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1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to trademarks and trademark litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties).

The principal sources of law are both statutory and common law.

In the US, there are two types of statutory law – federal laws enacted by the US Congress and state laws enacted by individual states. Trade mark law is governed by both federal and state laws. Unlike patent and copyright law, trade mark law is not expressly authorised in the US Constitution. Rather, the US Congress has federal power over trade marks only indirectly through the broad Commerce Clause in the Constitution, which grants the power to regulate commerce with foreign nations, among the states, and with Native American Tribes. The federal trade mark laws are embodied in Title 15, Chapter 22 of the United States Code, originally passed as the Lanham Act in 1946. In addition to the federal laws which reach only foreign and interstate commerce, most states have substantive trade mark laws for trade marks used within the state. Most state trade mark laws are construed in the same way as the corresponding federal trade mark laws. The federal laws of Title 15 also give certain rights to trade mark owners from countries who share membership with the US in international trade mark treaties or countries who otherwise reciprocate trade mark rights to the US. The most prominent of these international trade mark treaties is the Paris Convention treaty, which has over 110 member countries.

The US legal system is also a common law system which relies on judicial precedent. Accordingly, court decisions are a vital part of trade mark law and litigation. They interpret the constitution and statutes, and in some cases, create law in and of themselves.

1.2 What is the order of priority of the relevant sources?

The US Constitution is the primary source of law, followed by federal statutes and then case law. By way of the Supremacy Clause of the Constitution, federal trade mark law preempts state law when there is conflict between the two.

Within the federal trade mark case law, the order of precedence is roughly as follows: US Supreme Court, Court of Appeals within the regional circuit in which the case is brought (with an option to appeal to the Federal Circuit in certain circumstances), federal district courts within the regional circuit in which the case is brought, federal Court of Appeals and district courts outside the regional circuit in which the case is brought, and administrative agencies, such as the US Patent and Trade Mark Office ('USPTO').

2. COURT AND ADMINISTRATIVE SYSTEM

2.1 Can third parties oppose/request cancellation of a national or supranational (eg Benelux, Madrid Agreement and Protocol, Community Trade Marks) trade mark application/registration in your country? If so, on what grounds?

There are two opportunities for third parties to invalidate a federal trade mark registration:

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opposition and cancellation. Following allowance of an application, an opposition can be filed with the USPTO's Trade Mark Trial and Appeal Board (TTAB) by third parties within 30 days of publication of the mark in the Official Trade Mark Gazette. Any party who believes it would be damaged by federal registration of a mark has standing to file an opposition. The party filing the opposition may rely on any statutory ground which negates the applicant's right to the registration.

A cancellation proceeding may be initiated by a third party after registration of a trade mark is granted. Standing applies just as in an opposition. If the cancellation is initiated within five years of registration, any statutory ground which negates the applicant's right to registration may be relied on for cancellation. However, if cancellation is initiated more than five years after registration, and assuming the registrant has complied with the appropriate procedural rules to achieve what is known as 'incontestability' status, only the more limited grounds specifically enumerated in 15 USC s 1064 are available to the requesting party.

2.2 In which courts are trade marks enforced? Are they specialised trade marks courts? If not, what level of expertise can a trade mark holder expect from the courts?

Unlike patent and copyright law, federal and state courts have concurrent jurisdiction of cases arising under trade mark laws. While there are no specialised courts for trade mark enforcement, the TTAB specifically hears matters concerning federal registration of a mark, including *ex parte* appeals from an Examiner's decision, as well as opposition to and cancellation of federal registrations. Appeal of a decision from the TTAB can be taken directly to the Court of Appeals of the Federal Circuit or to a district court subject to requirements of 15 USC s 1071.

2.3 To what extent are courts willing to consider, or are bound by, the opinions of other national or foreign courts that have handed down decisions in similar cases?

US Federal district courts are bound by the decisions of their corresponding Court of Appeals and the US Supreme Court, but are not bound by the decisions of other federal district courts or by the judgments of foreign courts. District courts may consider the reasoning or the decision of another district court or foreign court on a similar issue.

2.4 Do the courts deal with infringement and invalidity simultaneously? Or must invalidity actions be brought in separate proceedings? If so, before which court or government agency (eg, the National Trade Mark Office or the OHM in Alicante)?

Oppositions to and petitions for cancellation of federal registrations must be brought before the TTAB; however, the TTAB's jurisdiction is limited to the registrability of a mark.

Federal district courts (or in the rare state court proceeding), tend to decide the validity and infringement issues in a single decision, although they do have the option to bifurcate these issues on a case-by-case basis, either *sua sponte*, or on motion of one or more parties (eg motion to bifurcate, motion for partial summary judgment).

2.5 Who can represent parties before the courts handling trade mark litigation and/or the national or supranational government agency dealing with trade mark validity issues?

Any competent attorney may represent a party in trade mark litigation, provided the attorney is duly admitted to practice before the court in which the suit is brought. If necessary, an attorney may engage an attorney admitted in the relevant jurisdiction, and request *pro hac vice* admission (temporary admission for the purposes of the lawsuit). While discouraged, an individual litigant may also appear *pro se*.

There is no requirement that a party be represented by an attorney before the TTAB, although it is strongly recommended.

2.5 What is the language of the proceedings? Is there a choice of language?

Proceedings are in English. Witnesses who do not speak English may testify through a certified interpreter. Foreign language documents or witness statements should be accompanied by a certified translation.

3. SUBSTANTIVE LAW

3.1 To what extent are unregistered trade marks protected under your country's laws?

Trade mark rights arise from the actual use of the mark even in the absence of registration. The first to use a mark in commerce is the owner of the trade mark rights for the relevant goods/services. However, the rights afforded to unregistered trade marks, called 'common law trade marks', are limited to the geographical area in which the mark is used. Moreover, unlike registered trade marks, common law trade marks are not granted the 'incontestable' status after five years of unopposed use (which insulate them from any cancellation proceedings grounded on prior use or descriptiveness).

3.2 How is trade mark infringement assessed? Does protection extend to translations or to conceptually identical but graphically different trade marks?

A determination of infringement is based upon a finding of a likelihood of confusion. The factors considered in making such determination are: (i) the similarity in the overall impression created by the two marks (including the marks' look, phonetic similarities, and underlying meanings); (ii) the similarities of the goods and services involved (including an examination of the marketing channels for the goods); (iii) the strength of the plaintiff's mark; (iv) any evidence of actual confusion by consumers; (v) the intent of the defendant in adopting its mark; (vi) the physical proximity of the goods in the retail marketplace; (vii) the degree of care likely to be exercised by the consumer; and (viii) the likelihood that the senior user will expand its product or service line, so bridging the gap with the junior user. Foreign equivalents and conceptual identical marks are considered in the determination, as 'similarities of meaning' is one of the factors under the test for infringement.

3.3 Are there other cause of action for trade marks (eg dilution)?

Famous trade marks could also be enforced on non-consumer confusion grounds, ie against dilution. Dilution is the impairment of a famous trade mark's strength, effectiveness or distinctiveness through the use of the mark on an unrelated product. The dilution cause of action allows owners of marks that are distinctive, either inherently or through acquired distinctiveness, to assert a claim against the use in commerce by others of their mark or trade name, if the use begins after the mark has become famous and is likely to cause dilution of the distinctive quality of the mark. The protection is only afforded to those marks that are famous to the general consuming public. There are two types of dilution: blurring and tarnishment. Blurring occurs when the goodwill of a famous mark is eroded through the mark's unauthorised use by others or in connection with dissimilar products or services. Blurring lessens the brand product power of association. Tarnishment is a form of dilution in which the other's use of a similar trade mark casts the owner's distinctive famous trade mark in a bad light and tarnishes the trade mark owner's commercial image or reputation.

3.4 Can a trade mark be enforced against a domain name, a trade name, a pseudonym or other distinctive signs?

Trade mark owners have a cause of action against anyone who has a bad faith intent to profit from a protected mark and registers, traffics in or uses a domain name that is identical or confusingly similar to a distinctive mark or dilutive of a famous mark. To succeed, plaintiff has to show that defendant had bad faith, intent to profit and that he had made commercial use of the domain name. Bad faith shall not be found in any case in which the court determines that the person believed, and had reasonable grounds to believe, that the use of the domain name was fair or otherwise lawful. If liability is found, remedies include the transfer of the domain name to the plaintiff, along with the other remedies for infringement, such as damages, injunctions, and attorney's fees. Damages are only available if defendant exhibits bad faith, reckless or willful disregard. Damages are never available for registration or use of a domain name that occurred before 1999.

Trade names can be registered to the extent they also function as trade marks or service marks by identifying the source of a good or service. However, many states allow trade names to be registered and protected under state law.

3.5 On what grounds can a trade mark be invalidated?

Within five years of the date of registration, a trade mark can be cancelled upon request of any person who claims to be damaged by the registration. The petitioner has to prove that the trade mark has been obtained by fraud or that it is: (i) likely to be confused with his previously used or registered mark; (ii) descriptive; (iii) deceptively misdescriptive; (iv) primarily geographically descriptive; and (v) primarily a surname or a generic name. Abandonment through non-use is also ground for cancellation. A trade mark will be deemed abandoned if the holder has discontinued the mark use with the intent not to use it in the reasonably foreseeable future.

After five years of its registration, likelihood of confusion with a senior user's mark and descriptiveness are not actionable grounds against a trade mark.

3.6 Must use requirements be satisfied to maintain the trade mark registration? If so, is there any definition of what constitute use?

If an application was based on an intent to use, and a notice of allowance has issued, the application remains effectively suspended until a statement of use is filed. However, if the application is based on a foreign registration, actual use is not required. If the application is based on use, or use is alleged after filing but before publication, or use is claimed after allowance of an intent-to-use application, an actual example ('specimen of use') showing how the mark is used in commerce must be filed for each class of goods or services, and a date of first use must be indicated for each class. The date of filing the application serves as the priority date. For registrations based on a foreign registration granted under section 44, specimens are not required.

On goods, a mark is deemed to be 'used in commerce' when: (i) it is placed in any manner on the goods or their containers, displays, tags or labels (if the nature of the good makes such placement impracticable, then the mark should be used on documents associated with the goods or their sale); and (ii) the goods are sold or transported in commerce. On point of sale displays, price lists, menus, mail solicitation, and advertising uses will all suffice. A catalogue may constitute sufficient use if it: (i) includes a picture of the relevant goods; (ii) shows the mark sufficiently near the picture of the goods to associate the mark with the goods; and (iii) includes the information necessary to order the goods. As to services, the mark is considered used when it is employed or displayed in the sale or advertising of services and the services are rendered in commerce.

3.7 What other defences, if any, are available to an alleged infringer? Does your country's law provide for prior user rights?

There are numerous defences available and they depend on the specific facts in question. The party who is the first to use a mark in commerce has the prior right to the mark, and as such can exclude all subsequent uses of the mark in the same geographical territory, regardless of registration. Consequently, a defendant may argue that he is the owner of prior rights on that mark. He can also argue that there is no likelihood of confusion between the subject marks.

In addition, an alleged infringer may have affirmative defences. These are: (i) the Doctrine of Laches; (ii) Estoppel; (iii) 'Unclean Hands'; and (iv) Fair Use/Collateral Use. Under the equitable defence of the doctrine of laches, plaintiff is barred from asserting trade mark infringement when he unreasonably and inexcusably delayed bringing suit and the alleged infringer suffered materially prejudicial harm from the delay. The Estoppel defence applies when plaintiff's actions, or lack thereof, may be interpreted as an approval of defendant's use of the trade mark. Under the Unclean Hands doctrine, since 'one who comes into equity must come with clean hands' the court shall refuse all recognition and relief to the plaintiff whose actions regarding the controversy have been in violation of the fundamental conceptions of equity jurisprudence. Fair Use, or Nominative Use, defence allow the use of a trade mark without obtaining permission from the mark's owner when the trade mark is clearly used for the purpose of description or identification. Fair Use is recognised in those instances where the use of the trade mark does not suggest sponsorship or association with the trade mark owner's product or services and therefore is not being used in a manner to confuse the consumer. Finally, Collateral Use allows the use of the trade mark name to identify a component of a more complex product, as long as the consumer is not induced into thinking that the product, as sold, is actually marketed by the component's trade mark owner.

3.8 To what extent can enforcement of a trade mark expose the trade mark holder to liability for an antitrust violation?

One of the defences to an allegation of trade mark infringement may consist in that trade mark infringement conflicts with the antitrust laws. The success of such a defence is dependent upon the relevant facts.

3.9 Can a court only partially invalidate a trade mark?

Yes, this can occur where, for example, a word mark is deemed to be descriptive or generic.

3.10 Is it possible to amend a registered trade mark during a lawsuit?

A trade mark owner may file for a post-registration amendment at any time, including during the course of litigation.

3.11 Are there any grounds on which an otherwise valid trade mark can be deemed unenforceable, owing to misconduct by the trade mark holder, or some other reason (eg expiry of time limit)?

As mentioned above (in 3.7), a court of equity will not enforce an otherwise valid trade mark against an infringer if the trade mark owner has acted unethically or in bad faith with respect to the subject of the complaint, ie with 'unclean hands'.

3.12 Can a trade mark holder bring a lawsuit claiming both trade mark infringement and unfair competition for the same set of facts? Is it possible to bring parallel unfair competition proceedings, whether or not the trade mark is registered?

A plaintiff can join a count for infringement of a registered or unregistered mark with a count for common law unfair competition supporting his claims with the same facts. Moreover, even if the mark is declared to have been invalidly registered, federal jurisdiction over the pendent

common law unfair competition claim persists and the claim must be decided on the merits.

4. PARTIES TO LITIGATION

4.1 Who can sue for trade mark infringement (trade mark holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to be registered to sue?

As a general principle, every action shall be prosecuted in the name of the interested party. This includes any person entitled to a benefit or privilege under provisions of the Trade Mark Act. Therefore, any party that shows that it has a valid commercial interest in the mark that may be harmed by the alleged infringement has standing to bring an action for infringement or dilution in the appropriate federal court. An ‘entitled person’ includes the owner of the trade mark or trade mark registration and its legal representative, successors, predecessors, valid assignees, licensees and franchisees. However, agreements entered into between registrants and the latter identified persons can and should spell out whether and to what extent, these latter entities will participate in infringement or dilution actions. The rights of a licensee, including his standing to sue for trade mark infringement, do not depend upon its formal recordation as a ‘registered user.’

4.2 Under what conditions, if any, can an alleged infringer bring a lawsuit to obtain a declaratory judgment on non-infringement?

Anyone who is threatened with litigation for infringement of a mark can bring an action for declaratory judgment to determine non-infringement. In case of a federally registered mark, the alleged infringer may join the petition for declaratory judgment with a claim for invalidity of the registration, with a prayer for its cancellation.

4.3 Who can be sued for trade mark infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to trade mark infringement by someone else?

As a general rule, company directors are shielded from personal liability when they act within their official capacity. However, personal liability can attach when the directors actively and knowingly participated in the furtherance of a corporate tort, such as trade mark infringement. Personal liability for trade mark infringement is generally found where the individual personally participated in, or directed, the infringement or wilfully and intentionally used the corporation to carry out the infringement. The fact that the infringement was done for the purpose of benefiting the corporation does not excuse the infringement.

Federal trade mark law does not have a provision regarding inducement to infringe. However, there may be a cause of action for aiding and abetting trade mark infringement. A party may be held liable for trade mark contributory infringement if it knowingly allows, or encourages, a third party to violate the trade mark and directly gains from such violation.

States cannot be sued for trade mark infringement.

4.4 Is it possible to add or subtract parties during litigation?

A defendant in a trade mark infringement litigation can seek to join another party alleged to be liable in whole (indemnity action) or in part (contribution) to the defendant for damages that the defendant may have to pay to the plaintiff. Conversely, given certain conditions, a defendant may obtain exclusion from the trial. A defendant may also be excluded by the trial during the litigation. A plaintiff may also seek to add parties as defendants under some circumstances (eg based on information learned subsequent to the filing of the complaint).

5. ENFORCEMENT OPTIONS

5.1 What options are open to a trade mark holder when seeking to enforce its rights in your country?

Two types of civil proceedings – one legal and one administrative – are available by which the owner of a trade mark registered on the Principal Register can enforce trade mark rights against a potential infringer. In the legal action, which is also available to owners of unregistered marks, a suit may be instituted in state or (in most cases) federal court by filing a complaint against an alleged infringer. If the mark is unregistered, it is nonetheless common, and generally more desirable, to litigate in federal court, since other unfair competition-type provisions of the federal Trade Mark Act (also known as the Lanham Act) often apply.

The common causes of action in the complaint for violation of rights granted under the Trade Mark Act include: infringement of the plaintiff's federally registered trade mark, infringement of the plaintiff's unregistered common-law trade mark, and unfair competition; misappropriation; false advertising, dilution, and violation of state statutory trade mark protections and laws against unfair competition. A suit for infringement may be filed in any federal district court that can properly assert personal jurisdiction over the defendant and is a forum in which a substantial part of the events giving rise to the claim has occurred.

5.2 Are criminal proceedings available? If so, what are the sanctions?

In terms of the criminal law, there are multiple federal statutes and corresponding state statutes which provide remedies for trade mark infringement (particularly clear-cut counterfeiting). These include a federal counterfeiting act, federal mail and wire fraud laws, and in appropriate cases, even a federal racketeering and corruption (RICO) act. Similar measures at the state level have enjoyed some success, as well as state laws regarding forgery. This avenue of redress can be a particularly cost-effective means of enforcing a trade mark owner's rights. Remedies can include seizure and destruction of goods, fines, restitution and even imprisonment in appropriate cases.

5.3 Are border measures available?

The owner of a US trade mark registration may record the registration with the United States Customs and Border Protection Service (CBP). The CBP has the authority to seize merchandise considered counterfeit or bearing infringing marks that violate the registration. Through this vehicle, a US registrant may also, under certain conditions, bar the importation of genuine foreign goods permissibly bearing the same mark – goods known as 'grey marks goods'.

Moreover, the International Trade Commission (ITC) is another administrative resource for enforcement against unfair competition from imported goods, and is generally a speedy procedure. Such a proceeding is instituted by submitting a complaint to the ITC, which has its own rules regarding required elements of proof, discovery, hearings and conferences; an administrative judge recommends a decision to the FC. In the event that infringement is proven against a registered mark, all infringing merchandise, from any infringer, is specifically denied entry into the United States.

5.4 To what extent are courts willing to grant cross-border or extra-territorial injunctions?

Under international territoriality, the United States enforces its own trade mark law within its own borders. Generally, all actions within foreign borders cannot be considered to constitute infringement in the US. However, US courts have recognised the existence of infringement in cases where the activity has taken place within foreign borders, but only in the instances where the activity either involves 'parallel goods' or has substantial effects in the US. In this latter case, in order to assess federal subject matter, courts have used both 'long-arm' personal jurisdiction and an extraterritorial reach of the Lanham Act.

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5.5 To what extent do courts recognise the blocking effect of ‘torpedo’ actions abroad?

US courts rarely take into account the decisions of foreign countries, since trade mark rights are territorial.

5.6 To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve trade mark disputes? If arbitration is available to assess invalidity, will your Trade Mark Office recognise and execute an arbitral award declaring a trade mark invalid?

In disputes before the TTAB, the use of ADR is encouraged, ADR being the umbrella name for non-binding mediation and binding or non-binding arbitration to settle opposition or cancellation proceedings. Disputes based in federal courts can also be resolved similarly. A number of organisations provide dispute resolution service including the International Trade Mark Association, the American Intellectual Property Law Association, American Arbitration Association, and the CPR Institute for Dispute Resolution. This alternative remedy is used less often than settlement or entry of pre-trial judgment, by which 95 per cent of TTAB proceedings are resolved before trial. ADR, which has fewer formal requirements, greater control over the procedure, and a wider range of settlement options, can provide a faster and less expensive way of resolving disputes. The disadvantage is that dissatisfied parties can revert to a court solution if the ADR is not mandatory and binding.

6. PROCEDURE IN CIVIL COURTS

6.1 What is the format of trade mark infringement proceedings?

First, the plaintiff files a complaint in a federal district or state court. Then, a copy of the complaint and a summons by the court is served on a defendant. Within set periods of time, an answer is made to the complaint and can include defences and counterclaims; a reply may be made to the answer, and the counterclaims, if any, are answered. Sur-replies and cross-claims may also be made. Collectively, these are known as the pleadings, which may be amended or supplemented.

The length of trade mark infringement proceedings varies widely, depending upon when and how it is terminated. A proceeding can be terminated as early as weeks to months after a complaint is filed if an agreement is reached, months to years if the case is terminated by preliminary injunction before trial, and years if through judgment after trial and through appeal.

6.2 Are disputed issues decided by a judge or a jury?

Trade mark infringement cases may be tried before a judge or jury, and either the plaintiff or defendant may demand a jury trial. In a jury trial, the judge is responsible for deciding all disputed issues of fact. In a trial before a judge only, known as a ‘bench trial’, the judge decides all disputed issues. However, there is no right to jury trial on equitable issues, only legal ones, and these issues are distinguished by the relief sought, ie injunctive relief is an equitable issue, and money damages is a legal issue. However, some courts consider a request for profits and damages under the Lanham Act incidental to a claim for injunctive relief, thus equitable and not requiring a jury trial.

6.3 To what extent are documents, affidavits, witnesses and/or (court-appointed or private) experts used? Is it possible to cross-examine witnesses?

Unless otherwise limited by a court order, the parties may obtain discovery regarding any matter, not privileged, that is relevant to the claims or defences of any party. This includes any documents or other tangibles, and the identity and location of persons having knowledge of any discoverable material. Deposition – ie questioning of persons having knowledge of

discoverable material, who may be presented at trial, or whose opinion will be presented at trial, is also part of discovery. A party may also depose any person that has been identified as an expert whose opinions may be presented at trial.

The ordinary vehicle for introducing evidence in an infringement trial is through live testimony of witnesses. First, counsel for the party offering a witness directly questions the witness to disputed issues of fact. Then, opposing counsel is given the opportunity to cross-examine the witness on matters within the scope of the direct testimony. Parties in a trade mark case will often present an expert to testify on technical matters relating to infringement or dilution, such as survey evidence. Documents and other physical items, such as sample of the allegedly infringing mark on goods or services, may be received into evidence, usually through a witness.

6.4 To what extent is survey evidence used (eg to support acquired distinctiveness, likelihood of confusion)? What is its relevance in proceedings (eg party allegation, evidence)? Who decides which consumers are questioned in the survey (eg the court, court expert)? What level of cost should one expect to incur to carry out a survey? Are these recoverable from the losing party?

Surveys are used in trade mark lawsuits to prove various aspects of a trade mark's legal viability. They are used to prove that a mark is not generic, that has acquired secondary meaning, that is non-functional, that is legally strong, or is unlikely to confuse consumers with regard to an existing trade mark. Surveys are also used to prove plaintiff's lost profits, since this evidence is difficult to obtain without a survey.

6.5 Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

Yes, evidence obtained in civil proceedings is admissible in criminal procedure and vice versa. However, the same evidence is given different weight in civil and in criminal courts. Indeed in civil court, except with respect to a few torts, a party that has the burden of proving a fact must do it by the preponderance of the evidence standard. By the contrary, the prosecutor in a criminal proceeding must prove the elements of the crime 'beyond any reasonable doubt'. Moreover, evidence that would be excluded in criminal procedure because illegally obtained, will be nonetheless admitted in a civil trial.

6.6 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted?

Under the Federal Rules Civil Procedure (FRCP), the scope of permissible pre-trial discovery is extremely broad. In general, a party may discover any non-privileged information that is relevant to any claim or defence of any party in a suit. The FRCP provides a variety of mechanisms for obtaining discovery, and, except under certain circumstances, the parties must disclose a substantial amount of information through 'initial disclosures' without waiting for discovery requests, 'disclosure of expert testimony', and 'pre-trial disclosure'.

Traditional methods of discovery include: (i) interrogatories – written questions; (ii) document requests – written requests to produce documents; (iii) requests for admissions – written requests that the adverse party admit or deny statements of opinion or fact; and (iv) depositions – oral questions and answers by persons who could or could not be called as witnesses.

The FRCP also permits discovery to be taken from third parties, but with additional limitations to prevent the imposition of undue burden or expense. Discovery may also be taken from persons or entities outside the United States pursuant to the Convention on the Taking of Evidence Abroad in Civil or Commercial Matters (the Hague Convention). The party from whom discovery is sought must be a resident of a country that, like the United States, is a signatory to the convention. Procedurally, the court in which the action is pending

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must request to the appropriate authority in the other party's country, the exact discovery sought, and the authority in that country will apply its own laws governing discovery.

A privilege against disclosure attaches to attorney-client communications and to attorney and to attorney work.

6.7 If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?

Not applicable.

6.8 What level of proof is required for establishing infringement or invalidity?

Plaintiffs have the burden of proof and must show by a preponderance of evidence that a significant number of prudent purchasers are likely to be confused by the defendant's mark and believe it originated with the plaintiff.

6.9 How long do trade mark infringement proceedings typically last? Is it possible to expedite this process?

The average duration of a trade mark infringement or dilution suit from filing of a complaint to entry of a judgment varies widely, depending upon the court in which a case is filed, the level of discovery required (or allowed, if limited by the court), the number and nature of motions filed, whether surveys supporting confusion or dilution are conducted, and whether agreement can be reached as to settlement or specific issues, and at what stage in the action. A duration of two to five years is not uncommon.

6.10 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of defendant?

Most courts tend to keep litigants on a set schedule, allowing extensions of time only upon a showing of good cause. However, many courts will also freely suspend or expand deadlines if both parties request it for purposes of discussing feasible settlement.

7. FINAL REMEDIES

7.1 What remedies are available against a trade mark infringer (final injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc.)?

On the civil side, the remedies available to a prevailing plaintiff can include both monetary damages, injunction against future infringement and, in cases of counterfeits of registered marks used with goods or services, seizure of the goods and counterfeit marks.

On the criminal side, remedies may include seizure, forfeiture, destruction of goods, fines, restitution and confinement.

7.2 To the extent it is possible to obtain a final injunction against future infringement, is it effective against the infringer's suppliers or customers?

Depends on the facts at the discretion of the court.

7.3 What monetary remedies are available against a trade mark infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are punitive damages available? If so, under what conditions?

Monetary remedies are subject to the discretion of the court and the principles of equity. The basis of damages is typically the plaintiff's lost profits or defendant's profits as a result of the infringing activity, and may include prejudgment interest. In addition, damages can be based on a reasonable royalty or the cost of corrective advertising. Moreover, under exceptional circumstances, the court may also award treble damages and/or attorneys fees. However, these damages are deemed an equitable compensation and not punitive.

8. PRELIMINARY RELIEF

8.1 Is preliminary relief available? If so, what preliminary measures are available (eg preliminary injunction) and under what conditions?

A temporary restraining order or a request for a preliminary injunction are preliminary measures available, and commonly used, in trade mark litigation. This is most often the case where the alleged infringement is just starting, and the plaintiff alleges that an 'irreparable injury' will occur without such extraordinary relief.

8.2 Is ex parte relief available, where defendant is given no notice at all? If so, under what conditions?

A temporary restraining order can be granted *ex parte*, that is, without informing in advance the party to whom the temporary restraining order is directed. The measure is granted if there is the risk that the defendant would act to frustrate the purpose of the plaintiff's action.

8.3 Is plaintiff entitled to ask for an order that defendant's premises are searched and a description of the infringing goods (and the accounting relating thereto) is made in order to establish proof of infringement (saisie-contrefaçon)? If not, what other mechanisms, if any, are available for seizing and preserving evidence for trial?

The plaintiff may seek to obtain a search and description of the infringing goods. Moreover, in case of counterfeiting, the plaintiff may be entitled to a seizure of the infringing goods

8.3 Can the defendant put the validity of a trade mark at issue in preliminary injunction proceedings?

Yes, the alleged infringer can challenge the validity of the trade mark even during preliminary proceedings, and also seek its cancellation in case of a registered mark. However, after five years from its registration, the mark cannot be challenged on grounds of likelihood of confusion with a senior user's mark or descriptiveness.

8.4 What is the format of preliminary injunction proceedings?

Plaintiff may file a motion for preliminary injunction with the complaint, shortly after the complaint is filed, or after the beginning of discovery. Unless the injunction just maintains the status quo, if the injunction is issued plaintiff must generally post a bond to cover the cost and damages to defendant in case the latter eventually wins on the merits or the injunction has been wrongfully granted.

8.5 To what extent are documents, affidavits, witnesses, survey evidence, and/or (court-appointed or private) experts used in preliminary injunction proceedings?

The motion for preliminary injunction is most of the time accompanied by affidavits, briefs, exhibits and depositions. Generally, a preliminary injunction hearing is held at which

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witnesses can testify and be cross-examined. However, often oral testimony is limited to cross-examination, while direct testimony is substituted with affidavits.

8.6 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?

To be granted preliminary relief on a count of infringement, plaintiff has to establish that (i) he will suffer irreparable harm during the time before trial, and that this harm is not compensable by money; (ii) he is likely to succeed on the merit; and (iii) the harm that he would incur from the denial of the injunction outweighs the harm to defendant from the grant of the measure. Some courts also consider whether the public could be harmed by the injunction.

8.6 How long do preliminary injunction proceedings typically last?

Preliminary proceedings may last from a few days to a few months, with an average duration of two to three months, depending on whether the parties agree on discovery.

8.7 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?

Yes, because the preliminary injunction will only last until a decision on the merits is rendered.

9. APPEAL PROCEDURE

9.1 What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?

All district court decisions, as well as grants of preliminary injunction, can be appealed before the Court of Appeal in that circuit.

9.2 How long do appeal proceedings typically last?

An appeal generally lasts from one to two years.

10. LITIGATION COSTS

10.1 What level of cost should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?

Costs of trade mark or dilution litigation can vary greatly, depending on the issues involved, the property at stake, the forum, whether a survey expert testimony is involved, and the stage to which the proceeding advances, recognising that many trade mark cases do not advance far beyond a preliminary injunction stage. Perhaps the best data on actual litigation costs in the United States is that compiled by the American Intellectual Property Law Association, which conducts a biannual survey of IP lawyers that includes questions on this issue. In 2003, the survey results disclosed that a typical trade mark infringement action costs approximately US\$150,000 through to the end of discovery and just under US\$300,000 through to the end of the case, where less than US\$1 million was at risk; US\$365,000 through to the end of the discovery, and just over US\$ 600,000 through to the end of the case, where US\$1 million to US\$25 million was at risk; and US\$599,000 through the end of discovery and just over US\$1 million through the end of the case, where more than US\$25 million was at risk. For opposition or cancellation proceedings before the Trade Mark Trial and Appeal board the figures are much lower, at approximately US\$50,000 through to the end of discovery and just under US\$80,000 through to the end of the case.

10.2 Are costs recoverable from the losing party?

The prevailing party may recover court cost. These include filing fees, printing and witness fees, and court reporter fees and compensation for court-appointed experts when applicable. It is not necessary that the plaintiff wins on all claims to recover costs. As to the defendant, he may recover costs if the case is dismissed with prejudice.

11. FORTHCOMING LEGISLATION

11.1 What are the important developing and emerging trends in your country's trade mark law?

One of the most interesting trends in US trade mark law is the increasing interest for reciprocity as to registration and recognition of trade mark fame and secondary meaning acquired in other countries.

11.2 To the extent it relates to trade mark enforcement, please outline any major trade mark legislation in the pipeline.

The recent legislative proposal called 'Intellectual Property Protection Act of 2007', if it becomes law will boost trade mark enforcement measures. In particular, it will increase penalties for counterfeiting and implement the ability to forfeit property derived from or used in the commission of criminal intellectual property offences.

12. USEFUL REFERENCES

12.1 Please identify any useful works of reference relating to trade mark law and trade mark litigation in your country, including useful websites.

J. Thomas McCarthy's treatise, 'McCarty on Trade Marks and Unfair Competition', is widely influential among those in the field. The World Intellectual Property Organization (www.wipo.int/portal/index.html.en) and The United States Patent and Trade Mark Office (www.uspto.gov) websites provide useful resources on trade mark issues. The International Trade Mark Association website (www.inta.org) is also a valuable source to acquire information on trade mark matters.