

INTELLECTUAL PROPERTY GROUP



CONTRIBUTORS

MODERATOR

USA

NORMAN ZIVIN

Cooper & Dunham LLP

New York

Tel: 212.278.0400

Email:

nzivin@cooperdunham.com

PANELISTS

CANADA

LARRY MUNN

Clark Wilson LLP

Vancouver

Tel: 604.687.570

Email: lm@clarkwilson.com

CANADA

NANCY A. MILLER

Fogler Rubinoff LLP

Toronto

Tel: 416.941.8805

Email: nmiller@foglers.com

AUSTRALIA

ANTOINE PACE, ADAM WALKER, ALEXIA MARINOS

Gadens Lawyers

Melbourne

Tel: +61.3.9612.8411

Email: apace@gadens.com.au

awalker@vic.gadens.com.au

amarinos@nsw.gadens.com.au



The International Lawyers Network (ILN) is an association of 91 high-quality, full-service law firms with over 5,000 lawyers worldwide. The Network provides clients with easily accessible legal services in 67 countries on six continents.

The ILN's Intellectual Property Group presents the following roundtable discussion.

How can companies save money while adequately protecting their trademarks internationally?

What cost-saving efforts have you recommended in protecting trademarks?

Norman Zivin (United States - New York):

The best way to save costs is to file only in countries and classes where necessary to protect the client's actual and reasonably anticipated interests. Excessive filing in unimportant jurisdictions for marginal marks runs up costs without significant benefits.



ISRAEL

MIRIAM HACKMEY

Glusman Shem-Tov Chowers
Broid & Company
Tel Aviv
Tel: +972.3.691.86.86
Email: miriamh@gscb-law.co.il

USA

CAROL BARRETT

Howard, Rice, Nemerovski,
Canady, Falk and Rabkin
San Francisco
Tel: 415.677.6290
Email:
cbarrett@howardrice.com

PHILIPPINES

LORNA PATAJO- KAPUNAN

Kapunan Lotilla Garcia &
Castillo Law Offices
Manila
Tel: +632.638.2410
Email:
lpkapunan@kapunanlaw.com

USA

KIRK DAMMAN, MARK SOWERS & RICHARD WALSH

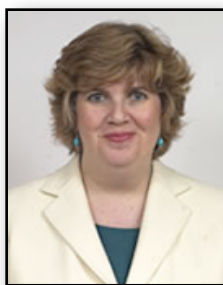
Lewis Rice Fingersh
St. Louis
Tel: 314.444.7783
Email: kdamman@lewisrice.com
msowers@lewisrice.com
rwalsh@lewisrice.com

GERMANY

NICOLE AICHER

Wolpert Rechtsanwälte
Bad Homburg
Tel: +49.6172.288920
Email: aicher@wolpert-ra.de

Nancy Miller (Canada - Toronto):



Filing trademark applications in bulk, rather than filing one application this month, another next month, and so on, generally allows for greater savings in filing charges. If use of the trademark is imminent, filing the application after the use has commenced results in cost savings at least in Canada and the US, by removing the requirement to file Declarations of Use after allowance. Avoid costly and protracted opposition proceedings or litigation by arriving at early and mutually beneficial resolutions. Take a realistic and reasoned approach in litigation proceedings, rather than asserting unrealistic causes of action or defenses, or utilizing aggressive litigation procedures which have a low percentage chance of success. Clearly identify goods and services in order to avoid unnecessary prosecution costs. Protect key marks for key goods and services through the identification of clear priorities.

Nicole Aicher (Germany - Bad Homburg):



Filing of a CTM (European Community Trademark) application instead of national trademarks can be really cost-saving for clients who are interested in trademark protection in several member states of the European Community. International Registrations instead of national trademarks can be cost-saving as well.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

Filing valuable marks in valuable countries and making initial determinations of where rights are



actually desired (instead of speculating) is one of the best ways to save money. Another is to review maintained marks and get rid of those that are no longer commercially valuable. As obvious as it is, communicating with your attorney about your marketing plans and your products is also a very good way to save money in the long run.

Miriam Hackmey (Israel - Tel Aviv):

I will add that as far as new marks are concerned:

- ◆ "Investing" in clearance searches can save a lot later.
- ◆ Choosing inherently distinctive marks saves a lot on prosecution and increases the likelihood of obtaining registrations smoothly.
- ◆ Unless necessary, I try to avoid priority claims as much as possible – these are always related to additional costs (which are substantial in some countries) that can be avoided if the applications are filed simultaneously.



Larry Munn (Canada - Vancouver):



A client needs to identify core marks and core markets and file strategically. Another consideration that goes hand in hand with trademark filings is domain name registrations in key countries so that unnecessary costs are not later incurred challenging infringing domain names filed by others.

Also, unless filing strategy dictates otherwise, companies should substantively address Examiner objections promptly, and avoid getting in the habit of seeking repeated extensions of time. Though in some jurisdictions Trademark Offices do not charge for such extensions, counsel nonetheless do. To the same end, for applications in examination, counsel should diarize reminders for clients early enough that the client will have a reasonable chance of responding to them; otherwise, the client will be predisposed to seek an extension to avoid dealing with the issue.

Carole Barrett (United States - San Francisco):

Because Canada, like the US, generally requires use prior to registration, but unlike the US, Canada does not provide for division of applications, I often recommend filing two applications in Canada, one that contains all of the goods and services for which use has begun or with which use will begin soon after application and filing another application that includes the goods and services for which use is more remote. I find that by using this strategy, not only does the client receive the registration for its primary goods and services more quickly, but the client also saves money. With respect to marks coming into the US, conducting a comprehensive search in the US that includes common law use and state registrations as well as federal applications and registrations and having it reviewed by an experienced trademark attorney is very important. Equally important is



getting advice from experienced counsel on searches run outside of the US. One of the most expensive (and often the most frustrating) part of the US application process for foreign applicants is arriving at a description of goods and services that will gain approval of the examining attorney. Therefore, it is critical to review with an experienced US trademark attorney prior to filing, or if the application is filed via Madrid Protocol to counsel the client to expect an office action with respect to the description of goods and services.

Lorna Patajo-Kapunan (Philippines - Manila):



To avoid spending too much during the examination period or in the operation procedures, we always recommend conducting a trademark search before filing a local application or an application abroad in order to gauge, more or less, the chances of the application or determine any potential opposition.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

To the extent possible, we encourage clients to file trademarks locally in bulk so as to reduce duplicating professional time, which can lead to cost savings. Where possible, we also encourage clients to file series applications, however legislation in recent years has restricted the availability of series applications in Australia.



We often find that clients who wish to register trade marks in a few European jurisdictions can see the value proposition of filing a Community Trademark.

There is also some level of education of clients as well; once a client appreciates the value of its brand, the expense now of registering trademarks can be justified against the cost and difficulty associated with litigating for the protection of unregistered trademarks.



Do you regularly use the Madrid Protocol for filing trademark applications?

Norman Zivin (United States - New York):

The Madrid Protocol is very useful in programs for protecting marks in several countries and classes. We use it regularly if protection is sought in Europe and Asia, but the Madrid Protocol is not applicable in Canada and most Latin American countries.

Nancy Miller (Canada - Toronto):

No, the Madrid Protocol is not available for use in Canada.

Nicole Aicher (Germany - Bad Homburg):

Yes, Germany is not only a party to the Protocol, but of the Madrid Agreement as well.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

No, we find that many clients are either interested in countries which are not part of the protocol (Canada and the Americas as discussed) which ends up making it not cost effective.

Miriam Hackmey (Israel - Tel Aviv):

No. The Madrid Protocol system is not yet available in Israel. The situation may change once the relevant provisions which are already included in the Trade Marks Ordinance are enacted. (Note: Israel is expected to enact the Madrid provisions on 31 May 2010 with an effective date of 1 September 2010. Final dates to be confirmed.)

Larry Munn (Canada - Vancouver):

Canada is not part of the Madrid Protocol, although another consultation regarding Canada adhering to the Protocol has been initiated. Depending on the results, the Protocol may be available in the future – but down the road.

Carole Barrett (United States - San Francisco):

No and Yes. I do not use Madrid Protocol outbound, because I find that most of my US clients want to file in countries that are not part of the Protocol. Additionally, we file a considerable number of applications in China and other countries where we use strategies based on local classification or other issues, but more importantly because of the restrictions with respect to breadth of goods and services, if we file based on a US application. I am involved with the consequences of the Madrid Protocol on an inbound basis and have taken over many cases where applications have been rejected by the US examining attorney. The issues generally involve the breadth of description of the goods and services. This problem is similar to the one faced with most in-bound applications. An additional problem that we have encountered with the Madrid Protocol is that the International Bureau (IB) sometimes classifies goods and services in an international class that is different than the classification used in the US. In these cases, the goods/services that are differently classified must be deleted from the US application. Moreover, if the goods and services classified by the IB in one class fall into a number of classes in the US, the application in the US is limited to only those goods and services that fall in the class selected by the IB. We have had cases where the goods and services of primary interest to the applicant were classified outside of the class selected by the IB.

Lorna Patajo-Kapunan (Philippines - Manila):

Philippines is not yet a member of the Madrid Protocol but when its accession comes, on or before 2015, we will recommend using it in filing trademark applications.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

To the extent possible, we use the Madrid system, however the absence of jurisdictions such as New Zealand, Canada and Hong Kong does diminish its effectiveness.



In which countries have you found the most savings?

Norman Zivin (United States - New York):

There are significant savings in high-cost countries such as Japan and Europe, when using the Madrid Protocol. There are less savings in the US and China, because most applications require prosecution by local counsel.

Nancy Miller (Canada - Toronto):

I have been able to negotiate very attractive cost savings for clients in numerous countries. The ILN associates are very accommodating.

Nicole Aicher (Germany - Bad Homburg):

For Japan, South Korea and the US, by filing International Registrations instead of national applications.

Miriam Hackmey (Israel - Tel Aviv):

Good rates can be negotiated with associates in most countries.

Larry Munn (Canada - Vancouver):

I agree that good rates can be obtained from a known network of associates.

Lorna Patajo-Kapunan (Philippines - Manilla):

In all countries with ILN members, there is an advantage of cooperation with other members.

Antoine Pace, Adam Walker & Alexia Marinos (Australia - Melbourne):

The strengthening Australian dollar means there are relative savings in most jurisdictions at the moment.



Are any meaningful savings obtained by more carefully screening associates in other countries?

Norman Zivin (United States - New York):

There is not much difference in the fees charged by associates. Indeed, in many countries, the fees are agreed to by associations. The ILN has a network of competent, experienced practitioners in principal countries.

Nancy Miller (Canada - Toronto):

I agree.

Nicole Aicher (Germany - Bad Homburg):

Yes, experienced practitioners need less time for preparing and filing submissions. This really saves costs.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

Yes. I find it's not so much for specific cost savings between foreign associates (as many of them have similar rate structures) as the ability to obtain better quality of work, attentiveness, etc.



Miriam Hackmey (Israel - Tel Aviv):

I agree. In most countries, fees are at the same range, but quality varies. Experienced associates indeed take less time and obtain better results. In many cases, trying to save at the filing stage turns to be more expensive by the time the registration is obtained.

Larry Munn (Canada - Vancouver):

I agree that there is no substitute for experience. As well, a trusted network of associates saves time/money, as expectations and quality of work is a known factor.

Carole Barrett (United States - San Francisco):

Experience and communication skills and staying on top of things are critical. I value counsel who are prompt in reporting and provide advice as to local law.

Lorna Patajo-Kapunon (Philippines - Manila):

Using an efficient, experienced and competent associate whether a member of the ILN or any known foreign correspondent will help your client save more on paying for professional fees for services that can be avoided in the first place.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

Most professional fees are fairly consistent between equivalent firms in each jurisdiction. It is generally useful to obtain an estimate of likely fees and charges provided prior to work being undertaken.



Are there any steps that clients can take themselves to reduce costs?

Norman Zivin (United States - New York):

Clients need to be cognizant of the overall costs of a filing program. These costs can be controlled by protecting only important marks in selected countries and classes. Indiscriminate filings increase costs without much benefit. Clients also should not use the Madrid Protocol if their home country will likely refuse registration or there is a good probability of an opposition.

Nancy Miller (Canada - Toronto):

I agree.

Nicole Aicher (Germany - Bad Homburg):

I also agree. Furthermore, it is important that clients consider well which goods and or services are necessary to avoid twin applications later.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

Particularly with Intent to Use Applications (ITUs), careful thought of goods and services descriptions can provide very effective cost savings. Filing in too many classes because of over optimism on where marks will be used, under filing of classes on marks which will be used aggressively, and filing descriptions which end up being inaccurate for resultant use can all dramatically increase costs.

Miriam Hackmey (Israel - Tel Aviv):

When a new mark is concerned, I always explain to the client that:

♦ Saving on searches can result in wasting a lot of money at later stages.

♦ Choosing inherently distinctive marks is likely to be translated into savings at the prosecution stage and that it also increases the likelihood of obtaining registrations smoothly.

Larry Munn (Canada - Vancouver):

Clearance searches can save money in identifying marks. Clients should also consider involving their lawyers at initial stage for clearance before involving their marketing department in potentially problematic marks.

Carole Barrett (United States - San Francisco):

Protect crown jewels early and often. Put most catch phrases and tag lines at the bottom of the pile – every new marketing group changes their predecessor's slogans. If you would spend the money to enforce a mark in a particular jurisdiction with specific goods and services, register it – if not, think again. Use a watch service for your most important marks.

Lorna Patajo-Kapunon (Philippines - Manila):

The best way is for the trademark owner to first ask quotations of legal fees and profiles from different trademark firms so that he/she can choose the one who provide services at a lower cost and with efficiency.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

In addition, it's important for a client to adopt a comprehensive brand protection strategy rather than dealing with issues on an ad hoc basis, otherwise it tends to lead to situations where the "barn door is closed for the horse has bolted."



Does more attention to the description of the goods and services produce significant cost savings?

Norman Zivin (United States - New York):

In many countries, the description is based on the international classification of goods and services, and may be just the class heading or a listing of all goods in the class. However, if these applications are filed in the US, they will be rejected. They will also encounter problems in Asia because of different terminology. However, the disparities in descriptions are not easily rectified because the scope of the rights in a mark is different in various countries. In the US, for example,

it is unnecessary to include all goods in the class because a mark is protected against related goods. If a long list of goods is submitted, we will need to engage in lengthy and costly discussions with the examiners about the proper descriptions, since the US uses a different identification system than most other countries and requires that goods be described with specificity.

Nancy Miller (Canada - Toronto):

In Canada, careful attention must be paid to the description of goods and services, even though Canada does not adhere to any classification system, since this can result in significant cost savings in prosecution costs.

Nicole Aicher (Germany - Bad Homburg):

It is really beneficial to adjust the list of goods and services to local practices. Moreover, it is recommended to file an application only for necessary goods and/or services.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

Poor descriptions can result in increased actions from the PTO. Overbroad descriptions are more likely to be rejected resulting in cost increases. This can be particularly true with foreign applicants unfamiliar with the US's more limited description format. Similarly, good descriptions which end up not conforming to the specimen that will be used to show use can dramatically increase costs.

Miriam Hackmey (Israel - Tel Aviv):

Also in Israel (although class heading is still acceptable in some classes - typically clothing - as well as for house marks associated with a wide variety of goods and services), clear and exact specifications are more likely to proceed to allowance without any objections (assuming that the mark itself passes with no objections), which saves a lot.

Larry Munn (Canada - Vancouver):

In Canada, examination of descriptions is still very subjective and acceptable descriptions can be even more limited than what is accepted in the narrow description formats such as in the US. Unlike many other countries, Canadian examiners typically do not propose acceptable revisions to impugned goods and services claims, so being able to craft claims in the Canadian style can avoid examiner reports, and by extension, costs and delays.

Carole Barrett (United States - San Francisco):

Descriptions are critical and getting it right (or at least approved) is the most difficult thing about the process in the US and often in Canada. One should also keep in mind that although the US

and Canada both require clear and exact specifications, in many instances what is found to meet this requirement is not the same description. I wish I had a nickel for every time I said “but it was acceptable to the US examining attorney” or my Canadian associate said the “but it was acceptable in Canada.”

Lorna Patajo-Kapunan (Philippines - Manila):

In the Philippines, descriptions of goods and services are based on the international classification. Using the class heading of the classification as a description is not advisable because this will result in an official action asking the applicant to specify and enumerate the exact goods and services covered by the mark. Giving attention to properly classifying the goods and services covered by the application will also avoid any office action requesting reclassification of the same and will shorten the application procedures.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

Some jurisdictions such as the US and, to a lesser extent, New Zealand are more prescriptive than, say, Australia, as to what is an acceptable description of goods and services. Generally, if looking to file in the US, we would pay attention to the Trademark Office's online goods and services facility in order to minimize office actions relating to description issues.



Do you take into account, in describing the goods and services, how use will be shown in “use” countries, such as the United States?

Norman Zivin (United States - New York):

This is an important consideration in filing in the US. It is unlikely that use ever will be made for a laundry list of goods and services. Indeed, in some cases, the Trademark Trial and Appeal Board has found that it is fraudulent to include goods where there was no bona fide use of the mark, although the Court of Appeals recently has been more lenient in that regard.

Nancy Miller (Canada - Toronto):

This is also an extremely important consideration in Canada.

Nicole Aicher (Germany - Bad Homburg):

Although Germany is not a “use” country, we recommend to our clients that they file the application mainly for goods they intend to use. In case of US applications, we sometimes further specify the list of goods.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

Definitely. Failure to do this can result in problems at the PTO if descriptions are overbroad or poorly phrased. Further, if overbroad descriptions get registered, it can result in unnecessary disputes over the registration (and possible loss of rights in the mark). At the same time, in ITUs, using a broad description can be useful to make sure that the resultant use is actually covered by the initial description and the mark does not have to be refiled.

Miriam Hackmey (Israel - Tel Aviv):

It is always recommend to use accurate specifications of goods and services in respect of which one can show actual use. It is important not only in “use” countries (and not only in the “cost” context) as it also reduces the risk of partial cancellation attacks in connection with the goods/services which are not being used, which can of course be very costly.

Larry Munn (Canada - Vancouver):

In Canada, “use” has a very specific meaning with respect to goods and services. An incorrect claim can serve as a ground of opposition or potentially invalidate a registration. However, in Canada there is no obligation to file specimens of use prior to registration. Thus, counsel can only advise clients about the importance of collecting and maintaining evidence of use given that litigation might occur. We encourage our clients to do so regularly, and invite them to lodge this evidence with us where possible.

Carole Barrett (United States - San Francisco):

We take use into consideration in both US and Canada and advise both domestic and foreign clients with respect to this. Because of the use requirement in the US, prior to preparation of a statement of use we send the client a check list that lists each of the goods/services in the application and asks the client to indicate which of the goods/services are currently in use in commerce with the mark. The client is also asked to indicate when the use began. Our checklist also includes a column that allows the client to indicate those goods/services which are not currently in use with the mark in commerce but with which the client still has a bona fide intention to use the mark. There is also a column that allows the client to indicate those goods/services with which the client no longer has a bona fide intention to use the mark.

Lorna Patajo-Kapunan (Philippines - Manila):

In the Philippines, a trademark applicant is given 3 years from the filing date to submit declaration of actual use, so in filing a local application, use is not given that much attention. For filing an application in use countries, especially in the US, we always recommend filing a trademark application covering goods they intend to use or which is in use already. As

mentioned earlier, proper classification of goods and services can shorten the application procedure and can avoid unnecessary expenses on the part of the client.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

Often an application in the US is being made under the Paris Convention from an Australian parent application. In that case, it is more important to get the application filed in the first Convention country to establish a priority date, and subsequently settle an appropriate description of goods and services during the examination process.



Are there certain countries in which you recommend trademark filings? Are there other countries which you avoid?

Norman Zivin (United States - New York):

Of course, the decision where to file is made by the client based on their business needs. However, we generally recommend filing in countries where clients have business operations, expect significant sales or encounter infringements. On the other hand, we recommend that clients not file in marginal countries, particularly those where enforcement is either not realistic or meaningful.

Nancy Miller (Canada - Toronto):

For Canadian companies, the major filings are made first in the United States and Europe, and then depending on the marketing plans of the client, in Mexico, China, Japan, other parts of Asia, and South America. Where a client is going to be marketing their products in a particular country, there are no countries in which I recommend that no applications should be filed.

Kirk Damman, Mark Sowers & Richard Walsh (United States - St. Louis):

You should also take into account if you would be willing to enforce a mark (fight an opposition) before you carry out filings in any country

Miriam Hackmey (Israel - Tel Aviv):

I can add that when clients encounter difficulties, I suggest that they make a table, listing the country with the sales turnover, sorted by volume. This usually gives the people dealing with the trademark (who are not necessarily familiar with the exact sales figures in each country), a

clearer view on how the priority list of countries for filing should be organized and allows a more effective internal discussion.

At this point I normally add input related to the “risk” factor as far as trademarks are concerned and assist to determine the “final” list for a filing program.

Larry Munn (Canada - Vancouver):

Note as well that Canadian companies in Western Canada may focus first on the U.S., followed by Asia (rather than Europe). Depending on the size of the client, a further consideration would be to file in those countries where use need not be proven for registration. And depending on the nature of the goods claimed, another consideration would relate to filing in those jurisdictions that present infringement or counterfeiting concerns.

Carole Barrett (United States - San Francisco):

Business considerations, both offensive and defensive, drive the decision as to where to file and in which classes to file. Looking hard at where the business is and where it is going, I recommend making a list and prioritizing, discussing internally and then adjusting the list.

Lorna Patajo-Kapunan (Philippines - Manila):

We do not recommend filing an application in countries where our clients might encounter registrability problems or opposition based on the result of the trademark search. At the end of the day, it is still the business judgment of the client which governs.

Antoine Pace, Adam Walker & Alexia Marinos (Australia):

Countries are selected based on where the client intends to trade using that trademark. If cost is the determinant factor, then the client will need to make a decision as to where brand protection is most valuable for the client, taking into account issues such as effectiveness of enforcement as well.

