

THE TRADEMARK WORKING GROUP

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Susan F. Wilson, Esq.
Director for Intellectual Property and Innovation
Office of the U.S. Trade Representative
1724 F Street, NW
Washington, D.C. 20508

RE: 2015 Special 301 Review - Trademarks

Dear Ms. Wilson:

The Trademark Working Group (TWG)) submits this letter and the attached "Global Trademark Report Card" in response to the Federal Register notice of December 29, 2014, by the Office of the U.S. Trade Representative (USTR) inviting written comments regarding nations that deny adequate and effective protection to intellectual property rights (IPR).

Trademark Issues in 2015

A. China: It is highly debatable whether China's new trademark law has produced a net benefit for trademark owners, particularly those from outside of China. As the attached "Global Trademark Report Card" (GTRC) makes evident, the bulk of the comments received by the TWG relate to issues encountered by foreign trademark owners in China under the new law. These include short deadlines, an increase in formalities required to bring oppositions and support TRAB actions, elimination of most TRAB appeals from unfavorable opposition decisions, prohibitions against appealing most unfavorable TRAB rulings in cancellation and invalidation actions, rigid application of the sub-Class system, disregard for witness declarations in oppositions, cancellations and invalidation actions, overly high standards for establishing "well-known" mark status, allowance of "stealth" Paris Convention applications¹, a glaring lack

¹ If newly filed trademark applications are not indexed in public records promptly, companies seeking to adopt new marks will not find these recent filings when they conduct trademark availability searches (thus the "stealth" nature of filings made in nations with lax, non-existent or incomplete public indexes of newly filed trademark applications) This allows companies who file in such "stealth" nations to hide their applications, sometimes for more than 6 months Since the Paris Convention and GATT-TRIPS provide that companies have a period of 6 months in which they may use the filing date of their first-filed

of transparency in all phases of trademark prosecution, opposition and cancellation/invalidation practice, and little deference to co-existence agreements and letters of consent in the registration process.

B. "Use": Unlike the United States, most nations do not require declarations by trademark applicants that they have a "bone fide intent to use" the marks they seek to register. In addition, most nations do not require declarations of use after specified periods of time (such as our Section 8 requirement that registrants file declarations attesting to the use of their marks between the 5th and 6th years after registration).

The issue of "use" has arisen very recently in the context of Canada's proposed new trademark law. That statute would eliminate any requirement for use of a mark prior to registration, does not require a declaration by applicants that they have a "bona fide intent to use" their marks in Canada, and has no later declaration of use requirement. Canada's new law also eliminates *ex parte* examination on "relative" (likelihood of confusion) grounds.

Many trademark owners are concerned that Canada's proposed new law will allow trademark pirates to register the marks of others, permit a vast number of registrations for marks that will not be used, and otherwise contribute considerable "deadwood" to the Canadian registry.

There is a growing sentiment that not only are the provisions of Canada's proposed new law contrary to the interests of brand owners, but also that the entire trend away from examination on "relative" grounds and the failure of most trademark laws to require a declaration of "bona intent to use" for the goods and services claimed in applications are eroding the global trademark system and should be reversed.

C. Oppositions: The absence of opposition proceedings allows trademark pirates to steal valuable brands, especially of foreign trademark owners. Therefore, nations such as Mexico, Russia and Panama that have no opposition proceedings are fertile ground for illicit registrations.

Similarly, nations such as Ukraine, which has opposition proceedings in name only, allow for misappropriation of trademarks, with the only remedy being court action for cancellation after registration rights have already been granted.

Likewise, the absence of appeals from initial opposition decisions, as is the case in China, will permit many purloined marks to attain the rights flowing from registration while legitimate trademark owners are forced to await decisions in cancellation and invalidation proceedings lasting a year or more.

application as the priority date for all subsequent filings in other Paris Convention or GATT-TRIPS nations, the inability to thoroughly search newly filed applications provides an unfair advantage based solely upon the untimely or non-existent public indexing of such records. Where these conditions exist, companies that have searched and cleared their marks in good faith may suddenly discover that an application filed months ago in one of the "stealth" nations has been extended *via* the Paris Convention or GATT-TRIPS to many other nations. The commercial cost to U S companies who have suddenly encountered one of these "stealth" applications may run into the millions of dollars in lost legal and search costs, trademark filings fees, marketing expenses, mark generation fees and other expenses.

D. The "Slows": Nations such as India and Brazil which fail to adjudicate oppositions and cancellations within a reasonable period of time, continue to deny trademark owners effective protection against infringing marks. Such systems may also be used by infringers to substantially delay registration of foreign trademarks, not based upon the merits of the action but instead simply due to the inefficiency of the administrative processes. Unfortunately, the formulation of various action plans and similar efforts by many of these governments has failed to alleviate the problem.

E. Certification Marks: Despite USTR highlighting this area in its 2014 Special 301 Report, many nations, ranging from Afghanistan to Uzbekistan, still do not protect certification marks and standards for approving certification marks in other nations vary to such a degree that the owners of many of those designations cannot maintain consistent certification standards and regimes around the globe. It has been suggested that this situation may require multinational action to implement harmonized worldwide certification mark laws and regulations such that certification mark owners may ensure that their marks symbolize the same standards no matter where, or in relation to what products or services, they are encountered.

F. Formalities and Recordations: Like China, there are a number of nations that continue to require a host of formalities that are overly burdensome on trademark owners. These include legalizations required by nations such as Argentina, Chile, Ecuador, Egypt, the Philippines, Saudi Arabia and Venezuela.

Similarly, a number of nations continue to require recordation of license agreements to ensure the validity of those contracts. Those nations and regional groups include Argentina, Brazil, the Czech Republic, Ecuador, Indonesia, Israel, OAPI, Pakistan, Russia, Thailand, the UAE and Venezuela. Such requirements are unduly burdensome and set a trap for the unwary. They are both unnecessary and inappropriate in the context of trademark registration systems.

G. "Stealth" Paris Convention: There remain a number of nations in which newly filed applications may not be effectively located for more than the six month priority period allowed by the Paris Convention. This means that persons filing in those nations may later extend their protection to all other Paris Convention nations and thereby potentially prevent the registration of applications submitted after the first-filed application but before that first-filed application could be located by even the most diligent person or company. These "stealth" Paris Convention nations include Brazil, China, Indonesia and the United Arab Emirates. Such nations should either be required to reveal the details of newly filed applications promptly or Paris Convention based applications arising from those nations should not be allowed priority filing dates elsewhere.

H. Other Issues: There remain a number of nations that give little or no weight to consents to registration (e.g. Brazil, China, Colombia, Japan, Thailand). A number of nations have not yet joined the Madrid Protocol (e.g. Argentina, Brazil, Hong Kong, Indonesia, Malaysia, Saudi Arabia, South Africa, the United Arab Emirates). Some nations continue to require foreign registrations as a basis for domestic filings (Ethiopia, Libya, Nepal and Syria). A few nations have still not acceded to either the Paris Convention or TRIPS (e.g. Bermuda, the Cayman Islands, Jersey). A few nations still do not have trademark registrations systems (e.g. the

Maldives, the Marshall Islands, Micronesia), while others do not allow for service mark registration (e.g. the Bahamas, Malawi, Zambia). Some jurisdictions do not clearly permit protection of color versions of logo marks through black-and-white registration of those same logos (e.g. the European Union, Chile, Russia). All of these practices pose obstacles to adequate and effective protection of trademark rights abroad.

Background of the Trademark Working Group

The Trademark Working Group was formed in 2013 as an informal collaborative of U.S. companies and organizations that have experienced challenges in registering, maintaining and protecting their trademark rights abroad. Participants in the Trademark Working Group include Fortune 500 companies or their subsidiaries in addition to other well-known companies and organizations who own brands that would be readily recognized in the U.S. and abroad. Members of the Trademark Working Group have chosen to remain anonymous since many of them have trademark matters pending in certain of the nations identified in the attached GTRC.

The Trademark Working Group is not a full-time government relations organization. There are no dues or other obligations required to participate in the Trademark Working Group. Instead, this Special 301 submission was created by the volunteer efforts of a number of persons who are otherwise employed full-time in the practice of law, either within companies or other organizations or with private law firms. As a result, the submission being made by the Trademark Working Group is perhaps more informal than those of other organizations.

The Trademark Working Group hopes that its Special 301 submission will be used for the improvement of trademark law and practice, mainly through education, technical support and assistance, and diplomacy. We therefore decline to request designation of any nations as Priority Foreign Countries, Priority Watch List or Watch List nations.

At bottom, it is difficult, if not impossible, for any single submission to encompass all of the trademark issues facing U.S. companies abroad. Therefore, this letter and the attached GTRC should be considered as only part of the fabric of concerns regarding adequate and effective protection of the rights of U.S. trademark owners.

The Trademark Working Group hopes that its submission is useful to USTR and other agencies of U.S. Government in pursuing the goal of improving global trademark law and practice.

Sincerely yours,
Trademark Working Group



Paul F. Kilmer