Entertainment guaranteed

INTA Annual Meeting co-chairs Peter Dernbach and Rick McMurtry tell the INTA Daily News what registrants can expect at this year’s Annual Meeting.

Entertainment and magic are both guaranteed at this year’s INTA Annual Meeting, which is being held in one of the world’s top vacation destinations. “From tonight’s opening concert by Kool & the Gang, through the Keynote Address and ending with the Grand Finale at Universal Studios, this is going to be a lot of fun,” says Peter Dernbach of Winkler Partners, one of this year’s Annual Meeting co-chairs.

His co-chair, Rick McMurtry of Turner Broadcasting System, Inc., expands on the “exceptional” keynote speaker—Diane Nelson, President of DC Entertainment; President of Warner Bros. Consumer Products; and President and Chief Content Officer of Warner Bros. Interactive Entertainment. “She’s responsible for some iconic properties such as Batman and Superman, among others. She was also responsible for bringing Harry Potter from the page to the screen. I heard her speak at the McCarthy Institute a few years ago and she’s a phenomenal speaker.”

Nelson will be speaking during the Opening Ceremonies, which start tomorrow at 4:00 pm.

Dernbach, McMurtry and their Program Team have spent about a year-and-a-half putting together the programming for this year’s Annual Meeting, which features many familiar sessions on key issues for trademark practitioners worldwide. There are also panels on some emerging topics, such as scandalous and culturally sensitive trademarks (session CW21 on Wednesday); the sharing economy (session IT20 on Tuesday); and branding, marketing and regulatory issues for the commercial marijuana industry (session IM50 on Monday). Dernbach describes the latter as “a cutting-edge issue” given the recent legalization of marijuana in several U.S. states.

McMurtry says that personally he is also looking forward to panels on sports, anti-counterfeiting (“you have to keep on top of the changes in the law and the marketplace”) and digital enforcement, while Dernbach points out that practitioners from Asia-Pacific may be interested in session CT50 on plain packaging, which is an important topic in many countries in the region.

Dernbach also recommends session CM02 on IP attaches. “IP attaches are often overlooked, but they can provide really useful resources for trademark owners and professionals. I’m looking forward to hearing what they have to say.” He adds that he jumped at the opportunity to be Co-Chair of the Meeting when it was offered, and is looking forward to “connecting with people I know well and rekindling friendships.”

If you too are planning to meet colleagues and clients at the Convention Center, note that there are four meeting points this year (see the INTA Annual Meeting App or Final Program for details).

Everyone will be working hard this week, but there will also be plenty of opportunity to have fun. Tonight there is a concert by Kool and the Gang, who McMurtry says have “a diverse appeal across the generations.” And the Meeting will end with a bit of magic at Universal Studios—for which guest tickets are available. Says McMurtry: “Orlando is a very family-friendly city—it’s a great venue and convenient to get to. My nine and five-year old sons are coming in for the Grand Finale at The Wizarding World of Harry Potter.”

All-day anticyptfeiting program

At this year’s Annual Meeting, INTA is launching its first-ever all-day anticyptfeiting program—the “Anticyptfeiting Solutions for Brand Owners Workshop.” The program is solely for in-house practitioners and was so popular that INTA increased the capacity to 150 from the original 120. It takes place today from 11:00 am to 5:00 pm.

Maya Razavi, INTA’s anticyptfeiting manager, says INTA is uniquely positioned to contribute to the anticyptfeiting debate.

“What we really bring to the table is the global best practices,” she told the INTA Daily News. “We can see what’s working in Europe and the U.S. and elsewhere and we can share that with the different countries and tell them what we think would work there. INTA is building a network worldwide of government officials, of our members and all the people in the anticyptfeiting world and trying to share information, work together and raise awareness among the public.”

Today’s workshop is the latest of several anticyptfeiting events INTA has been involved with. Recent months have seen workshops in India and Mexico and INTA is coordinating with BACSAIP in running a series of workshops on the roles and responsibilities of intermediaries in enforcing IP rights.

Read interviews with Maya Razavi, Miguel Margain of IMPI and Josephine Rima Santiago of IPOPHL on pages 2-3.
Mexico setting an example

Mexico is tackling anticompetitive on two fronts, IMPI Director General Miguel Margáin tells Michael Loney: first, by using the laws available to conduct raids, seizures and inspection visits and secondly through awareness campaigns.

“T he relation between the private sector and the government is vital,” says Miguel Margáin, Director General of Instituto Mexicano de la Propiedad Industrial (IMPI). “We have found out that it is very important and we have been working on these relations. To tackle counterfeiting you have to involve both industry and government.”

Some of Mexico’s biggest challenges are counterfeit products related to audio and video, much of which is domestic, and clothing, footwear and accessories, most of which comes from Asia. “The main problem here is to make society aware that counterfeiting is a not a victimless crime,” says Margáin.

IMPI has strong enforcement powers compared to its Latin American peers. “We have been working closely with the customs department. I have always said that customs is an IP authority also,” he says.

Mexico has implemented a recordation system with customs. “So if the customs officers find out some counterfeiters are coming into the country they will give a call both to the rights holder and IMPI, and we will start the paperwork,” explains Margáin. “They will allow us three working days to provide them with IMPI’s request to stop the free circulation of goods.” IMPI also holds training seminars with customs officers in the main ports of Mexico.

IMPI is active with authorities and groups outside its own borders. It has had joint actions with the U.S. authorities as well as with INTA. Last year, for example, INTA held its first Unreal Campaign student engagement session in Mexico as part of the program that aims to educate students about the dangers of counterfeiting and importance of trademarks. IMPI also had a program with the Business Software Alliance (BSA) to target software piracy. BSA found that Mexico had reduced its piracy rates from 65% in 2005 to 54% in 2013. In April, IMPI and the White House Office of the U.S. Intellectual Property Enforcement Coordinator hosted a workshop, “Promoting IPR Enforcement Policy in Latin America: The Role of the Intellectual Property Office,” in Tequila, Mexico. The event, co-sponsored by INTA, is the first interactive forum on enforcing IP rights in Latin America. It featured participants from IP offices representing 12 countries.

“The key takeaways from the workshop were to develop a working plan and to share points,” says Margáin. “Also, to know that even though most of the Latin American offices don’t have enforcement powers, they have to push and they have an important role in the anticompetitive actions.”

Among Latin American IP offices, only Mexico, Peru and Paraguay have enforcement powers. “Some asked: ‘Well I don’t have powers so why should I attend?’ Well, even though you don’t have enforcement powers like IMPI does there is an important role you can perform in your country,” says Margáin.

Tackling the growing counterfeiting problem

Maya Razavi has a big job as INTA’s anticompetitive manager. She says the global impact of counterfeiting and piracy has grown to $461 billion this year, more than double the $200 billion in 2008. That represents about 2.5% of global trade.

“Counterfeiting is a problem that is growing and growing,” she says. “It is very hard for brand owners to manage the issue on their own, especially now that the sale of counterfeiters has become so prevalent online. Counterfeiters can hide their identity online. They ship directly to the consumer and process payments directly on the Internet as well.”

Enforcing marks is difficult also because laws vary internationally and counterfeiting is often a multi-jurisdictional act. That is where associations such as INTA can help. Razavi works with an INTA committee of about 260 people worldwide, about 60 of which are brand owners.

“The way to tackle this issue is to build relationships with different organizations and government officials,” she says. “A big part of that is sharing information. That is something we have to do all together. Once we have all that information, something the anticompetitive world does well is talk to each other. But I don’t think some-thing we do well is talking to the public. That is a tactic we want to use more, and we are looking at different partners to do that.”

As part of this, INTA launched the Unreal Campaign in 2012. This public awareness initiative educates teenagers aged 14 to 18 about the importance of trademarks and intellectual property and the dangers of counterfeiting products. The campaign has reached more than 4,500 students directly so far through initiatives in Africa, Asia, Europe, Latin America and North America. The campaign aims at children both through social media and directly in schools. It recently held its first event in Canada, in Ottawa.

INTA has also developed some tools for members. In February it launched an SME anticompetitive toolkit for expanding your trademark into China. “While we were in the middle of that project the laws changed in China, so it was a labor of love to finally get it done,” says Razavi. “So we are really proud of that.” INTA also developed a series of webcasts training customs officials about brands.

INTA is involved in many events around anticompetitive. In February INTA participated in India’s Central Board of Excise and Customs’ Anti-Counterfeiting Conference. It is also doing a series of workshops on the roles and responsibilities of intermediaries in enforcing IP rights with the International Chamber of Commerce Business Action to Stop Counterfeiting and Piracy (BASCAP), the first of which was held in Singapore in March.

In April, INTA co-sponsored a workshop that took place in Tequila, Mexico, that brought together representatives of IP offices across Latin America to brainstorm ways to improve IP enforcement in the region. INTA will develop a repository to share best practices.
The view from the Philippines

Josephine Rima Santiago, the new Director General of IPOPHL, spoke with Stephy Tang about enforcement and her attempts to reduce backlogs.

Josephine Rima Santiago was appointed as the new Director General of the Intellectual Property Office of the Philippines (IPOPHL) seven months ago. Previously, she was the Deputy Director General of IPOPHL and the Director of Technology Application and Promotion at the Institute of the Department of Science and Technology.

Santiago recalled her first 100 days at IPOPHL were spent in orientation, where she had to absorb the nitty-gritty of all the programs and projects as soon as possible and address any urgent issues left unsolved before she was on board. “During my first few days as the Director General, I lost no time meeting key officials of each of the IPOPHL bureaus while reacquainting myself with their core functions and operational systems, as those have evolved since my previous tenure as Deputy Director General from 1999 to 2002,” she says.

In response to the promulgation of Office Order No 13-170 in 2013, the Intellectual Property Rights Enforcement Office was established to receive complaints about IP violations and to take action against counterfeiters. There has been positive feedback about its effective approach to filing complaints, coordinating among enforcement agencies, and reducing the possibilities for corrupt officers to request bribes.

The IPOPHL has also been dedicated to fighting fake products in the country. A recent campaign has seen the destruction of counterfeit products worth PhP 9.3 billion (USD 200 million) in Cabuyao, Laguna, initiated by a joint effort of the Bureau of Customs, IPOPHL and the National Committee on Intellectual Property Rights.

The Director General is confident she can maintain the progress made by the country in IP enforcement. “We will continue to cultivate a culture of respect for IP in the country. We do our best to enable IPR owners to fully enjoy the rewards and benefits of their IP assets, and to protect consumers from substandard products,” she says. “This hopefully will serve as an incentive for inventors to continue creating high quality goods and services.”

INTA’s new representative office in Singapore looks forward to working closely with Santiago on issues in the region.

In addition to strengthening the enforcement capability, another priority for IPOPHL is to reduce backlogs and accelerate turnaround time. “One of our resolutions is to modernize the IT infrastructures and deploy user-friendly online platforms to make it easier and more efficient to avail of our services,” says Santiago. IPOPHL has more than 340 staff, including 30 trademark examiners, 63 invention examiners and a handful of examiners taking care of industrial designs and utility models.

Last month, the Office launched an enhanced version of the trademark online filing system which was deployed in 2005. The new system, eTMfile, introduces several new features, including the online submission of documents and payments, auto generation of statement of account and acknowledgement of receipt, and an auto assist in trademark classification.

“Next in the pipeline is the e-filing system for industrial designs and utility models, which is expected to be launched in the second half of this year. The e-filing system for inventions will be launched in 2017,” she adds.

It is four years since the Philippines joined the Madrid Protocol, and the Director General has observed an annual increase of 20% to 30% in the number of overseas filings with IPOPHL. New filers account for 80% among the Madrid filers in the past four years. “The figures are likely to infer that accession to the Madrid Protocol has had a positive impact on Philippine business,” she says.
Deborah Cohn has been busy since starting as INTA’s Senior Director of Government Relations in March last year. “We are trying and succeeding in raising the visibility of trademark issues and INTA on Capitol Hill,” the former Commissioner for Trademarks for the USPTO says of her role.

She particularly notes the progress made with the Congressional Trademark Caucus (CTC). The CTC was founded in the 113th Congress in 2014 to educate Members of Congress and the general public about the role of trademarks.

Last year, INTA joined Senator Chuck Grassley, Senator Chris Coons, Representative Suzan DelBene and Representative Randy Forbes in announcing the relaunch of the CTC in the 114th Congress. “At this time last year the Congressional Trademark Caucus was fairly new,” says Cohn. “It had four members, which were the four co-chairs. Now there are 19 members. We are hoping to get many more than that but that’s a significant increase. These are members of Congress who agree that trademarks are important and that the public and Congress need to be educated about them.”

In the past year there have been several events associated with the CTC. Three of those took place in April: a CTC briefing on the impact of top level domain expansion on trademark enforcement and consumer protection, participation in the program on the Hill around World IP Day, and a Senate Judiciary Committee hearing led by Senator Grassley focused on counterfeits. INTA also participated in a CTC briefing on counterfeits in December. The first CTC briefing took place last October and offered an introductory session on the importance of trademark protection. INTA played a prominent role as a presenter and coordinator of that briefing.

Cohn notes the bicameral and bipartisan nature of the CTC. She says counterfeiting is one of the most important issues the Association faces. “That’s not only the traditional sort of counterfeits we see in brick and mortar shops, but also fighting counterfeiters on the Internet. Internet transactions present new and increasingly difficult challenges to trademark owners and others engaged in the fight against counterfeiters,” she says.

“Members of Congress have many competing issues to focus on,” adds Cohn. “However, they and staff are very receptive to learning about trademarks and the issues we face. The main challenge is to maintain their focus on trademarks over some of the unrelated, but important, issues Congress must debate.”

INTA has been working closely with other federal agencies, such as the Office of the U.S. Intellectual Property Enforcement Coordinator and the National Intellectual Property Rights Coordination Center. Both are involved in trying to increase the ability to fight counterfeiters.

“We are also working very closely with USPTO officials on a regular basis to provide input on policy and operational issues and comment on whatever we can formally and also informally to try to maintain a very close relationship as stakeholders,” says Cohn.

Another challenge is to change the public’s opinion towards counterfeit goods. Cohn notes the dangers of counterfeiting, such as the health issues posed by fake pharmaceuticals, or even a watch made with the wrong metal. “Counterfeiters don’t care about how something is made,” she says. “They not only don’t care about the brand owners, but they also don’t care about the consumers.”
Plan your stay in Orlando

If you have any spare time during the Annual Meeting, or are planning to stay on afterwards, there is plenty to do in Orlando and the central Florida region. Here are a few tips.

INFORMATION
Find out what’s happening at Orlando’s Official Visitor Center. It is at 8723 International Drive, Suite 101 and is open from 8:30 am to 6:30 pm daily. Multilingual staff are available to answer your questions. Its online presence is at visitorlando.com. A Go Orlando Card offers pre-paid admission to many attractions.

CULTURE
If you are looking for something a little bit more educational, consider visiting the Cornell Fine Arts Museum at 1110 Holt Avenue, the Orlando Museum of Art at 2416 N Mills Av or the Mennello Museum of American Art at 900 E Princeton St. The Orlando Science Center at 777 E Princeton St may be of interest for the technology minded, as will Kennedy Space Center, which is about an hour’s drive from the Convention Center.

FOOD
There are dining options to suit every taste and budget in Orlando, including excellent offerings in many of the hotels and theme parks. Head downtown for The Ravenous Pig (craft beers and cocktails), Kabooki Sushi (modern pan-Asian food) and Scratch (recommended for tapas), or splash out at the award-winning Norman’s (run by chef Norman Van Aken) in the Ritz-Carlton Orlando, Grande Lakes.

THEME PARKS
Orlando is probably best known for its family-friendly theme parks. Some of the most famous are Walt Disney World Resort, Universal Orlando Resort, SeaWorld Orlando, Gatorland, Wet ‘n Wild and LEGOLAND Florida Resort. Many of the parks include several different attractions, so allow plenty of time if you plan to visit. Information and tickets are available online.

SHOPPING
If you need to take some gifts back home, Orlando is a great place to go shopping. There are four large shopping malls, with hundreds of stores. Choose from the latest designer brands or visit the outlet centers for discounted products. Sales tax in Orlando varies from 6% to 6.5%.

GETTING AROUND
Taxis are readily available around the Convention Center, hotels and major attractions. Lynx buses serve Orlando and the surrounding area: the standard one-way fare is $2. The first phase of the city’s local rail service, SunRail, opened in 2014 and runs from DeBary Station in the north to Sand Lake Road in the south.
Trademark’s rock star

Rebecca Roby, senior director of business affairs at Orlando-headquartered Hard Rock International, tells Michael Loney about combating counterfeit restaurants, domain name considerations and what changes to the trademark system she’d like to see.

When you’re as famous and iconic a brand as Hard Rock is, dealing with the threat of counterfeiting is a constant challenge. The copiers’ targets include the classic T-shirts, the distinctive lapel pins and even the restaurant itself.

The challenge is evolving. For example, Rebecca Roby, senior director of business affairs at Hard Rock International, notes that, in the past couple of years, some more sophisticated designs have been coming out of Malaysia copying city-specific T-shirts that feature detailed artwork.

Combating this is a big task. Fortunately, while being an iconic brand brings unwanted copying, it also brings loyal fans. A lot of the company’s counterfeit tracking comes from customers, tipping off the company about street vendors, for example.

“They often send emails either to our generic email address for IP enforcement or customer care, so a lot of our fans are a great resource,” says Roby. “Also, our franchisees give us a lot of information in their locations around the globe. We also work with a third-party vendor to monitor online infringements in various key retail sites or initial sales where people are just printing their own versions directly.”

Unfair competition in Germany

It is not only counterfeit clothing Roby must combat, but sometimes entire counterfeit cafés and hotels. The company has a long-running trademark and unfair competition dispute with an unauthorized Hard Rock Cafe in Heidelberg, Germany, which has been open since 1978.

The latest development in that case came last year when the regional court of Karlsruhe decided the use of the HARD ROCK CAFE logo for operation of a restaurant violated the country’s unfair competition law, despite that Cafe operating in the area before Hard Rock entered Germany.

“That one is sort of an exception in terms of the history there and the length that case has been going on,” says Roby. “We have others that pop up now and then, whether it be full-on copying of the brand and the logo versus maybe changing one word slightly or switching the words around. We have actually seen more lately in the context of our hotels brand.” Locations in Malaysia, Vietnam and India have been a problem recently.

Roby estimates that 80% of her time is brand focused with the other 20% spent on HR and employee-related matters. Of the 80%, about 30%-40% is trademark prosecution/opposition strategy and domain name strategy work, and the rest is contractual support related to the brand, such as license agreements and reviewing merchandise for IP approval.

The domain name challenge

Hard Rock has about 3,700 active trademarks. Its domain name size is roughly double that. “We are working on culling that,” says Roby of the domains. “With the constant launching of new gTLDs—when is it going to stop?—we are trying to revisit our domain strategy and cull some extensions that never really took off, or that we thought would be defensive but are very far down on the defensive radar.”
Roby says Hard Rock looks at each new domain name with a cost conscious mindset. “The pricing of some of the new ones, especially during sunrise periods, has just been so ridiculous that we have been passing and waiting for general availability, if at all,” she says. “Every now and then there have been ones in a price range during sunrise that we would be interested. But the rule of thumb is that we were setting a threshold of $500 total or less, otherwise we are not that interested in any of them.”

Hard Rock took up some of the core domains to start, such as menu and hotel. Roby says some of the city ones may be of interest where the company has a presence or is about to have a presence. “But if we register any new gTLDs, it is still a defensive mechanism and approach,” she says. “Our marketing strategy isn’t to migrate any of our existing pages.”

When asked about what changes she would like to see in the trademark system, Roby says: “It would be nice if a uniform approach was chosen and subscribed to globally,” as opposed to the company having to weigh the benefits of first-to-file countries versus first-to-use countries.

She would also like to see more consistent global treatment and effectiveness in battling trademark counterfeiting, such as what type of remedies or enforcement mechanisms are available.

“We get frustrated when in one country we are told that raids/seizures are not a viable option, or we won’t ever be able to get them to tell us the manufacturer or cough up that evidence,” she explains. “Or the fees for pursuing such matters are not worth the time. The penalties are not harsh enough to deter the counterfeiter from doing it again once we go away. We have had some good results in Paraguay, Malaysia, Vietnam, Thailand, and some others over the years. But efforts elsewhere have been frustrating—when we get results, seizures made, it never seems to stop the problem or cause action higher up the chain to manufacturers, and so on.”

She continues: “We seem to just continue to pour money into raids and seizures in some countries but the problem never dries up. Then in other jurisdictions, our efforts have not been effective at all. So I guess my wish would be for all countries to take trademark counterfeiting seriously and adopt procedures and regulations that lead to effective results, in a timely manner, and in a cost effective way for the brand owner.”

**QUIZ: Win INTA merchandise!**

Answer today’s INTA Daily News question to be entered into a draw to win INTA merchandise.

**Today’s question:** In which year did Orlando get its name?

Send your answer to contest@inta.org by midnight tonight. Winners will be announced on Wednesday.

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Tackling OEM infringement in China

Huang Hui and Paul Ranjard of Wan Hui Da discuss the implications of the recent PRETUL decision of the Supreme People’s Court in China.

Why is it controversial to tackle OEM infringement in China?

Huang Hui: Many stakeholders who are in foreign countries use original equipment manufacturer (OEM) factories to produce their products with their trademarks that they own in their country (of destination). However, sometimes they do not own the trademark in China. It is too late for them to do it because the mark has already been filed or even registered by a third party. Maybe the filing of such prior mark was made in bad faith (pre-emptive registration), but it is not always easy to eliminate such obstacles. Meanwhile, they want to continue using the facilities provided by the OEM factory. And there is the risk: being used by the prior trademark owner. So, they are in favour of making an exception for OEM exports.

Paul Ranjard: This is perfectly understandable. But you also have to take into account the legitimate owners of registered trademarks who wish to be able to take action against any unauthorized use of their trademarks in China. They want to be able to request the Customs to seize any shipment of infringing products going out of the country. If there is such an exception in favour of OEM exports, how could they protect their rights?

What does the latest Trademark Law say about this issue?

Huang Hui: The Trademark Law does not provide anything in this regard (previous drafts had specified that OEM could constitute trademark infringement, but this has not been kept in the final text). However, a small change was introduced at the end of Article 48, which defines the “use” of a trademark. The wording is exactly the same as in the previous law (to affix a trademark on goods etc.), but, in the end, the words “...to indicate the source of the goods” are added.

Paul Ranjard: Actually, the Chinese Trademark Law follows the same protection principles as the TRIPs Agreement and the European Union Trade Mark system, but it does it a different way. In TRIPs and the Community Trademark system, the first articles define what is a trademark and the next articles define what are the rights conferred to the owner of a registered trademark (to prevent others from “using” in the course of trade, without consent etc.). In the Chinese law, the first articles define what is a trademark, then another article (48) defines what is the “use” of a trademark and finally article 52 defines what is an act of infringement (to “use an identical or similar trademark without consent etc.”). This specific article 48 on the definition of “use”, might be the reason why a confusion was made in the famous PRETUL case.

Please briefly summarize the Focker v Ya Huan case.

Paul Ranjard: The trademark PRETUL was registered on January 17 2002 by a Chinese individual in class 6 for “fittings of metal for furniture, padlocks, locks of metal, other than electric”. It was then assigned to a Hong Kong company, Focker Security Products International Limited. In Mexico, a company Truper Herramientas, is the owner of two registered trademarks PRETUL and PRETUL & oval device in class 6.

In 2010, Truper signed an OEM contract with a Chinese factory to manufacture padlocks bearing the PRETUL marks and export them to Mexico. In December 2010 and January 2011, Focker applied to the Ningbo Customs for the interception of two batches of padlocks exported by the OEM factory. Focker initiated a lawsuit before the Ningbo Intermediate Court on the ground of trademark infringement.

The Court of Ningbo ordered the OEM factory to immediately stop using the infringing PRETUL & oval device trademark and pay Focker a sum of ¥50,000 ($7,700).

Both Focker and the factory appealed to the Zhejiang High Court. The appeal court upheld the decision of the first instance court.

The OEM factory applied for retrial to the Supreme People’s Court. On November 26 2015, the Supreme People’s Court revoked the Zhejiang Court judgment. The Court reasoned as follows: since the goods are not to be distributed in China, the trademark affixed on them does not fulfill its function of distinguishing the source of the goods, and therefore, is not used, in the sense of Article 48 of the Trademark law (which defines the act of use). In addition, the Court also took into account the fact that Truper owned the mark in the country of destination.

Why is the Supreme People’s Court’s judgement ground-breaking?

Paul Ranjard: This judgment provoked lots of comments. Not everybody agreed. To base the ruling in an OEM case on the last words added to Article 48 seemed artificial. As mentioned above, these words “...to indicate the source of the goods” correspond to the TRIPs and EU wording “…in the course of trade”, nothing more. Indeed, a trademark can be used for another purpose than indicating the source of goods, (for example, “fair use”, like using the trademark of a product to designate the repair services related to such products). It is only the use defined in Article 48 that is prohibited by article 52. And in the PRETUL case, it was obvious that the act of affixing the mark on the products and exporting them had been done in order to indicate the source of the goods, and not for another purpose. The fact that the goods were exported did not change anything to this reality. It would be easy to demonstrate how artificial the reasoning leading to this non-use finding is: what if the goods are exported and immediately re-imported? Is the “not used” trademark going to be automatically “used” because of this importation? What if they are first sold in China and then exported, is the “used” trademark automatically becoming “not used” ? etc.

Huang Hui: Don’t forget that the Court also took into account the fact that Truper was the legitimate owner of the trademark in Mexico. It seemed only fair to let him obtain his goods, considering that no harm could be done to the Chinese trademark owner.

Paul Ranjard: This is true. And this judgment is probably a fair decision, under the circumstances. However, since it is now considered as a “precedent” that will inevitably influence the future decisions of People’s Courts in future OEM cases, it is only fair to expect that the decision be based on solid legal grounds. You can easily imagine that an infringer in China could register the trademark of another person in a remote and improbable country of the third world and export its infringing goods to such country and then re-route them to anywhere else wishes. If the PRETUL doctrine were to be systematically applied, this infringer would be totally free to do so.

What messages does the Supreme People’s Court deliver and how will it affect the practice?

Huang Hui: It is very unlikely that the Supreme People’s Court intended to deliver a message allowing the free exportation of infringing goods from China. It probably intended to give a fair solution to a case where, for reasons that may not be precisely explained in the case, the plaintiff was viewed as having acted in bad faith, with the sole intention of exploiting a pre-emptive registration. I agree that letting the batch of goods be exported to Mexico seemed a “fair” decision, in the circumstances. It remains that, if it was systematically followed, this case would deprive all legitimate trademark owners of the right to seek the assistance of the Customs when infringing goods are exported.

It is very unlikely that the Supreme People’s Court intended to deliver a message allowing the free exportation of infringing goods from China.
What new messages can be obtained from the recent Shanghai Diesel v Jiangsu Changjiangi case regarding the enforcement of OEM trade mark?

Huang Hui: This judgment made by the Jiangsu High Court (selected as one of the top 50 IPR cases of the year) follows the PRETUL case by a few weeks only. It is interesting to see that, even though it took the precaution of declaring that, in principle, if the goods are exported, there should be no finding of infringement, the court did not apply the reasoning of the Supreme People’s Court (about “use or “non-use”). Instead, the court looked into the background of the case. The foreign consignor was considered as having acted in bad faith and the OEM factory was liable for not having conducted a reasonable amount of due diligence. The reasoning of the court, which switched from a radical analysis of the “use” to a factual examination of the circumstances of the case, was welcome.

Paul Ranjard: However, the reasoning was not without weakness. Indeed, infringement of a trademark is constituted regardless of whether it is committed in bad or in good faith. The related civil liability following an act of infringement may be affected by good faith, but not the act of infringement itself. Using the trademark of another person without consent is an act of infringement... period. Good or bad intentions are irrelevant.

Huang Hui: However, the Jiangsu court showed the way: examine the good or bad faith background of the case. It should have focused on the trademark owner/plaintiff instead rather than on the defendant. If the bad faith of the trademark owner/plaintiff is established, then the case can be dismissed and the goods can be exported. If the plaintiff is not acting in bad faith, the goods must remain seized. The Supreme People’s Court in 2014 (the Ellassey case) showed the way when it dismissed a trademark infringement claim on the ground of the bad faith application by the plaintiff (and before the trademark was even invalidated).

Using the trademark of another person without consent is an act of infringement... period. Good or bad intentions are irrelevant.

In general, what are the key issues to consider when undertaking OEM practice involving goods manufactured in China?

Huang Hui: The key issue is, obviously, to own the trademark in China. A risk only arises if the trademark is owned by another person. The case law discussed above is for the time being in favour of the OEM system user. But we cannot guarantee that this jurisprudence will remain stable. If it is impossible to oppose or invalidate the prior registration, if no revocation for non-use can be considered, and no evidence of bad faith in the trademark application can be argued, it seems safer to abstain and arrange if possible the products to be exported without trademark.

Huang Hui

Huang Hui, JD in trademark law, is a Senior Partner at WAN HUI DA. Dr Huang is a multi-faceted intellectual property counsel with stellar academic credentials on China’s trademark legislation and practice and a veteran lawyer who represents clients in all levels of courts up to the Supreme People’s Court in a wide variety of litigations, some of which have become landmark cases. Lauled as the first doctor in trademark law in China, Dr Huang has been vigorously involved in the initial drafting and subsequent amendments to China’s major trademark-related laws, regulations, judicial interpretations, as well as regulatory documents on a frequent basis. He is also a prolific writer who has authored or co-authored a dozen IP-related publications as well as scores of treatise published in Chinese, English and French.

Dr Huang served INTA in the capacity of subcommittee Chair of the Association’s China Trademark Office Subcommittee of the Trademark Office Practices Committee (TOPC) for the 2014/15 term. He now chairs the Special Committee on Piracy and Counterfeiting of AIPPI Chinese National Group for the 2015-2017 term.

Paul Ranjard

Paul Ranjard is a French lawyer based in China since 1997. Since that date, he has been representing in China the French association Union des Fabricants (Unifab) for the protection of intellectual property, and since the creation of the European Chamber of Commerce, he has co-chaired the IP Working Group. In this capacity, he has been involved in the drafting of all the EUCCC IP Position Papers and all the comments submitted by the Chamber concerning drafts of IP legislation. Since 2008, Paul Ranjard is Of Counsel to WAN HUI DA Law Firm & Intellectual Property Agency.
O
ingline platforms provide the opportunity for just about anyone to sell a product or service, without the resources required for brick-and-mortar commerce. That provides sellers of counterfeit and contraband goods with the perfect hiding place: in plain sight, among countless others, and isolated from the in-person scrutiny of a potential buyer.

Estimates suggest that 60% of all counterfeit goods are sold online, and brand owners essentially have two courses of action available to them: “Follow the protocols of the IP protection policies that all of the platforms have, or pursue and confront counterfeiter and start legal actions,” according to Virginia Cervieri of Cervieri Monzaure & Associates in Uruguay, who will moderate a panel, CT21, on online enforcement on Tuesday. Many brand owners choose “cooperation” with e-commerce platform providers over “confrontation,” Cervieri says.

Tuesday’s panel will feature speakers from Tommy Hilfiger, Adidas, Luxotica and Levi Strauss, who will present three cases demonstrating their cooperation with popular platforms—Facebook, Alibaba and MercadoLibre. Each of these e-commerce platform policies has the ability to prohibit the sale of counterfeit goods on their sites (as do most), but infringers can and do slip through. Once these counterfeit products are on the sites, “the brand owners, in my opinion, have all of the work,” Cervieri says.

“They have to monitor, notify the platforms and then wait for removal, which can take sometimes almost a week,” says Cervieri.

While the platforms do have policies in place, they are not proactive and place too much of the burden on brand owners, she adds. “The only other option available to brand owners is to confront individual infringers themselves and begin legal action. Neither option is efficient.”

The questions that will be addressed in the session, then, are: “Will the brand owners continue to cooperate, or will the platforms have to become more cooperative, and what are the common problems that brand owners are facing with these platforms?” says Cervieri.

CT21 Online Enforcement: Counterfeit Products, Confront and But Genuine Products, Parallel Imports is on Tuesday at 11:45
Today's Schedule | Saturday, May 21, 2016

All events take place at the Orange County Convention Center (OCCC) unless otherwise indicated.

| TRAINING SESSIONS | 8:00 am - 5:00 pm | Course on International Trademark Law and Practice - Day 1 | W311 - F |
| TRAINING SESSIONS | 8:00 am - 5:30 pm | Advanced Mediation Training: Guiding the Parties to and Through an Effective Mediation - Day 1 | W311 - E |
| 9:00 am - 11:00 am | Continental Breakfast | West Hall D |
| 9:00 am - 7:00 pm | Networking Excursion Desk | West Hall E Lobby |
| 9:00 am - 7:00 pm | Information Desk | West D Lobby |
| 9:00 am - 7:00 pm | Housing Desk | West Hall E Lobby |
| 9:00 am - 7:00 pm | Exhibitor/Press Registration Desk | West D Lobby |
| 9:00 am - 7:00 pm | Registration | West Hall E |
| 9:00 am - 7:00 pm | Hospitality | West Hall D |
| 9:00 am - 2:00 pm | Active in Nature | Offsite |

| CAREER DAY SESSIONS | 10:15 am - 11:45 am | What They Didn't Teach You in Law School about a Trademark Practice or Trademark Law: A Global Perspective (Career Development Day for Students) | W312 - A |
| 10:30 am - 3:30 pm | Cooking at Wolfgang Puck - An Award-Winning Chef | Offsite |
| SESSIONS | 11:00 am - 5:30 pm | Anticounterfeiting Solutions for Brand Owners Workshop (By invitation only to in-house practitioners) | W315 - A |

| CAREER DAY SESSIONS | 12:00 pm - 12:30 pm | Luncheon (Career Development Day for Students) | W312 - A |
| 12:15 pm - 1:15 pm | Course on International Trademark Law and Practice Lunch | W311 - G |
| 12:30 pm - 1:30 pm | Learning How to Network and Speed Networking 101 (Career Development Day for Students) | W312 - C |
| 1:00 pm - 5:00 pm | America's Great Escape (Game #1) | Offsite |

| SESSIONS | 1:00 pm - 2:15 pm | CSA01 Experienced Trademark Administrators Idea Exchange and Best Practices (Advanced Level) | Tangerine Ballroom West Hall F - 3 |
| 1:00 pm - 2:15 pm | CSA02 For the Global Good: A How-to Guide for Pro Bono IP Work Around the World (Beginner to Intermediate Level) | W230 - A-B |
| 1:00 pm - 2:15 pm | CSA03 Tomorrowland: The Future Is Today In Big Data and Analytics For Law Firm Practitioners (Advanced Level) | W224 |
| 1:15 pm - 3:15 pm | LUNCHEON TABLE TOPICS | W240 |

| CAREER DAY SESSIONS | 1:45 pm - 3:15 pm | Careers in Trademark Law: A Panel Discussion for Law Students (Career Development Day for Students) | W312 - A |
| SESSIONS | 2:30 pm - 3:45 pm | CSA20 Cultural Intelligence for Trademark Lawyers Today-A Soft Skill Often Underestimated (Beginner to Intermediate Level) | Tangerine Ballroom West Hall F - 2 |
| 2:30 pm - 3:45 pm | CSA21 Running the Technologically Advanced Trademark Law Firm Practice (Advanced Level) | W224 |

| CAREER DAY SESSIONS | 3:30 pm - 4:35 pm | Getting Involved with INTA (Career Development Day for Students) | W312 - A |

| SESSIONS | 4:00 pm - 5:15 pm | CSA50 The Global Associate Relationship: Choosing and Working with the Best Local Counsel Around the World (Intermediate Level) | W224 |

| SESSIONS | 4:00 pm - 5:00PM | Annual Meeting Registrant First-Time Orientation and Reception (Orientation portion) | Tangerine Ballroom West Hall F - 1 |
| 5:00 pm - 6:00PM | Annual Meeting Registrant First-Time Orientation and Reception (Reception portion) | Tangerine Ballroom West Hall F - 4 |
| 8:00 pm - 11:00 pm | Get “INTA the Groove” with Kool & the Gang (House of Blues) | House of Blues |

Since 1976, BSKB has been providing a full range of intellectual property law services to clients in the areas of trademark and patent prosecution, post-grant review, litigation, ITC litigation, opinions and counseling, design patents and licensing.