence. But civil litigation and complex administrative proceedings really require direct supervision.

If you wish to institute civil proceedings in any Western European country, you should meet personally with foreign counsel to satisfy yourself of his ability and grasp of the issues. You should also interview the proposed trial lawyer or barrister. Meetings with state-appointed counsel in Eastern European countries are possible and should be arranged in extremely complex cases.

Since all litigation is a team effort, do not hesitate to change your lawyer, barrister or trial lawyer if you are uncomfortable with him or her or uncertain at all about his ability, understanding of the facts or issues, or enthusiasm concerning successful prosecution.

Rapport between you and foreign counsel is essential to success.

B. Supervision of Foreign Counsel

Once you have selected counsel and provided him with the evidence and statement of facts, do not feel that your work is finished. You must:

- Review the statutes and case law relating to your case in each country.
- Review pleadings.
- Review all affidavits, briefs and written arguments.

Make sure to ask for English translations of all Court documents and letters between counsel. If your counsel cannot provide translations, have the documents translated here in the U.S. Do not rely on counsel to summarize pleadings in memo or letter form. You must make sure that the allegations made and grounds stated conform to the facts and your view of the case.

Do not hesitate to ask for changes or make corrections in any litigation-related document.

Finally, even though you have met counsel and are satisfied with his ability, remember that once you return to the U.S., you are 3,000 miles, and many time zones, away. Follow up constantly. Let him know that this is an important

case and that you are not agreeable to endless extensions of time (unless this is part of a strategy of delay).

Keep current on developments in the law in the countries in which you are litigating and supply your lawyer with copies of cases in the U.S. and elsewhere which bear on the issues. While these cases have no precedential effect, they may be persuasive and offer different perspectives on the problem.

Finally, although you are acting in a supervisory capacity in this type of litigation, you are still a litigator. Do not accept less from a foreign lawyer in terms of drafting of pleadings, briefs and arguments than you would do yourself here. Procedures are different everywhere, but proof of facts and persuasive argument are the same the world over.

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The New York Patent, Trademark and Copyright
Law Association, Inc.

Volume 24

February 1985

Number 3

The BULLETIN is published periodically for the member of the New York Patent, Trademark and Copyright Law Association. Annual Non-Member Subscription is \$15.00/year. Single copies \$2.00. Correspondence may be directed to the Chairman-Subcommittee-Bulletins, Howard B. Barnaby, 330 Madison Avenue, New York, N.Y. 10017. Telephone (212) 682-9640.

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