

# Newsletter of December 2013

## TRADEMARKS

### I. INDIA JOINS THE INTERNATIONAL TRADEMARK SYSTEM

On 8<sup>th</sup> July 2013, India joined the International Trademark System and became the 90th Member State.

Such accession, as with the recent accessions on 2012 by Colombia, Mexico, New Zealand and Philippines, realize a significant geographical expansion of the Madrid System, which offers greater benefit to right-holders worldwide.

### II. NICE INTERNATIONAL CLASSIFICATION OF GOODS AND SERVICES: O.H.I.M. CLARIFIES THE INTERPRETATION OF THE CLASS HEADINGS

The Community Office, following the judgment of the European Court of Justice of 19 June 2012 (C. 307/10, in the case "IP Translator"), had enacted last May 2013 a Common Communication concerning the interpretation of trade mark applications containing the class headings.

An applicant for a national trade mark who uses all the general indications of a particular class heading of the Nice Classification to identify the goods or services for which the protection of the trade mark is sought must specify whether its application for registration is intended to cover all the goods or services included in the alphabetical list of that class or only some of those goods or services. In the second case, the applicant is required to specify which of the goods or services in that class are intended to be covered.

Until the decision of the European Court of Justice, in fact, it was widespread practice to indicate the general class headings of the Nice Classification to identify the goods and services that would have been covered by the mark, even if some of them are very wide.

The Italian Patent and Trademark Office stated that for the filings made after the judgment of the European Court of Justice it would follow a literal interpretation of the headings of classes and it would recognize protection only for products and services listed in the application, unless the applicant expressly declares that he wants to extend the protection to all products and services. For the applications prior to June 19<sup>th</sup>, 2013, UIBM considers that the heading of classes covers all products and services.

On November 20<sup>th</sup>, in collaboration with the Trade Mark Offices of the European Union, the Offices of Switzerland and Norway, the WIPO and various user associations, the European Office published a second Common Communication on the Common Practice of the General Indications of the Nice Class Headings.



This subsequent Common Communication provides users and offices alike with a list of 11 general indications (classes 6, 7, 14, 16, 17, 18, 20, 37, 40 E 45) which lack clarity and precision, and consequently cannot be accepted without further specification.

With reference to these terms one must indicate alternative specifications and to this aim it is recommended to use the alphabetical lists of products and services, processed by the Community Office, in collaboration with the national Offices and WIPO.

### III. NEW CHINESE TRADEMARK LAW

The Decision of the Standing Committee of the National People's Congress on Amending the Trademark Law of the People's Republic of China was adopted on August 30, 2013, and shall come into force on May 1, 2014.

The law is directed to modernizing the national trademark application Procedure according to international standards.

The principal amendments to the Trademark Law are the following:

#### 1) **Multiclass applications and filings in electronic form are permitted.**

Traditionally, each application is only allowed to be filed in one class only.

CTMO officials indicate that in line with the international standard, a multi-class application will likely be allowed, generally being more favorable for applicants, particularly in terms of costs.

#### 2) **Registrations of sound marks are now permitted.**

The Law also removes the requirement that the mark be visual (the most common trademarks consists of words, names, logos, letters, numerals, characters Chinese, Korean characters, Japanese).

While other non-visual marks other than sounds were not specifically mentioned in the law, it may be possible to register other types of nontraditional marks including motions, scents, tastes, etc.

#### 3) **Strengthened protection for exclusive rights in use of trademark. Qualification of the opponent is restricted. Established the amount of damages.**

The new Law expressly extends cases wherein it is possible to oppose against the registration of a trademark and it simplifies the related procedure.

Only prior right owners or interested parties will now be able to file an opposition based on relative grounds such as conflict with prior registrations, well-known marks and unregistered trademark in use.

Furthermore, the Law requires applications for registrations to be in good faith.

In fact if the applicant is aware of the other party's mark through a contractual relationship, business dealings and other relationship, the application to register a

trademark identical/similar to that party's mark for the same/similar goods or services will be rejected when the party with prior use files an opposition.

A registered trademark may be declared invalid for reasons of fraud or bad faith or on other grounds, and the registration will be deemed null and void *ab initio*.

This protection would prevent the situation wherein a distributor registers a supplier's mark or a contract manufacturer registers a designer's unregistered mark.

The new law introduces punitive damages for serious trademark infringement on bad faith, and states that committing trademark infringement for two times or more within five years will be subject to aggravated punishment.

#### 4) Speeding Up Examination Time.

Statutory time limits are introduced for the trademark registration, review, opposition, invalidation and cancellation procedures. Therefore all the examination processing will be significantly expedited:

- the period for the initial examination for trademark applications shall be no longer than nine months;
- the period for the Trademark Review and Adjudication Board to review and make decisions on the rejection of an application or refusal of publication rendered by the Trademark Office shall be no longer than nine months;
- the period for investigation and verification shall be no longer than 12 months;
- the period for raising oppositions after the publication of the trademark is three months and the period for reviewing the opposition case where the Trademark Office finds the opposition is tenable shall be no longer than 12 months.

#### 5) Clarified the use of "well-known trademark" for commercial activities.

The recognition of the well-known status of a trademark and possible protection thereof are to be carried out on the basis of a case-by-case examination through the filing of a request in the course of litigation concerning the registration or the use of a trademark.

Producers and operators shall not use the wording "well-known trademark" on the products, packages or containers, or advertising promotion, exhibitions and other business activities. This provision will crack down on the improper use of the wording "well-known trademark" for commercial activities for the Chinese entities.

### IV. "CHAMPAGNE" AND ITS CHINESE TRANSLITERATION "香槟" REGISTERED AS GI AND COLLECTIVE TRADEMARK IN CHINA

The Comité Interprofessionel du Vin de Champagne (CIVC), has succeeded in securing protection in China, as a geographical indication and as a collective trademark, for the word CHAMPAGNE and its Chinese transliteration "香槟".



The registration prevents domestic wine producers, as well as the producers outside China, from labeling their products as *Champagne* or its Chinese transliteration on bottles sold in China.

This protection means that the name *Champagne* can be used in China for the wines produced in the French region of Champagne.

The successful registrations make it possible to initiate administrative actions of opposition or cancellation, customs protection and civil litigation on grounds of trademark infringement.

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## PATENTS

### I. APPLE VS SAMSUNG

The verdict for *Apple vs Samsung* came out, and it is not a good news for Samsung. The Korean electronics giant now seems to violate all the patents of Apple and one of the four design patents, and has been ordered to pay \$ 1.05 billion in damages to Apple.

If upheld on appeal, this will be the largest patent award of damages of all time. Apple is likely to strengthen its negotiating position with regard to Android phones which is fighting against.

Since in the patent infringement Samsung has proven to be willful in many cases, the figure of \$ 1.05 billion of damage could rise. The U.S. patent law allows for up to treble damages in cases where the violation is willfull, even if the judges rarely grant so much.

The ultimate target of Apple is Google, which created the Android operating system that runs on Samsung smartphones. Steve Jobs thought that Android was a clone of Apple products, and has promised to declare "thermonuclear war" according to his biography.

Samsung has denied the allegations of copying, and accused Apple of being a bully who refused to compete in the market.

The jury rejected the arguments of Samsung that the Apple patents are invalid , and determined that six of the patents Samsung cited against Apple have not been violated.

However things will go, one thing is certain: **the patent rights should not be underestimated , even by those conferred protection design.**

### II. EUROPEAN DIVISIONAL PATENT APPLICATIONS: CHANGE AGAIN.

For European divisional patent application the deadline for filing changes again, as of 1 April 2014.

On October 18, 2013, the E.P.O. has announced an amendment of Articles 36, 38 and 135 EPC. While now the time limit for filing European divisional applications involves a term from the first communication from the Examining Division or the first communication that unity is not met, everything will be as before. That is, it becomes possible to present divisionals with the only constraint that the main question is pending.

The EPO wanted to prevent "abuse" of divisional applications, and to do so now it will raise fees.



### III. SMALL/MICRO ENTITY

In the U.S. according to the PTO rules a *small entity* has the right to pay any taxes to the U.S. patent office at a reduced rate, usually 50%.

A small entity is an individual inventor or inventors, a small business concern or nonprofit organization. In order to qualify as one of these three types of subjects, none of the rights associated with a patent or patent application may be assigned or licensed to any third party who would not qualify for the status of the *Small Entity*, nor shall there be any obligation for small entities to carry out such assignment or license. All rights of the patent application or patent must be held by a small entity.

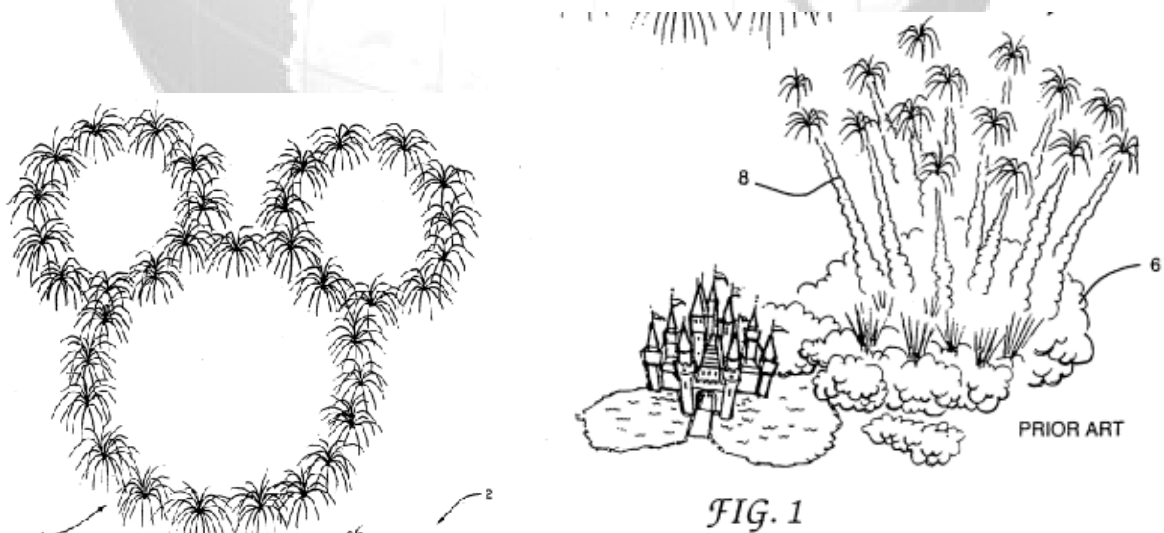
The rules define a small entity as a company with fewer than 500 employees.

If a *small entity* pays taxes as *big entity*, it may request a refund of the excess.

U.S. law includes now provisions for just a new entity called *micro-entity*, which can pay any taxes with a 75% reduction. To qualify for a micro-entity, the entity shall not include any inventor who is nominated in 5 or more patent applications, not including provisional or non-US applications. The application should not be licensed or the inventor must not be legally obligated to license or sell the application. Each inventor must have an income of less than 3 times the average gross income reported by the Department of Labor for the preceding calendar year.

### IV. NEW-YEAR PATENTS

To wish a happy new year to our readers and/or clients, we offer a brief description of US5339741, a U.S. patent in the name of Walt Disney. It is an improved system to launch fireworks, see figure.



The abstract says:

*A system and method for launching projectiles, such as fireworks projectiles, which explode in the air into a pyrotechnic display. The projectile includes a*



*shell constructed from a binding agent and an explosive additive which explodes the shell into small particles. The explosive additive, which may be nitrocellulose, causes the exploded particles to be rapidly burned and consumed to form lightweight, inert flakes that fall harmlessly to the ground. The projectile is aimed and launched by a launcher using a compressed gas to rapidly expel the projectile from a launching tube. Once in the air at a predetermined location in the sky, an electronic fuse inside the projectile operates to detonate the projectile into its intended pyrotechnic display. The fuse is extremely accurate and enables detonation of the projectile at precise altitudes. An electronic control system controls launching and detonation of the projectiles in a precise and repeatable manner.*

In short, the invention concerns an additive (nitrocellulose) present in the shell of the firework. The additive causes that by the explosion of the charge contained in the firework the shell explodes into small pieces that quickly burn and consume. The invention also relates to a system for launching the fireworks and an electronic device on board that is used to time the explosion thereof.

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