

# MarkIt to Market®

June 2020



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The June 2020 issue of Sterne Kessler's MarkIt to Market® newsletter leads with breaking news of today's Supreme Court's decision in favor of Booking.com. Other topics discussed include copyright applications covering a "single unit of publication," a recent precedential decision regarding registrability of marks for CBD products, the USPTO's COVID-19 Prioritized Examination Program for trademarks, the classification of personal protective equipment, and trademark scams.

Sterne Kessler's [Trademark & Brand Protection practice](#) is designed to help meet the intellectual property needs of companies interested in developing and maintaining strong brands around the world. For more information, please contact [Monica Riva Talley](#) or [Tracy-Gene G. Durkin](#).

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## **BREAKING NEWS: BOOKING.COM PREVAILS IN GENERICNESS CHALLENGE**

By: [Monica Riva Talley](#)

Today's Supreme Court decision in *Booking.com* held that generic terms coupled with top-level domain names can be eligible for trademark registration. This decision is a win for brand owners as it reinforces how – in the real world – consumers can view brands comprised of two or more generic terms as source identifying.



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By: [Monica Riva Talley](#)

Today's Supreme Court decision in *Booking.com* held that generic terms coupled with top-level domain names can be eligible for trademark registration. This decision is a win for brand owners as it reinforces how – in the real world – consumers can view brands comprised of two or more generic terms as source identifying.

Notably, the court demonstrated an understanding that trademark law is designed to protect consumers from confusion, versus a property right owned by the inventor (as in patent law). Thus, evaluating how consumers perceive a brand is an important factor in determining the scope of protection to which a purported mark is entitled.

This decision will likely be viewed as positive from the marketing community, who often favor brands on the descriptive end of the spectrum as they typically require less effort to educate consumers on the nature of a product or service.

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## UNICOLORS V. H&M: WHEN WHITE LIES CAN LEAVE YOU BLACK AND BLUE

By: [Ivy Clarice Estoesta](#)

Because copyright applications are not substantively examined, unlike patent and trademark applications, obtaining a copyright registration is typically viewed as relatively easy. Indeed, only a minority of copyright applications are refused each year. Additionally, filling out a Copyright Application form to register a work with the U.S. Copyright Office appears simple enough. The form itself includes nine sections with relatively straightforward questions and easy-to-follow instructions on how to answer the questions. However, the Ninth Circuit's recent decision in *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.* (9<sup>th</sup> Circ. 2020) serves as a cautionary tale of what can happen to a copyright registration when its underlying application includes known inaccuracies.

### What happened in *Unicolors?*, a.k.a. Unicolors's white lies leave black and blue marks on its copyright registration

The Ninth Circuit considered the validity of Unicolors's U.S. copyright registration covering 31 different works of two-dimensional floral and ethnic fabric designs, one of which (ethnic design EH101) was incorporated into allegedly infringing garments made by H&M. According to the registration, all 31 works were published, or made available to the public, on the same date.

Type of Work: Visual Material  
 Registration Number / Date: VA0001770400 / 2011-02-14  
 Application Title: Floral: EH103,EH105,EH111,CEH113,EH123,EH132,CEH146,CEH147,EH149,EH157,CEH175,EH181,CEH182,EH183,EH185,CEH194,EH196,EH200,EH210 Ethnic;  
 EH101,EH102,EH106,CEH109,EH115,CEH116,EH119,EH120,EH125,EH133,EH142,EH144.  
 Title: EH105, et al.  
 Description: Artwork, unbound sheets.  
 Copyright Claimant: UNICOLORS, INC. AKA UNICOLORS STUDIO. Address: 3251 E. 26th STREET, Los Angeles, CA, 90058.  
 Date of Creation: 2011  
 Date of Publication: 2011-01-15  
 Authorship on Application: UNICOLORS, INC. AKA UNICOLORS STUDIO, employer for hire; Domicile: United States; Citizenship: United States. Authorship: 2-Dimensional artwork.  
 Names: UNICOLORS STUDIO  
 UNICOLORS, INC.

But the evidence presented at trial demonstrated that Unicolors knew otherwise, and that it applied to register all 31 works in a single copyright registration to save money. Specifically, the designs designated "EH" were placed in Unicolors's showroom and available for public viewing and purchase, whereas the works designated CEH were not. Instead, those works were first made available to individual, exclusive customers. Accordingly, the Ninth Circuit determined

that not all 31 works covered by Unicolors's registration could have been first made available to the public (and therefore published) at the same time.

The Ninth Circuit further noted that under the Copyright Act, multiple published works may be registered in a single copyright registration if the multiple works published on the same day as "a single unit of publication." Addressing for the first time the issue of what is necessary for multiple works to constitute a "single unit of publication" eligible for coverage by a single copyright registration, the Ninth Circuit held that all individual works must be "first published as a singular, bundled unit." As applied to Unicolors's 31 works, the Ninth Circuit determined that not all 31 works could have been first published as a singular, bundled unit because some of the works were first made available to individual, exclusive customers, while others were first made available to the public in Unicolors's showroom.

According to the Ninth Circuit, that H&M failed to demonstrate that Unicolors had intended to defraud the Copyright Office when it knowingly included an inaccurate publication date was insufficient to protect Unicolors's copyright registration from potentially being invalidated. However, rather than outright holding that Unicolors had no valid copyright registration in the EH101 design at issue, the Ninth Circuit remanded the issue of validity to the district court with instructions that the court ask the Copyright Office whether the known inaccuracies in Unicolors's copyright application would have caused registration to be refused.

### **What are some ways to avoid potential copyright application pitfalls?**

The *Unicolors* decision is a clear reminder that there is no intent-to-defraud requirement for copyright invalidation in the Ninth Circuit. Thus, it is important that a copyright application be prepared as accurately as possible. Parties applying for a copyright registration should archive internal documents that clearly corroborate the details entered into a copyright application to improve the chances of successfully defending against potential validity issues later.

Moreover, the Ninth Circuit's narrowly defined instances of when multiple published works may be eligible for registration in a single copyright registration suggests that parties may want to err on the side of caution and file separate applications for multiple published works unless they undoubtedly "first published as a singular, bundled unit." Factors to consider include whether the multiple works were first distributed together as a single package and bear a single sales price. For example, an assortment of greeting cards distributed to the public on the same day, but bear different prices and/or can be purchased separately from each other would not constitute a singular bundled unit, whereas the same assortment, if first distributed together in a single package bearing one unit price, should.

By keeping these points in mind, parties can better position their copyright registrations to survive a validity challenge with flying colors.

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By: [Lauriel F. Dalier](#)

A June 16, 2020 precedential decision by the Trademark Trial and Appeal Board held that Federal trademark registration is not available for food, beverages, or nutritional/dietary supplements to which hemp-derived cannabidiol (CBD) has been added. Here is what you need to know about [In re Stanley Brothers Social Enterprises, LLC](#).

In this case, the applicant sought federal trademark registration of the mark CW, for “hemp oil extracts sold as an integral component of dietary and nutritional supplements” in Class 5. On appeal, the Board took the position that dietary supplements are a food and that hemp-derived CBD is an extract of the cannabis plant that is regulated as a drug under the Food, Drug, and Cosmetics Act (FDCA). The sale of CBD-infused food or dietary supplements is a per se violation of the FDCA, and a mark for such products is not federally registrable. Additionally, as the record was absent any evidence that CBD-infused food had been marketed prior to institution of the clinical investigations, CBD does not fall within any exception to the FDCA that might be available to other foods or dietary supplements on the market to which drugs or biological products have been added.

In light of this decision, how can brand owners protect their CBD ingredient brands?

- First, consider manufacturing and marketing products that provide similar wellness benefits but are administered or used in ways other than by ingesting (and would qualify as “food”), e.g., via topical application or in herbal incense;
- Second, on packaging, advertising, and websites associated with the product, emphasize the instructions for proper use, taking care not to refer to the product in any way as a dietary or nutritional supplement, and clearly indicate that the product is not intended to be consumed by mouth;
- Finally, ensure that the mark is or will be in use for goods that are clearly legal within the available framework provided by the 2018 Farm Bill.

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## USPTO COVID-19 PRIORITIZED TRADEMARK EXAMINATION PROGRAM

By: [Monica Riva Talley](#)

As of June 16, 2020, the U.S. Patent and Trademark Office has implemented a program to prioritize the examination of trademark applications that cover goods and services that help prevent, diagnose, treat, or cure COVID-19. The following qualifying COVID-19 medical goods or services may be eligible for prioritized examination:

- Pharmaceutical products or medical devices such as diagnostic tests, ventilators, and personal protective equipment, including surgical masks, face shields, gowns, and gloves, that are intended to prevent, diagnose, treat or cure COVID-19 and are subject to approval by the U.S. Food and Drug Administration (FDA) – including
  - Applications for Investigational New Drug (IND),
  - Investigational Device Exemption (IDE),
  - New Drug Application (NDA),
  - Biologics License Application (BLA),
  - Premarket Approval (PMA), or
  - Emergency Use Authorization (EUA).
- Medical services or medical research services for the prevention, diagnosis, treatment of, or cure for COVID-19.

In order to request prioritized treatment, applicants must first file the application and then file a petition to the Director requesting that the initial examination of the application be advanced. The USPTO is waiving its normal petition fee under the prioritized examination program.

The petition must include a statement of facts, supported by an affidavit or declaration under 37 CFR § 2.20, listing (1) the applicant's COVID-19 related goods and services, (2) an explanation of why they qualify for prioritized examination, and (3) the section of the Code of Federal Regulations (CFR) that regulates the goods and services. If granted, the process should expedite examination by approximately two months.

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## SAFETY FIRST - DESCRIBING PERSONAL PROTECTIVE EQUIPMENT FOR PROPER CLASSIFICATION

By: [Lauriel F. Dalier](#)

As of June 11, 2020, the USPTO's Official Manual of Acceptable Identifications (ID Manual) has been revised to add, re-classify, and clarify existing entries for personal protective equipment such as masks and gloves.

The USPTO previously accepted the wording "*protective face masks*" in Class 9; but, since this description can suggest a number of different types of masks from welding masks to sports masks, the USPTO has revised the ID Manual to further differentiate between mask types. Notably, since January of this year, more than 1,000 applications have been filed for goods described broadly as "protective masks" or "protection masks" in Classes 9 and/or 10.

For example, medical equipment and apparatus specifically indicated for use in medical fields is classified in Class 10.

Life-saving apparatus and personal protective equipment (PPE) not otherwise identified or recognized as medical in nature or specified for use in medical fields is classified in Class 9.

This can be confusing because one might think, for instance, that airplane oxygen masks are a type of medical apparatus because they provide oxygen. However, the USPTO appears to distinguish them by use: "*aviation oxygen masks*," are classified in Class 9, whereas "*oxygen masks for medical purposes*" and "*respiratory masks for artificial respiration*" are classified in Class 10. It may be easiest to think about the specific intended use of the mask or gloves in question, e.g., whether they are intended for use to help protect wearers from injury unrelated to illness such as masks that aid in respiration but also protect one from inhaling chemicals when working in an industrial plant. Other masks that are considered to be protective and arguably life-saving and therefore classified in Class 9 are gas masks, scuba diving masks, and swimming masks.

Masks intended for use by someone with an underlying medical condition such as asthma, e.g. nebulizer masks, are classified in Class 10. Similarly, masks used during a medical procedure, e.g. anesthesia, are classified in Class 10. Below are some examples of the descriptions that are classified in Class 10 and have been added to the ID Manual:

- Fashion masks being sanitary masks for protection against viral infections;
- Personal protective equipment (PPE), namely, masks for use by medical personnel;
- Disposable sanitary masks for protection against viral infections;
- Sanitary masks made of cloth for protection against viral infection; and
- Face covers being sanitary masks for protection of viral infection.

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The USPTO has been working to combat misleading and fraudulent solicitations sent to federal trademark applicants/registrants and is calling on the public to report and identify these bad actors.

As most brand owners know, filing a federal trademark application often initiates an “open season” of sorts, wherein trademark “service providers” and outright scammers use the information from the publically available records to contact the applicant directly regarding some false deadline or “opportunity.” These missives often appear quite legitimate, and even the most savvy of trademark owners has had occasion to question their viability.

In an effort to aid trademark owners, the USPTO posts examples of fraudulent solicitations on this USPTO [webpage](#), dedicated to providing updated information about reports and examples received from the public, including offers to renew registrations, list brand owners in particular databases, and/or record the particular goods with Customs and Border Protection (CBP).

Most recently, the USPTO was made aware, anecdotally, about solicitations being sent to brand owners via text messages and private messages sent directly to brand owners via social media, such as LinkedIn. The USPTO is asking for trademark owners to help identify the source and nature of this new generation of scams by sending them to your trademark attorney and/or submitting copies of fraudulent solicitations directly to the USPTO at [TrademarkAssistanceCenter.uspto.gov](https://www.uspto.gov/trademarkassistancecenter).

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