Ten hot issues in trademark law

Domain-name explosion

Generic top-level domain names are poised to increase exponentially next year, 22,328 new ones 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 1,950 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 June, 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.

"Trademark owners will want to record key marks, said Sally June."

"Trademark owners necessarily will have to increase their enforcement budgets, but there are many unknowns that will impact budget." —Bruce Arn

Storing social media

A company's social-media marketing affects whether it can enforce trademarks down the road, said Julia Huston, 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," she said.

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

"Counsel also needs a strategy for addressing consumer responses that pose risks to brand protection and enforcement." —Julia Huston

Global protection program

A global economy boosts the risk of trademark dilution of famous marks, said Cynthia Walden, a Boston partner who co-chairs 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."

But, unlike many countries, the United States has many classes that 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." —Douglas Masters

Mixed messages on social media

Companies can lose control of their brand reputation 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.

Boston 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

Circuits run the gamut

On a similar topic, Stephen Luther, a partner at Allen, Dyer, Doppel, 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 new questions for 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 bring the case it may make more sense to bring it in a jurisdiction that has decided that AdWords cases can be litigated." —Stephen Luther

Nontraditional ‘trademark trolls’

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 populated by recent social or political events, said Andrew Berger, an intellectual property counsel to Tannenbaum Helperman Aycock & Hirschten in New York.

"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 overaggressiveness." —Andrew Berger

No rote fix for rogue sites

Although cases involving trade- marks as keywords in advertising have been litigated, there’s no “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 when you can do it," she said.

Trademark disputes are likely to spring from the explosion of mobile devices, as well as from the explosion of mobile devices, as well as the plummeting costs of 3-D printers, which make 3-D models, said Marty Allen, Dyer, Doppel, Milbrath & Gilchrist of Orlando.

"3-D printers are about to cause shape-protection cases," he said.

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.

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