



# Newsletter

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Our office will be closed for the following holidays the first quarter of 2001:

January 15<sup>th</sup> – Martin Luther King Jr. Day  
February 16<sup>th</sup> through 21<sup>st</sup> – President's Day

Our next newsletter will be mailed out the beginning of April 2001.

Remember if you have an article that you would like to contribute to our newsletter just fax it to us for our review. We must receive the article no later than March 15<sup>th</sup> for our April newsletter. ♦

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## TRADEMARKS AND THE MADRID PROTOCOL

Clinton Administration Readies Madrid Protocol For Senate Action.

After weeks of pouring over the draft ratification package for the Madrid Protocol, the State Department is expected to soon send the package via the White House to the U.S. Senate for its advice and consent. On May 31 the White House signaled its support for the Protocol through a press release while President Clinton was at the U.S.-EU Summit in Lisbon, Portugal.

The White House Fact Sheet stated that the United States and European Union "have reached an agreement on procedures that will facilitate international trademark registration that will save hundreds of million of dollars for U.S. companies and substantially reduce the time it will take for them to register their trademarks in European and other participating countries." This message was echoed in the Report of the Senior Level Group of the US-EU Summit, which lists as a major accomplishment of the transatlantic dialogue the finding of a solution on the Madrid Protocol voting arrangements.



Once the White House submits the treaty ratification package to the Senate, the Foreign Relations Committee, chaired by Senator Jesse Helms (R-NC), will likely schedule a hearing and then submit the treaty to the full Senate for approval. The implementing legislation for the Protocol, which already has passed the U.S. House of Representatives, also is awaiting Senate floor action.

The legislation gives the president one year after enactment to formally deposit the United States instrument of ratification with the World Intellectual Property Organization. According to the Administration, this delay is necessary in order to give the

U.S.PTO enough time to prepare to receive and process international applications through the Madrid system. Barring any unforeseen complications during this presidential election year, the United States could become a member of the Madrid Protocol sometime in mid-to-late 2001.

### **Understanding Reached Between the United States and the European Union on Voting Arrangements**

After a six-year impasse, the United States and the European Union ("EU") have reached an understanding on the voting arrangement within the Assembly of the Madrid Union.

The Assembly consists of the contracting states to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

In the unlikely event that a vote is called in the Madrid Assembly, the EU intends to seek a consensus to ensure that the number of votes cast does not exceed the number of EU Member States.

This understanding clears the path for the United States to join the Madrid Protocol. The U.S. State Department has begun to prepare the ratification documents for approval by the White House, after which the treaty will be sent to the U.S. Senate. Implementing legislation (H.R. 769) passed the U.S. House of Representatives on April 13, 1999 and consideration by the Senate is expected after the Protocol is ratified.

The U.S. PTO estimates that it will need about a year after the treaty is ratified to revise its procedures to accommodate the requirements of the International Registration System. Accordingly, the U.S. most likely will deposit its instrument of accession with the World Intellectual Property Organization by early to mid-year 2001.

### **Trademark Assignments - United States**

#### 1. What is an assignment?

An assignment is an outright transfer of all of the owner's rights in intangible property, such as a trademark or service mark. The transferring party ("assignor") transfers to the receiving party ("assignee") his or her property rights in the mark. An assignment is very different than a license, which is the grant of a mere permission to use a mark in some limited manner, and generally regarded not to transfer any property rights in the trademark.

#### 2. When do assignments occur?

The assignment of a mark by the mark owner may be a relatively isolated transaction, or it may occur as part of a much larger disposition of tangible and intangible assets, such as the sale of the assets of a business. If a purchaser acquires shares in a company, the marks are not assigned, but rather remain property of the company whose shares were acquired by the purchaser.

#### 3. What is necessary to effect an assignment?

The assignment must:

- (a) be given for consideration, or else made under seal;
- (b) clearly identify the marks;
- (c) clearly identify the assignor and assignee; and
- (d) clearly indicate that goodwill is included (see 6 below).

An assignment of rights in a mark may be proven by oral evidence. However, proving an assignment will be vastly easier if there is a written document. In all cases, there must be evidence of an intention on the part of the assignor to transfer ownership to the assignee.

#### 4. Are there any additional requirements for assignment of a federal registration or pending application?

To record an assignment of a federal registration or a pending application, there must be a written form of assignment. It is not necessary to record the assignment of a federal registration or application; however, if an Assignee fails to record the assignment in the United States Patent and Trademark Office ("PTO") within three months of the date of the assignment, a subsequent bona fide purchaser who records his or her assignment may acquire rights despite the first Assignee's prior claim, at least with respect to rights flowing from the federal registration or application.

To record an assignment in the PTO, the following must be provided:

- (a) an original document, or a true copy;
- (b) an English translation, if the original document is not in English;
- (c) the appropriate fee;
- (d) the name of the Assignor;
- (e) the name and address of the Assignee; and
- (f) each registration or application number.

5. Are there other issues that should be considered?

Yes, and these include:

- (a) related word and design marks, and trade dress;
- (b) rights of action for past infringements;
- (c) representations and warranties;
- (d) responsibility for recording the assignment, and paying fees; and
- (e) licenses or security interests previously granted by the mark owner.

6. What is assignment in gross?

A mark is a symbol of the mark owner's goodwill in the goods or services associated with the mark. The rule both under the common law and the Lanham Act is that a mark cannot be assigned apart from the goodwill in the mark. An assignment in gross is an assignment of a mark without the associated goodwill. This rule is intended to protect the public from the deception that might arise if the assigned mark becomes associated with goods or services of a different nature or quality than was previously the case. An assignment in gross is invalid, and the assignee acquires no rights by such an assignment.

7. Can an intent-to-use application be assigned?

An intent-to-use application cannot be assigned, unless either:

- (a) the applicant has already filed a verified statement of use under Section 1(d); or
- (b) the application is assigned to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing.

8. Do assignments of foreign marks raise different issues?

The laws of other countries regarding assignments of marks in those countries are in some cases very different than relevant United States laws. Among the issues worth noting are:

- (a) trademark laws of other countries will impose their own requirements regarding the form of an assignment, the information regarding the assignee and the assignor, identification of the marks, fees, and whether notarization or legalization is mandated;
- (b) many countries permit assignments in gross;
- (c) some countries require that actual, rather than nominal consideration be expressed, and taxes (e.g. "stamp duties") may be charged upon the value of the assignment;
- (d) the ability to assign marks may be affected by

restrictions, such as prohibitions on the use of holding companies to own marks; and  
(e) in some countries, if someone owns two confusingly similar marks, assignment of one without the other is prohibited.

### **Certification Marks**

1. What is a certification mark?

A certification mark certifies the nature or origin of the goods or services to which it has been applied. This includes, for example, region or location or origin, materials of construction, method or mode of manufacture or provision, quality assurance, accuracy of the goods or services or any definable characteristic of the goods or services. It can also certify manufacture or provision of services by members of a union or other organization to certain standards.

2. To obtain a certification mark registration what criteria or conditions must be satisfied?

You will be required to produce operating rules and regulations identifying what is being certified by the mark and the required standards. The organization doing the certifying cannot itself engage in the production or marketing of the goods or services but must be competent to certify that the requirements have been met by any user. Through the agreement executed by the user confirming adherence to the rules and regulations, the organization must be able to control, or legitimately exercise control, over the permitted use. There will need to be methods of testing and quality control with appointed individuals or bodies to periodically ensure conformance by any user. Anyone who can satisfy the rules and regulations and comply with the required criteria set forth in the standards must be granted the right to use the certification mark. The rules and regulations must also include provisions for appeal to a third party where use is refused and the applicant feels that this is unjust.

3. Are the systems or requirements the same for all countries?

In most countries a common thread of requirements is applied and most of the important provisions, identified above, are the same or very similar. There are some national differences of a minor nature, for example in some countries it is necessary to show that registration is in the public interest and to the public advantage. Once you have obtained approval of the rules and regulations in a major country they should be acceptable in other countries with some slight amendments as to form and content taking into account local requirements such as public policy and

local rules on aspects of the operation of the scheme.

4. What happens when I apply to register a certification mark?

As with an ordinary application it is examined as to registrability and conflict with prior rights, depending on the jurisdiction concerned. Thereafter the rules and regulations are examined to establish whether they meet the specific requirements for registration under local law. Very often there will be some amendments necessary or some additional requirements to be added for the operation of the certification scheme to be approved. This can be a lengthy process and it is not unusual for it to take many years before registration is granted.

5. Can I obtain a certification mark registration in all countries?

While this type of registration is available in most of the major industrialized countries it is only available in a minority of countries. In other jurisdictions where certification registrations are not available alternative means of protection are required.

6. What can I do in those countries where certification mark registrations are not available?

In some countries where there are no provisions for certification it may be possible to obtain registration as a collective or association mark. The requirements are similar to those of certification marks in most cases, but may be more relaxed in others. With some minor amendments to the "certification scheme", registration should be achievable. Other than that the only option is to apply for an ordinary trademark registration and enter into a licensing arrangement with approved users for the country concerned.

## Difference Between Trademarks And Domain Names

1. What is a domain name?

A domain name is an alias for an Internet Protocol (IP) address. An IP address points an Internet user's computer to the web site they want to view. Instead of having to remember a long number (e.g. 64.244.180.150), an Internet user can just type in an easy to remember "domain name" (e.g. inta.org). In a domain name, the ".com" is called a top-level domain (TLD). The current top-level domains are: .com, .org, .edu, .net, .int, .mil and .gov. Each top-level domain designates whether the site is a commercial entity (.com), a nonprofit organization (.org), a military organization (.mil), an international organization (.int) or a government agency (.gov). The name portion of the domain name inta) is called a second level name. The domain name applicant chooses the second level domain name. This name must be unique.

2. If I have a domain name, do I have a trademark?

No, a domain name is not the same thing as a trademark. Use of a domain name merely as an informational part of the domain holder's Internet address does not qualify as trademark use. In order to qualify as a trademark or service mark, the domain name must function as a mark, that is, it must serve as an indicator of source and not merely as an informational part of an Internet web address. If the domain name functions separately as an indicator of source, the domain name may be registered with the United States Patent and Trademark Office as a trademark or service mark.

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The way to secure success is to be more anxious about obtaining than about deserving it.

**William Hazlitt**