

Ten hot issues in trademark law



Reporter Sheri Qualters asked several trademark practitioners to come up with a list of the most significant issues facing trademark owners right now and how they would advise lawyers to handle them. Here, in no particular order, are the top 10.

Domain-name explosion

1 Generic top-level domain names are poised to increase exponentially next year, from 22 now, such as .com and .biz, plus many country-specific domains, to almost any word in almost any language.

The Internet Corp. for Assigned Names and Numbers (ICANN) is evaluating 1,930 applications received in June. The comment period for those applications closed last month.

Once the Trademark Clearinghouse is launched, trademark owners will want to record key marks, said Sally Abel, an intellectual property partner at Fenwick & West. That will help them block other domain-name applicants from registering their marks and give them priority on domains matching their marks during various sunrise periods, she said.

“Brand owners necessarily will have to increase their enforcement budgets, but there are many unknowns that will impact budget.” —SALLY ABEL



SALLY ABEL

Trademarking goes mobile

3 Trademark disputes are likely to spring from the branding of mobile technology icons, said Deb Peckham, a partner at Boston-based Burns & Levinson who co-chairs its intellectual property group.

The recent ruling by the U.S. Court of Appeals for the Second Circuit in *Christian Louboutin S.A. v. Yves Saint Laurent America Holding Inc.*, which allows Louboutin to trademark a red outsole on his women’s shoes if the rest of the shoe isn’t red, suggests that brand holders could theoretically trademark a single color for a mobile application, she said.

“Clients, since they do have this limited amount of space, need to think about whether the best use is going with standard characters or whether they can use other combinations that involve more than just a letter or a letter and a single color.”

Storing social media

2 A company’s social-media marketing affects whether it can enforce trademarks down the road, said Douglas Masters, a Chicago partner at Loeb & Loeb who co-chairs its intellectual property practice.

Evidence of consumer reactions to the marketing messages can play a major role in legal disputes about whether a mark is protectable or whether confusion or dilution is likely, he said.

Lawyers should review proposed campaigns to look for red flags and opportunities for future enforcement, he said. Brand owners need to capture relevant consumer comments, he said.

“Counsel also needs a strategy for addressing consumer responses that pose risks to brand protection and enforcement.”



JULIA HUSTON

Mixed messages on social media

4 Companies can lose control of their brand messaging on social-media sites when third parties use their trademarks, said Julia Huston, who chairs the trademark, copyright and unfair-competition practice group at Foley Hoag in Boston.

Huston offers a multipronged solution. First, trademark owners should develop their presence on social-networking sites favored by customers, employees and other key contacts. They should then monitor use of their trademarks

on those sites.

When violations occur, using the sites’ takedown procedures is often “far quicker, cheaper and more effective than sending a demand letter,” she said.

If the posting also violates a copyright, a letter to the Internet service provider based on Digital Millennium Copyright Act provisions frequently works, too, she said.

She also advises being an early adopter of new social-media programs as they arise.

“Savvy trademark owners put aside their fear of the unknown and, at a minimum, reserve their preferred user names.” —JULIA HUSTON



Multidimensional infringement

5 The plummeting costs of 3-D printers, which make 3-D models using digital technology, is the most interesting trademark issue of the near future, said Marty Schwimmer, a partner at Leason Ellis in White Plains, N.Y.

“3-D printers are about to cause shape-protection cases,” Schwimmer said. Schwimmer likened the situation to changes in copyright law sparked by the proliferation of photocopiers and, later, MP3 audio technology.

Practitioners should “be prepared to understand the intersection between design patents, copyright protection of three-dimensional objects and trade dress protection for three-dimensional objects,” he said.

Global protection program

7 A global economy boosts the risk of trademark dilution of famous marks, said Cynthia Walden, a Boston partner who leads the trademark and copyright practice at Fish & Richardson.

The United States has strong case law that allows trademark owners to attack alleged dilution, but many other jurisdictions don’t, she said.

But, unlike the United States, many countries do allow trademark owners, for a three-year period, to register a trademark for more products than they’re actually using the mark on, she said. The owner of a brand used on clothing, for example, can register the same mark for other items that it’s not actually making, such as bicycles.

“They’re only an effective weapon in the first three years, but in countries like China that may be a very worthwhile and important benefit to get.” —CYNTHIA WALDEN



CYNTHIA WALDEN

Circuits run the gamut

9 On a similar topic, Stephen Luther, a partner at Allen, Dyer, Doppelt, Milbrath & Gilchrist of Orlando, Fla., notes that several federal appeals courts have wrestled with the use of trademarks as purchased search terms, such as Google’s AdWords. The technology is creating unsettled questions in some circuits, he said.

Some circuits haven’t created case law because they’ve resolved keyword advertising trademark cases on other issues, he said.

“If you have a number of jurisdictions in which you could bring the case it may make more sense to bring it in a jurisdiction that has decided that AdWords cases can be litigated.”

No rote fix for rogue sites

6 There’s no rote way to deal with offshore websites that sell counterfeit goods or infringing items.

After a systematic investigation, trademark owners have several options for addressing the problem, said Ian Ballon, a California partner at Greenberg Traurig. First, figure out if it’s a legitimate outfit involved in misconduct that it’s willing to

change. If not, seeking overseas relief works best in some countries.

Remedies include asset freeze orders and domain-name seizures, but there’s no one-size-fits-all approach, Ballon said. Some clients may push for overly aggressive tactics, even against a legitimate site, but that could draw the wrath of a judge or bad press, he said.



IAN BALLON

“Too many people who work in this area do not approach these issues strategically, leading to overreaching, missed opportunities and the development of bad law.” —IAN BALLON

Keying in on trademarks

8 Although cases involving trademarks as keywords in advertising have been litigated, there “hasn’t been a decision on the full merits,” Walden said.

“There’s no decision that says you can’t do it and no decision that says clearly what the parameters are for when you can do it,” she said.

Currently, the law allows other parties to use a competitor’s trademark as a keyword if it isn’t in search links sponsored by advertisers, Walden said. Walden advises clients that they can use others’ trademarks in that limited way “with the understanding there are some other cases in the pipeline and there may be a change.”

Nontraditional ‘trademark trolls’

10 Like their patent counterparts, typical “trademark trolls” use trademarks to force licensing fees from alleged infringers, even without a likelihood of confusion.

But nontraditional trademark trolls try to protect content popularized by recent social or political events, said Andrew Berger, an intellectual property counsel to Tannenbaum Helpert Syracuse & Hirschrift in New York.

One example is “Linsanity” appli-

cations filed by people other than the person it refers to—professional basketball player Jeremy Lin. Such proposed marks usually don’t meet the traditional test of telling consumers about the origin of a good or informational value about its quality, Berger said.

Trademark lawyers might want to pause before taking an overly aggressive position on trademarking cultural touchstones, Berger said.

“Both legitimate mark holders and those who claim marks in an effort to profit from social, political or cultural events often err on the side of overaggression.” —ANDREW BERGER



ANDREW BERGER