

# 2016 Luxury & Fashion Industry Conference

1 November 2016

Baker & McKenzie New York



# 2016 Luxury & Fashion Industry Conference

Intellectual Property: Recent Developments and Trends  
affecting Luxury and Fashion Brands

Lisa Rosaya, New York

Stephanie Vaccari, Toronto

Sergio Legorreta, Mexico

Julia Dickenson, London



What's going on in Canada?

# Intellectual Property – Canada

## Update – Signage and French Language Issues

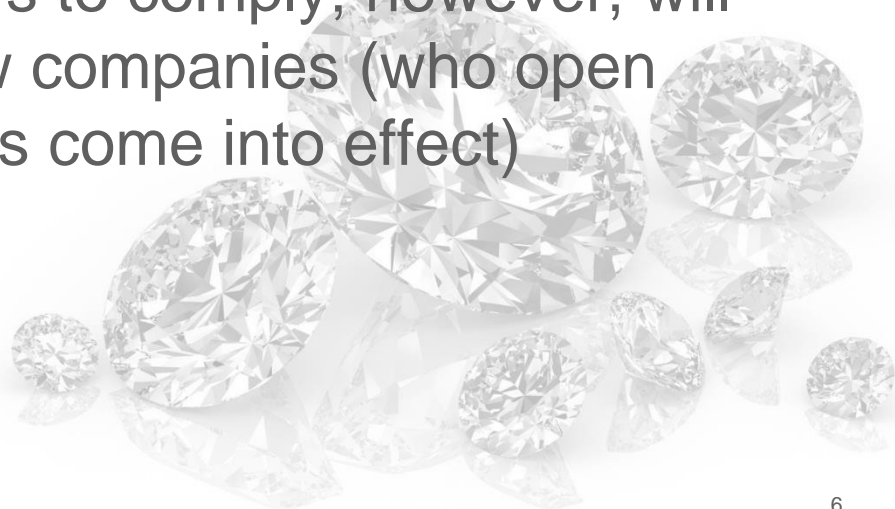


# Update – Signage and French Language Issues



## Update – Signage and French Language Issues

- Regulations were expected to be implemented last spring
- Once implemented, will be in force 15 days after implementation
- Companies have 2-3 years to comply; however, will immediately apply for new companies (who open stores after the regulations come into effect)



# Top Canadian Cases

Significant Reputation of Logos Insufficient to Overcome Oppositions:

*Adidas AG v. Globe International Nominees Pty Ltd.*, 2015 FC 443



App. No. 1,407,596

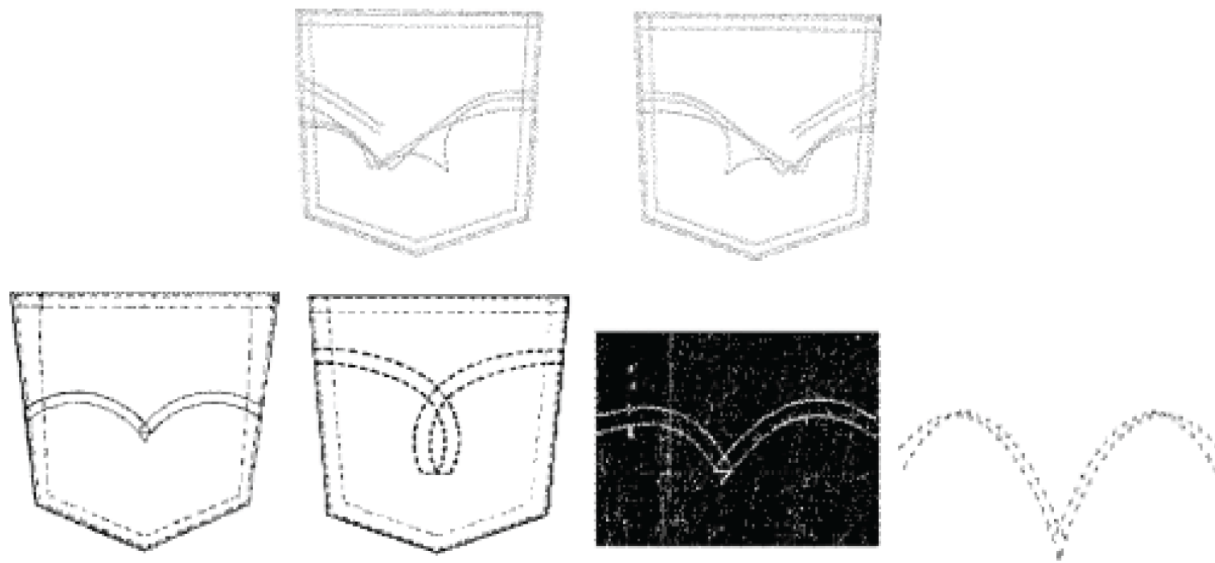
App. No. 1,407,601



TMA770,551

# Top Canadian Cases

*Levi Strauss & Co. v. Warehouse One Clothing Ltd.*, 2015 COMC 209





What's going on in the  
EU/UK?

# Intellectual Property – EU / UK

## Intermediaries – online and offline

- Article 11 IP Enforcement Directive (2004/48/EC)
  - *Member States shall also ensure that rightholders are in a position to apply for an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right, without prejudice to Article 8(3) of Directive 2001/29/EC*
- *Tommy Hilfiger Licensing LLC and others v Delta Center* – CJEU July 2016
  - Enforcement Directive not limited to Ecommerce intermediaries
  - Conditions for injunction against physical marketplace intermediary identical to those addressed to online marketplace intermediaries - effective and dissuasive, equitable and proportionate
- *Cartier v ISPs* – UK CA July 2016
  - Confirmed UK courts have jurisdiction to grant blocking injunctions against intermediaries in cases of trade mark infringement as well as copyright infringement, but such orders may be subject to additional safeguards

# Intellectual Property – EU / UK

*PMS International Group Plc v Magmatic Ltd UK SC March 2016*



- CRD for Trunki not infringed
- Think about:
  - Overall impression
  - Framing registration carefully
  - Color contrast



# Intellectual Property – EU / UK

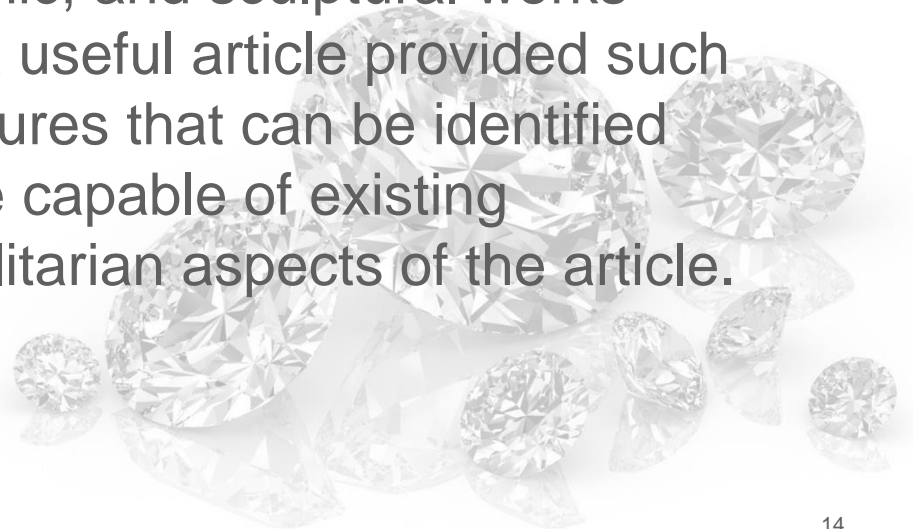
- EU TM Reform - own name defence
  - Only available for natural persons
  - Important to consider appropriate searches prior to adoption of trading / company name
- Brexit implications



What's going on in the U.S.?

# *Star Athletica, L.L.C. v. Varsity Brands, Inc., et al., Docket No. 15-866*

- Section 101 of the Copyright Act
  - Useful article: an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information
  - Protects [p]ictorial, graphic, and sculptural works including the design of a useful article provided such design incorporates features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.



# GIVE ME A ©!



Design 299A  
Registration No. VA 1-319-228



Design 0815  
Registration No. VA 1-675-905



Design 299B  
Registration No. VA 1-319-226



Design 074  
Registration No. VA 1-411-535



Design 0878  
Registration No. VA 1-417-427



# *Star Athletica, L.L.C. v. Varsity Brands, Inc., et al.*, Docket No. 15-866

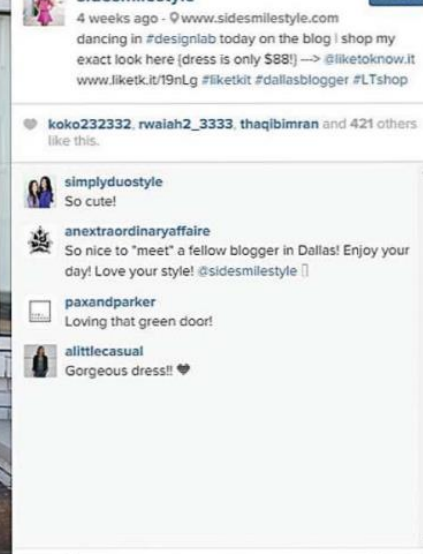
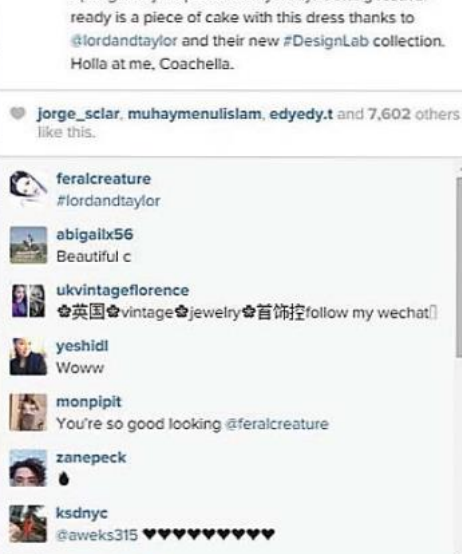
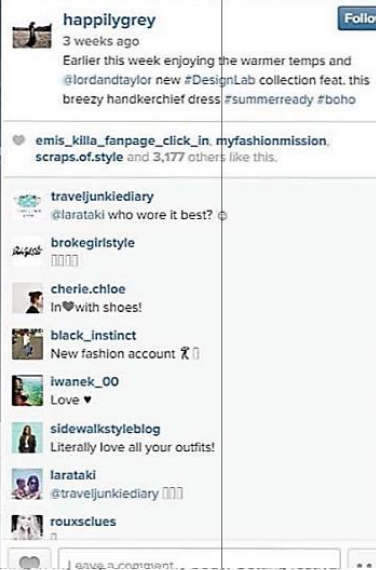
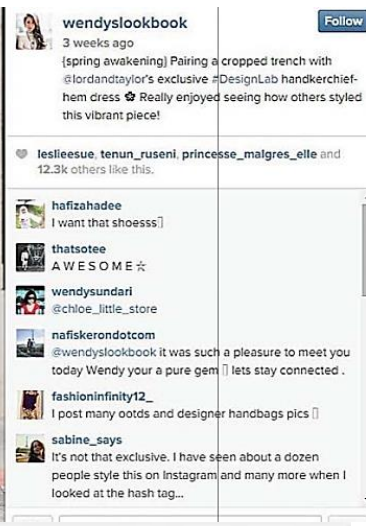
- U.S. Supreme Court set to clarify appropriate test for determining when a feature of a “useful article” is protectable
- Potential for far-reaching consequences
  - Impact on protection for apparel, handbags, footwear, accessories, etc.






# Advertising & Marketing Update: Lord & Taylor – Design Lab Dress





# Disclosures




Shadow of Mordor - Gameplay - Part 1 (Gamescom Demo) ULTIMATE ORC SLAYING!

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Published on Sep 4, 2014  
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Spam might resolve in ban.

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## Other FTC Actions.....

- Misleading/deceptive claims
  - “All Natural” / “100% Natural” personal care products
  - “Made in USA”
  - “Grey Defence” dietary supplements
- Anticompetitive behavior
  - 1-800-Contacts case involving keywords



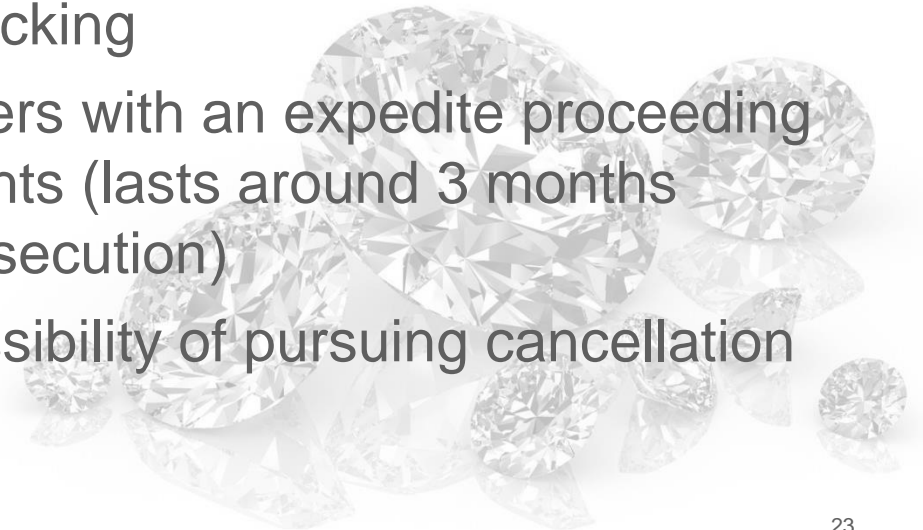
# Takeaways

- Disclosures must be clear and conspicuous and close to the claim
- Always disclose material connection with company (includes employees, bloggers and influencers)
- Claims by endorsers may need to be substantiated
- Ensure all agreements with third party advertisers/agents contain clear instructions re: disclosures and do “spot checks” to ensure adequate disclosures are being made

# Agenda – Recent Developments in Mexico

# Opposition System in Mexico

- Became live on August 31, 2016.
- Completes the incorporation of Mexico into the Madrid Protocol and its IP System.
- Main objectives
  - Prevent Trademark Hijacking
  - Provide trademark owners with an expedite proceeding to defend trademark rights (lasts around 3 months during Application's prosecution)
  - Does not hinder the possibility of pursuing cancellation or nullity actions



# Opposition System in Mexico

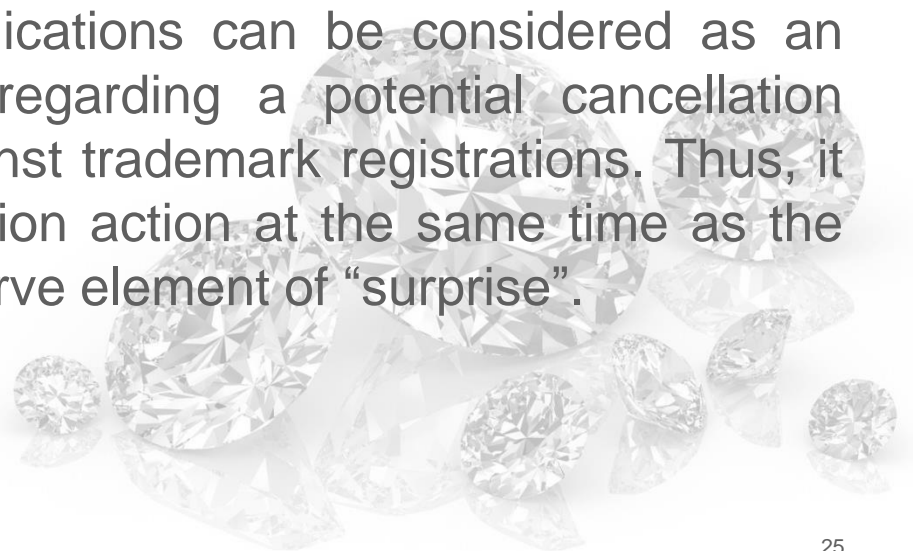
- Useful for limited cases:
  - Likelihood of confusion
  - Absolute Grounds for Lack of Distinctiveness
    - Genericness
    - Descriptiveness
  - Signs that are Contrary to Morals and Good Customs
- Not Useful For:
  - Claim based on Prior Rights derived from Overseas Use





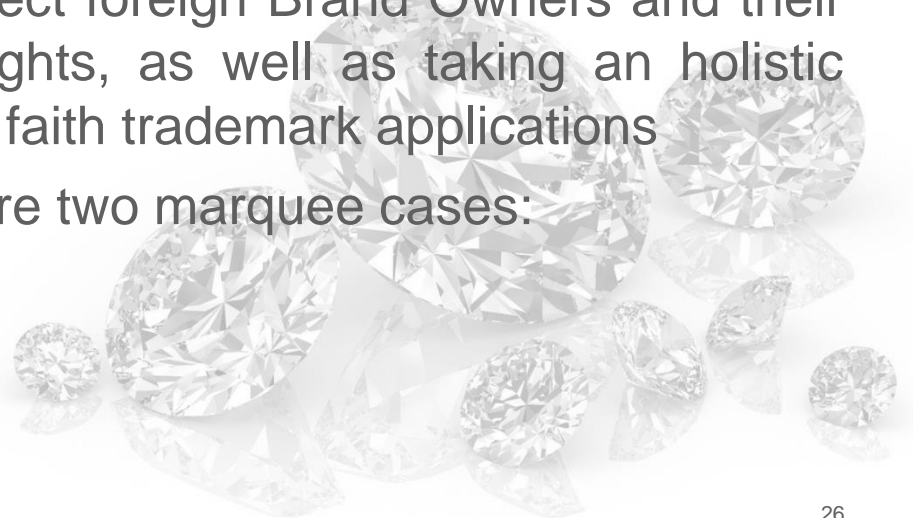
# Opposition System in Mexico - Downside

- The Mexican Patent and Trademark Office is not compelled to take into consideration an opposition in its prosecution. Instead, the Agency has discretionary faculties to decide whether to weigh any arguments and documents or to refrain from doing so.
- Publication of trademark applications can be considered as an alert for trademark owners regarding a potential cancellation action based on non-use against trademark registrations. Thus, it is important to file a cancellation action at the same time as the trademark application to preserve element of “surprise”.



# Relevant Decision – Mexican Patent and Trademark Office

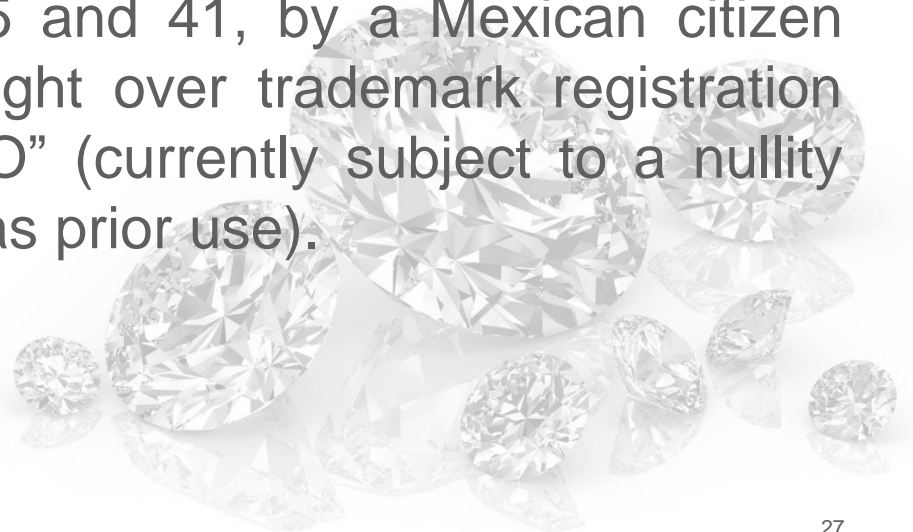
- Mexican Patent and Trademark Office has become aware (at last) of the existence of Trademark Hijackers in Mexico.
- Increased protection against Trademark Hijackers during an application's prosecution.
- Mexican Patent and Trademark Office is more open to progressive arguments to protect foreign Brand Owners and their unregistered Common Law rights, as well as taking an holistic view to assess and refuse bad faith trademark applications
- An example of this approach are two marquee cases:
  - SoulCycle
  - Tommy Hill





# SOULCYCLE<sup>®</sup> Case

- SoulCycle vs Soul Cycle / Soul Cycle Mexico
  - SoulCycle – Pioneer in fitness boutique services ([www.soul-cycle.com](http://www.soul-cycle.com)). Lacks registration in Mexico
  - Bad Faith Filings for “SOUL CYCLE” and “SOUL CYCLE MEXICO” in classes 35 and 41, by a Mexican citizen based on a previous right over trademark registration “SOUL CYCLE MEXICO” (currently subject to a nullity action based on overseas prior use).





## SOULCYCLE<sup>®</sup> Case

- SoulCycle filed a brief (akin to an opposition) in the prosecution of hijacker's applications arguing that if registration were to be granted to bad faith applications, it would be misleading to consumers as to the commercial source of the involved services.
- Agency took arguments into consideration and refused applications, based on the following supporting facts:
  - Existence of SoulCycle Inc. trade name.
  - Existence of SoulCycle's regional trademark registrations.
  - Brand's Popularity thanks to ample online use and presence in social media.



# Tommy Hill Case

- A similar approach was taken in a refusal issued by the Agency against trademark “TOMMY HILL” & Device, a clear copycat of “TOMMY HILFIGER” brand.



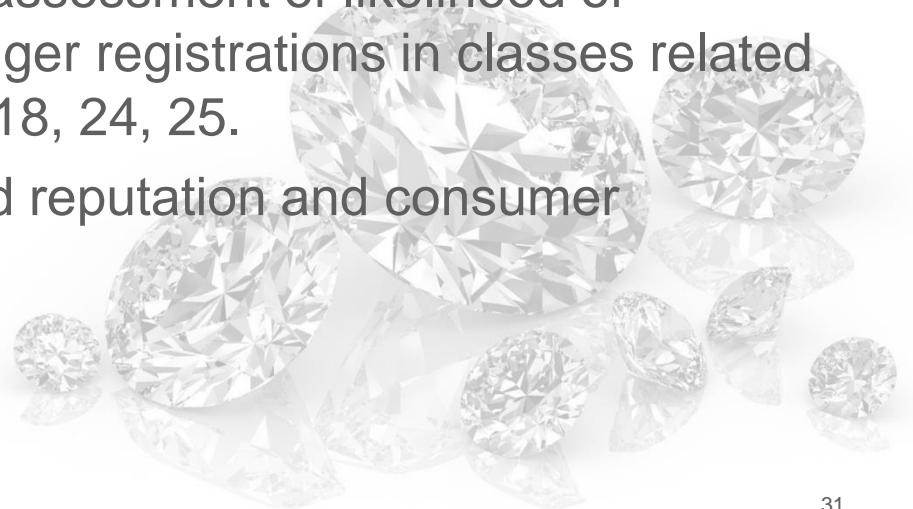
# Tommy Hill Case

- Trademark Hijacker filed and obtained registrations for “TOMMY HILL” and logo trademark, which were inadvertently granted by the Mexican Trademark Office.
- Noting that trademark hijacker decided to expand its unlawful portfolio into class 35, Tommy Hilfiger filed a brief arguing the reasons why “Tommy Hill” should be refused.



# Tommy Hill Case

- The Agency prepared a very strong and atypical refusal, based on the following facts:
  - Agency used as legal impediment the existence of more than 15 trademark registrations for “TOMMY”, “TOMMY HILFIGER”, “TOMMY GIRL” and Tommy Hilfiger’s Flag.
  - An uncommon inter-class assessment of likelihood of confusion with Tommy Hilfiger registrations in classes related to services in 35: 3, 9, 14, 18, 24, 25.
  - “TOMMY HILFIGER” brand reputation and consumer awareness



# Questions?



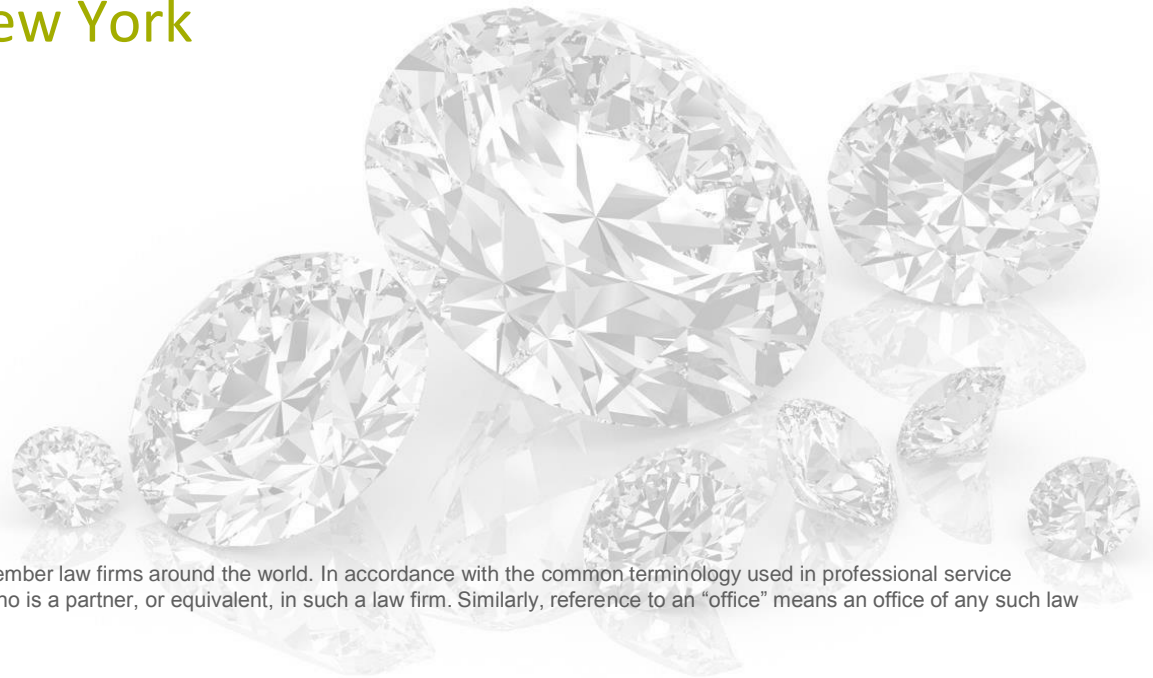


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