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CAFC Holds That Foreign Company Only Needs “Use” in U.S. for 2(d) Opposition

The Court of Appeals for the Federal Circuit (CAFC) has reversed the Trademark Trial and Appeal Board (TTAB) ruling in *First Niagara Ins. Brokers, Inc. v. First Niagara Financial Group, Inc.* First Niagara Insurance Brokers, Inc. (FN-Canada) had sought to oppose registration of First Niagara Financial Group, Inc.’s (FN-US) intent-to-use trademark applications on the claim of priority under Section 2(d) of the Trademark Act, which requires only prior “use” in the U.S. FN-US had argued that FN-Canada, which has no physical presence or registered trademarks in the United States, did not establish the priority necessary to prevail on a likelihood-of-confusion claim because it had not used its marks “in commerce” in the U.S. In overturning the TTAB’s agreement with FN-US, the CAFC ruled that the proper standard of Section 2(d) is that the mark or trade name must have been previously “used in the United States by another.” The Court noted that the language of prior use “in commerce” was absent from the statute. It found that the privilege of an opposer claiming priority under Section 2(d) attaches to all opposers, regardless of whether they are foreign or domestic. The TTAB’s decision was reversed and remanded for further proceedings, based on FN-Canada’s ample use of its marks in the United States to satisfy the use requirements of Section 2(d). The implications of this case may be broad and far-reaching, if it is held that a foreign company has standing to bring a 2(d) opposition based on its “use” in the U.S. merely through its activities on the Internet.

Medimmune v. Genentech

Until recently, patent licensees have been faced with Hobson’s choice when they believed that the licensed patent was invalid or unenforceable or was not infringed by their product. On the one hand, the licensee could terminate or breach the license (creating a “case or controversy” required for federal jurisdiction and satisfying the “actual controversy” requirement of the federal Declaratory Judgment Act) and seek a court declaration regarding the status of the patent. This approach, however, poses the risk of significant monetary exposure—treble damages and licensor’s attorney fees—and a potential injunction if the licensor prevails. On the other hand, the licensee could continue to abide by the terms of the license agreement; without a justifiable case or controversy, the courthouse door was closed to the licensee.

In *Medimmune, Inc. v. Genentech, Inc.*, the Supreme Court addressed this dilemma, concluding that a licensee need not “bet the farm” by breaching the agreement in order to challenge the underlying patent. In a footnote, the Court explained how the constitutional case or controversy requirement is met by stating that a licensee who pays royalties either in fear of an injunction or for fear of treble damages is being coerced in a way that creates case or controversy—a clear departure from the existing law. The decision is worded broadly enough to cover all forms of intellectual property, not just patents. Case makes mention of but does not address contractual provisions that could be used to block claims by licensees in good standing.

“Gmail” confusingly similar to “G-mail...und die Post geht richtig ab”

Last week’s ruling from the Office for Harmonization in the Internal Market (OHIM) has set Google back in its fight for the right to use the Gmail name in Europe. Google’s opponent is German-born 32-year-old venture capitalist Daniel Giersch who founded a same-day mail delivery service called G-mail (short for Giersch-mail) some six years ago. The service provides e-mail accounts ending in “gmail.de” and offers a “hybrid mail” option where electronically-sent documents are printed out by the company and physically delivered to local addresses. Empowered by earlier rulings in German district court ordering Google to remove all “Gmail” references from its German service and cease issuing gmail.com accounts to German residents, Giersch went on to oppose Google’s CTM applications, citing his German registration for “G-mail...und die Post geht richtig ab” [translation: “G-mail...and the mail goes right off”] issued in 2000. Google has downplayed OHIM refusal to register its Gmail mark on a pan-European basis, saying it will not affect Google’s current use of the mark in Europe.