



Key Trademark and Copyright Developments Around the World: Implications for Nonprofits in China, Europe, Cuba, and Beyond

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Venable LLP, Washington, DC

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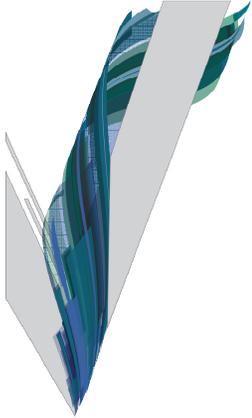
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- **September 20, 2016:** [How to Protect Nonprofits' Federally Funded Programs with Global Anti-Corruption Controls, co-sponsored by Venable LLP and InsideNGO](#)
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- **November 10, 2016:** [Federal and State Regulators and Watchdog Groups Are Bearing Down on Charities and Their Professional Fundraisers: How to Prepare for the Regulatory Storm](#)



Key Foreign Trademark Developments

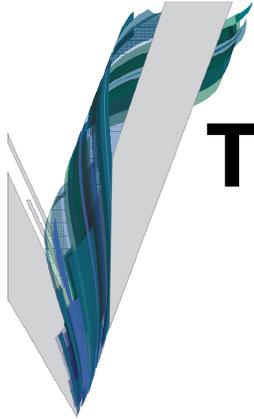
Implications for U.S.-based Nonprofits



Trademarks: The Basics Never Change

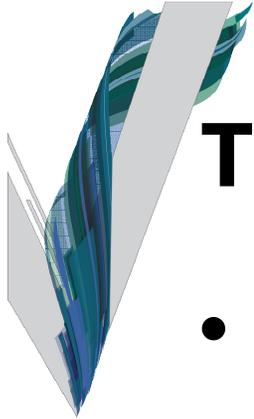
“Our brand is the single greatest asset
that our network has.”

Marci Marsh, COO, World Wildlife Fund
(The Role of Brand in the Nonprofit Sector,
Stanford Social Innovation Review, Spring 2012)



Trademarks: The Basics Never Change





Trademarks: The Basics Never Change

- One thing that has not changed is that registration is *king* as a mode of protection
- Trademarks must be protected on a *country-by-country* basis
- Many nations employ *first-to-file* models
- The “likelihood of confusion” standard is *low*
- The cost of trademark litigation is *high*
- *Consistent use, registration, and licensing* of unifying brand elements are critical
 - *Key marks, for key goods/services, in key countries*

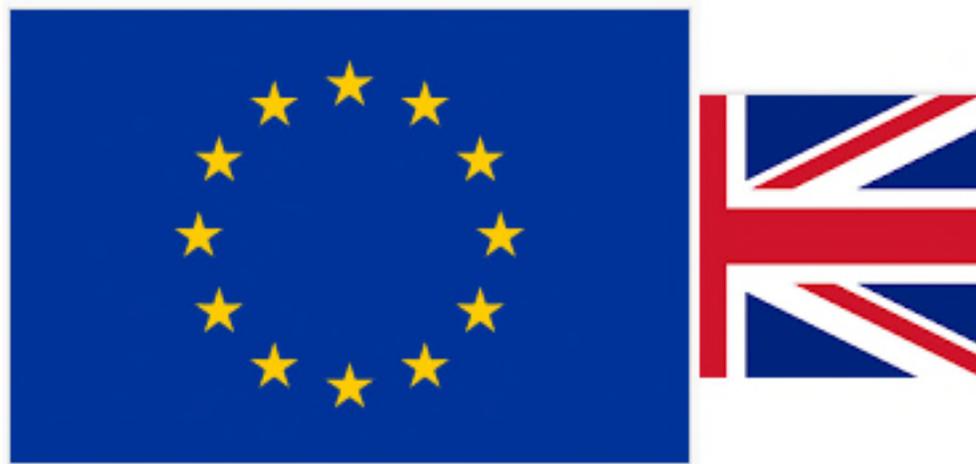


Trademarks: The Basics Never Change





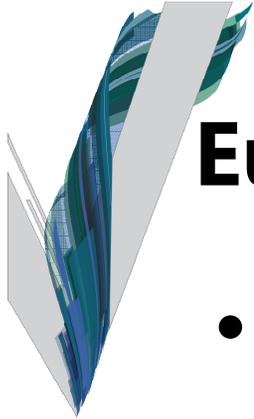
United Kingdom: Brexit or Bust?





United Kingdom: Brexit or Bust?

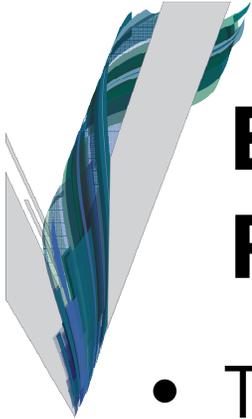
- No immediate change: business as usual
 - Negotiations over UK's exit are expected to take *two years* from innovation of Article 50 of Lisbon Treaty, which has *not happened yet*
- Transitional provisions are expected
 - EUTM registration holders will likely be allowed a time for "*conversion*": i.e., to obtain UK registration (either automatically or by further application)
 - It is possible the EUIPO will continue to *honor* registrations as covering the UK
 - We anticipate holders will be able to *retain* application or priority filing dates from EUTM filings
- Cautious approach: If UK is a key market, *file both* UK and EUTM applications for new brands



European Union: Name Change

- Old: Office for Harmonisation in the Internal Market (OHIM)
- New: EU Intellectual Property Office (EUIPO)
- Old: Community Trademark
- New: EU Trademark





European Union: European Regulation Vacation?

- The “class heading” conundrum
 - September 23, 2016 deadline (no extension)
 - The Test
 - *If* your mark registered before June 22, 2012
 - *And* your registration covers the entire class heading
 - *And* your intention was to cover all goods/services in the class, not just those in the literal class heading
 - *Then* you must file a declaration confirming the scope of registration

Class 35 Advertising; business management; business administration; office functions.

Class 41 Education; providing of training; entertainment; sporting and cultural activities.



European Union: A New Way to Make Money

- New Fees
 - More *à la carte*
 - One class = a little *lower* than before, when it was “three classes for the price of one” (€850)
 - Two classes = effectively *higher* fees (same as the cost of *three* before: €900)
 - Three classes or more = *higher* fees (€1,050 for three and then €150 each)

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European Union: “Certify” Me

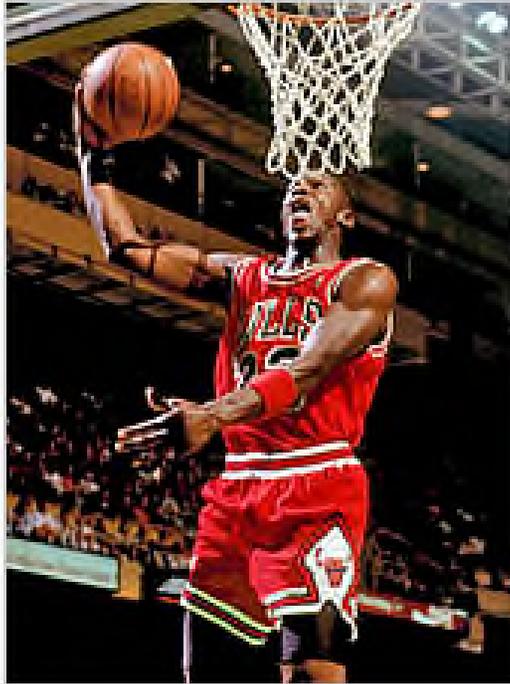
- May be registered in October 2017
- The semantic trap for nonprofits
 - Do you have a “*certification*” mark or an “*accreditation*” service mark?
 - Credentials – like a title or degree (e.g., Andrew Price, XYZ)
 - Versus a trademark used to identify personal services:

XYZTM

Services from Andrew Price



China: A Slam Dunk?





China: A Slam Dunk?

- Ask the owner of MICHAEL JORDAN
- *Supreme People's Court of China* rejected retrial petitions to cancel JORDAN in Chinese characters
 - Michael lost at the Trademark Review and Adjudication Board (TRAB)
 - Michael had limited basis for appeal to Supreme People's Court
 - Bad influence on society
 - Deceptive or improper means
 - These were found to be “public interest” claims he could not use, despite others using them successfully in past
 - Michael still has a case pending based on “famous” name (*Shanghai Higher People's Court*) by the firm we use



China: New System = More Fun?

- TM litigation is down in the U.S. but *booming* in China
- Why? New specialized IP courts in Beijing, Shanghai, and Guangzhou
 - *Beijing IP Court*: Most used by TM holders
 - Shanghai: Most used by copyright holders
 - Guangzhou: Most used by patent holders
- More specialized judges, but quota for them
- Win rates for foreign rights holders are better
- Damages look better: e.g., \$470,000 to Moncler



China: New System = More Fun?

- Beijing IP Court:
 - Exclusive jurisdiction over challenges to TRAB decisions
 - Previously heard by Beijing No. 1 Intermediate People's Court (a good name?)
 - Important for foreign owners dealing with appeals involving *bad-faith registrations* or first-instance claims of *well-known status*
 - *8,000* cases in first year
 - 39% of caseload involved a *foreign* party/nonprofit
 - More transparency: publicizing decisions



China: A Nonprofit's Experience

- Adopt an aggressive *filing* strategy early
 - Perform a TM portfolio audit
- Remember *Chinese characters*
- Remember *Hong Kong*
- Settlement is less likely than in the U.S.
- It can take longer and cost more than projected
 - The Beijing IP Court must be pushed on scheduling
- The *U.S. IP Attaché* in China can be helpful
- Attend the hearing in person if possible



China: Alibaba's Disruption

- April 2016: Alibaba makes it possible to *file "free" or low-cost trademark applications*
- Why – to counter the perception that Alibaba's marketplace may promote counterfeiting, by enabling the protection of IP rights?
- Is this good for brand owners *or a tool for bad-faith filers?*
- *Is legal local advice needed* to file a trademark application in China?
 - A properly searched, filed, and registered trademark is the foundation of successful brand protection



China: Another Positive Development?

- Chinese Trademark Office (CTMO) established a *database* for contact persons of foreign trademark owners
 - To facilitate communications in enforcement cases
 - By Administration for Industry and Commerce
 - Marketplace violations could be more effectively policed going forward
- July 20, 2016 “deadline”
- Parties may be limited to 100 marks
- The jury is still out on whether this will be reliable in enforcement



China: A Good Place for a Joint Venture?

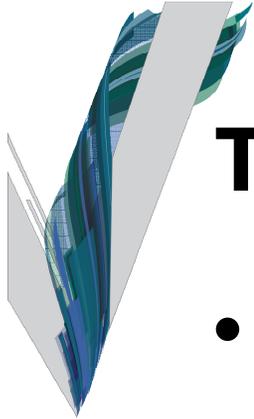
- Is the local party willing to *assign* any rights in domain names and trademarks and take a limited trademark *license* from the nonprofit?
- While a joint *venture* could conceivably work, avoid joint *ownership* of nonprofit trademark rights in all countries
- What happens when the join venture ends?



TMs in Cuba: Recipe for a Cuba Libre?

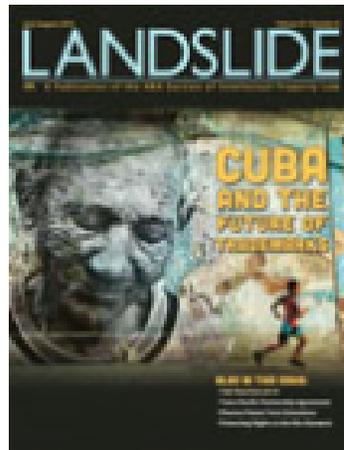


With COCA-COLA brand cola?



TMs in Cuba: Recipe for a Cuba Libre?

- Does Cuba really matter when it comes to trademarks?
- Hot topic: The ABA's Section of Intellectual Property Law featured this subject in the July/August 2016 issue of *Landslide*





TMs in Cuba: Recipe for a Cuba Libre?

- What are the owners of *well-known brands* doing here – now?
 - ABA statistic: From 1997 to 2011 only 39,000 applications were filed
 - In the first four months of 2016, the USPTO received 263,600 applications
- How do you get “in the door”?
 - Local law requires that foreign applicants be *represented by an official agent*
 - We have a mechanism
- Other challenges
 - No publicly searchable database
 - How will disputes be handled, observed, and reported?



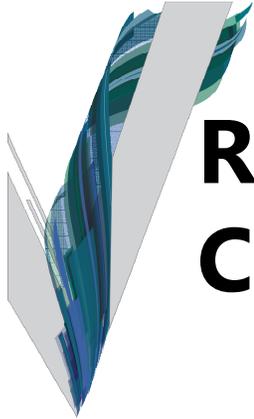
In Other News: The Middle East Is at the Top in Cost

- It was already one of the most expensive regions in which to register trademarks
- The cost just went up!
 - United Arab Emirates (UAE), Kuwait, Bahrain
 - UAE: *Most expensive*
 - \$3,500 to register one mark in one class, in official fees alone
- The full cost of registration typically billed *at the time of filing*
- *Formality* requirements still exist



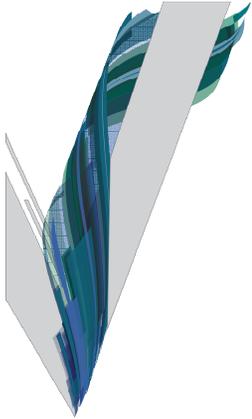
In Other News: Canada's Got Class

- Virtually every other country in the world classifies TMs according to the Nice system
 - 45 International Classes
- Canada now has a voluntary classification system (as of September 2015)
- It will become mandatory once legislation is approved/implemented, maybe around 2018
- Classification assists with clearance and thus deterrence: Classify!



Remember the Basics in Times of Change





Key Foreign Copyright Developments

Implications for U.S.-based Nonprofits



Copyright Basics

- Copyright protects original works:
 - Artwork and literary works
 - Musical compositions and songs
 - Images, movies, and computer programs
 - *Examples*: an educational handbook, training materials, staff manuals, promotional materials, and any artwork or photographs included in these materials
- Generally, the creator of the work holds the copyright protection and therefore “owns” the work
- However, when a work is created by an employee or volunteer, it may be the property of the nonprofit organization or it may be the property of the creator, depending on the specifics of the work’s creation



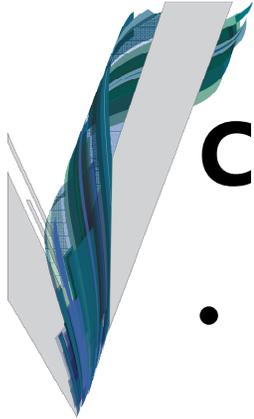
Copyright Basics

- Copyright protections come into existence at the moment the work is created – even without registering the mark with a government office or affixing a © to the work.
- In the U.S., however, registering an original work with the U.S. Copyright Office is required to bring a suit for copyright infringement against an unauthorized user of the work and creates a public record of your copyright claim.



China – Copyright Developments

- In October 14, 2015, the State Copyright Administration of the People's Republic of China issued a "Notice of the National Copyright Administration on Regulating the Copyright Order Network Disk Service." This regulation requires that, after receiving the notice of infringement, network disk service providers should take down the infringing files within 24 hours. Implications for cloud storage.
- This is the first time the Chinese State Copyright Administration has issued a regulation regarding the restriction of cloud storage. The mechanism of this notice is very similar to the "Notice and takedown procedure" in the Digital Millennium Copyright Act of 1998.



China – Copyright Developments

- China recently established the National Alliance Copyright Trade Center to strengthen exchange and cooperation between the National Copyright Trade Center (International Copyright Exchange) and the National Copyright Trade Base.
- The National Copyright Administration established the National Alliance Copyright Trade Center in Beijing on October 28, 2015. The National Alliance Copyright Trade Center is intended to promote the creation, use, protection, and management of copyright industry development.



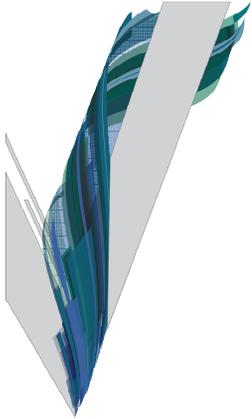
Europe – Copyright Developments

- The copyright law of the European Union consists of a number of directives, which the member states are obliged to enact into their national laws, and by the judgments of the Court of Justice of the European Union (including the European Court of Justice and the General Court). Directives of the EU are passed to harmonize the laws of European Union member states.
- Registration important. *See* EU copyright office.
- Note that ISPs can be held liable for secondary liability.



Best Copyright Practices for Nonprofits

- Nonprofit organizations should consider the value of registering their key original works where possible; registration can make it easier to protect and enforce the nonprofit's rights to its original works.
- Nonprofit organizations should have clear agreements with employees, independent contractors, consultants, and volunteers specifying who owns the rights to any works created for the organization.
- Nonprofit leaders should monitor use of their IP in key regions around the world and be aware of the boundaries of copyright protection. Reprinting promotional materials because you have mistakenly included proprietary images can be a big unexpected cost, and an unforeseen infringement suit can quickly overwhelm the finances of many nonprofit organizations.



Questions?

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