



NEWSLETTER | Markt to Market® - November 2017

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The November 2017 issue of Sterne Kessler's Markt to Market® discusses another Ugg trademark dispute, pitfalls of holiday specific branding, "types" of protection for font and typeface designs, and lists the new gTLD Sunrise periods.

Sterne Kessler's [Trademark, Advertising, and Anti-Counterfeiting 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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Ugh (or Ugg?), Another Trademark Dispute

By: Shana Olson

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By: [Lauriel F. Dalier](#) and [Monica Riva Talley](#)

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By most accounts, Ugg boots made their way to the United States by way of [Brian Smith](#), an Australian entrepreneur who came to the United States to distribute the boots on behalf of Country Leather, an Australian manufacturer. In 1995, he purchased the Australian registrations for the UGH and UGG AUSTRALIA marks from Australian surfer [Shane Steadman](#); one year later, he sold the trademarks to [Deckers Outdoor Corporation](#). Deckers then grew the UGG brand into the [billion-dollar industry](#) it is today.

In 1995, ruling on a request to cancel the Australian registration for the mark UGH-BOOTS, [IP Australia](#) ruled that the terms UGH BOOT(S), UG BOOT(S), and UGG BOOT(S) were generic in Australia, and "thus lack any inherent capacity to distinguish the particular goods." Three years later, Deckers filed suit in California against Australian company Koolaburra, which was selling boots in the United States labeled "Australian Ug Boots." In its defense, Koolaburra argued that the UGG mark was generic and not entitled to protection under U.S. law, using the earlier IP Australia ruling as support. The U.S. court ruled for Deckers, finding that a U.S. consumer would be confused by use of the "Ug" term by Koolaburra.

Now, Deckers is in court again in the N.D. Illinois in Chicago, asserting that Australian company Australian Leather is selling "ugg boots" in the United States in violation of Deckers' U.S. trademark rights. Eddie Oygur, the owner of Australian Leather, countersued Deckers, arguing that the term "ugg" is generic, and that the mark was fraudulently registered in the U.S. when it was, in fact, already a generic term. In support of the Australian company, former Australian senator Nick Xenophon [said](#), "If the French can protect 'Champagne', the Portuguese 'Port', and Spanish 'Sherry' and the Greeks 'Feta', then surely Australia can protect the word 'Ugg'."

It appears that Xenophon was (prior to his resignation last month) in the process of [petitioning](#) the Australian Prime Minister to take action that would make the term "Ugg" a certification mark, which would allow Australian boot manufacturers to use the term "Ugg" to denote that the Ugg boots are made in Australia to certain standards.

The case between Deckers and Australian Leather is still pending. If Australian Leather is able to successfully argue that a foreign company should be able to use a term that is generic in its home country

to label goods sold in the U.S., regardless of U.S. trademark rights, it could change the way that many imported goods are labeled. We will be watching this case, but rest assured that the [UGG brand](#) appears to be in full force and effect in the U.S., at least through this holiday season.

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Trademark searching statistics confirm an increase in new branding initiatives in the run-up to the holiday season. However, brand owners seeking to create memorable and protectable brands should take care not to overdo it on tying their products or services to a specific holiday. On March 6, 2017, the Trademark Trial and Appeal Board (“Board”) affirmed the PTO’s refusal to register Imaginif, Inc.’s mark **KRISMAS**, covering retail and online retail toy store services, including featuring holiday merchandise in Class 35, and entertainment services in Class 41, on the grounds that the mark is merely descriptive of a feature or characteristic of the described services.

In the refusal, the Examining Attorney argued that KRISMAS is the phonetic equivalent of “Christmas” and that “Christmas” is merely descriptive of the fact that services, including goods sold in the Applicant’s stores are “Christmas-themed.” Applicant responded by pointing to the purposefully distinct spelling of KRISMAS, stating that the mark is incongruous with the word Christmas because “Applicant provides secular experiences and goods to those not observing the birth of Jesus Christ.”

Courts and the Board have recognized that a slight misspelling of a term will not turn a descriptive word into a nondescriptive mark. See, e.g., *In re Quik-Print Copy Shops*, 616 F.2d 523, 205 USPQ 505, 507 n.9 (CCPA 1980) (QUIK-PRINT held descriptive; “There is no legally significant difference between ‘quik’ and ‘quick’). Affirming the refusal to register the mark KRISMAS, the Board found that the mark sounds the same as the term “Christmas,” which has both religious and secular meanings and is defined as a Christian holiday in the dictionary. The Board noted the Examining Attorney’s evidence that “the word ‘KRISMAS’ has also found its way into the vernacular, [defined in the Urban Dictionary (see: www.urbandictionary.com)] as a ‘Secular mid-winter holiday celebrating peren[n]ial gift giver Kris Kringle, food, family, gaudy decorations, generosity and goodwill. Essentially Christmas without extraneous religious content.’”

The lesson from this case is that while it can be tempting to incorporate terms that refer to particular holidays into trademarks, such marks can be difficult to protect as proprietary. When selecting new marks, including those directed to a seasonal audience, brand owners should always consider whether any of the terms in the mark immediately provide any information about the goods or services; if so, consider adding additional (distinctive) terms to the mark. Better yet, select marks that merely suggest something about the holiday, versus mentioning it directly. Finally, prior to announcing or promoting a new brand, ask a

trademark attorney to review the brand and proposed use. Sometimes the way a mark is used can diminish its brand identifying function.

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Design Patent

First, font designs are protectable by design patents—in fact, the very first U.S. design patent, issued in 1842, covered a typeface designed by [George Bruce](#). Design patents can cover the underlying design of the typeface, so long as the design is deemed to be novel and non-obvious by the USPTO. Design patent applications filed after May 13, 2015 provide a 15-year protection term from the date of grant.

Unlike some countries that allow only one typeface set of letters, numbers, or signs and symbols in a single design patent, the U.S. allows a typeface set of all the letters of the alphabet, numbers, and signs and symbols in a single design patent; the U.S. also does not limit protection of the font design to a particular font size.

Copyright

Second, the Target case notwithstanding, the U.S. Copyright Office has determined that typeface, lettering, calligraphy, and typographic ornamentation are generally *not* registrable, no matter how creative. Compendium (Third) § 906.4, citing 37 C.F.R. § 202.1(a), (e). This is because the Office considers typefaces to be mere variations of un-copyrightable letters or words, which are “the building blocks of expression” and therefore not protectable by a single owner. *Id.*

However, a typeface may be registrable if they are made up of “pictorial or graphic elements that are incorporated into un-copyrightable characters or used to represent an entire letter or number.” The Office provides the example of “original pictorial art that forms the entire body or shape of the typeface characters, such as a representation of an oak tree, a rose, or a giraffe that is depicted in the shape of a particular letter.”

Notably, copyright law *can* (and often does) protect computer software programs used to create or use digital versions of a typeface, or font. It is important to note, though, that such a registration will only cover the source code that generates these designs, as opposed to the resulting typeface, typefont, lettering, or calligraphy itself.

Trademark

Finally, trademark law can protect the *name* of a typeface (e.g., “Times New Roman” has been registered by The Monotype Corporation since 1985), but not the underlying design.

However, a font design can be the subject of some trademark protection if it is incorporated into a logo, as in the case of Disney’s famous script.

As with all trademark rights, it is important to note that trademark rights – registered or unregistered -- pertaining to a font or logo design extend only to the goods and/or services for which they are used (and those that may be considered similar or related); thus, protection for a logo in a particular service area likely does not cover any and all uses of that logo design and the font contained within.

For information on the various forms of IP protection available for typeface in other countries, see http://www.wipo.int/edocs/mdocs/sct/en/sct_36/sct_36_2.pdf.

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As of November 29, 2017, ICANN lists Sunrise the period as open for the following new gTLD:

.rugby

ICANN maintains an up-to-date list of all open Sunrise periods [here](#). This list also provides the closing date of the Sunrise period. We will endeavor to provide information regarding new gTLD launches via this monthly newsletter, but please refer to the list on ICANN's website for the most up-to-date information – as the list of approved/launched domains can change daily.

Because new gTLD options will be coming on the market over the next year, brand owners should review the list of new gTLDs (a full list can be found [here](#)) to identify those that are of interest.

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