

Goldman Antonetti & Córdoba, P.S.C.

Attorneys at Law

American International Plaza, 14th Floor

250 Muñoz Rivera Avenue

San Juan, PR 00918

Tel. 787.759.8000

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Puerto Rico has a new Trademark Law

On December 16, 2009, a new Trademark Act was enacted by virtue of Act 169 which replaces the Trademark Act of 1991. The adoption of the new Trademark Act was necessary in order to bring Puerto Rico's trademark legislation up to speed with current trademark practices and to include many elements from the federal trademark act known as the "Lanham Act."

The new Trademark Act incorporates many common components of the federal trademark statutes such as trade dress registration and dilution.

Some of the mayor changes to the law are as follows:

Expansion on the definition of what constitutes a mark: The 2009 Act clarifies that marks may be composed of elements such as a certain trade dress, color, sound or even smell.

Abandonment of a mark: A mark is now considered abandoned after three consecutive years of nonuse. Under the 1991 Act, a mark was considered abandoned after five years of nonuse.

Secondary meaning: The 2009 Act provides that a mark may obtain secondary meaning in commerce if it has been used continuously in commerce for a period of five years. The 1991 Act did not provide any term at all.

Adoption of the Supreme Court Holding in *Arribas v. Santa Clara*, 2005 TSPR 128: Prior to this landmark decision in October 2005, many registered owners of marks based on intent to use in commerce would file sworn statements outside the five year period required by the State Department's trademark regulation. However, since the regulation did not specify the consequences of failing to evidence use of the mark within the five-year term, the Trademark Registry would accept

sworn statements of use filed after said term had lapsed. In *Arribas, supra*, the Supreme Court held that marks based on intent to use would be cancelled if the sworn statement of use was not filed within the five-year prescriptive period. This Supreme Court holding was incorporated into the 2009 Act.

Personal Names: The 2009 Act clarifies that personal names are not subject to registration unless they have acquired secondary meaning or if the name is substantially distinctive. The 2009 Act further clarifies that famous historical names may be registered if they are in the public domain and if such name is used in an arbitrary manner which does not describe the product or service offered.

Geographic Marks: The 2009 Act clarifies that geographic terms may be registered if no relationship exists between the product or service and the alluded geographic region or area. Thus, a mark by the name of North Pole Spicy Burritos would probably be deemed worthy of registration since consumers don't associate spicy burritos being made or originating in the North Pole.

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Term to Oppose a Registration: The 2009 Act provides for an extension of time of 20 days (with just cause) to file an opposition to the registration of a mark after the 30 opposition period has lapsed.

Licenses, Liens and Encumbrances: The 2009 Act now permits the filing and registration of licenses, liens and encumbrances over trademarks.

Classification of Products and Services: The 2009 Act clarifies that the classification of goods and services in Puerto Rico will consist of those international classifications adopted from time to time by the United States Patent and Trademark Office (“USPTO”) or the World Intellectual Property Organization. The 1991 Act provided that the Secretary of State would establish through regulations such classifications.

The adoption of the Dilution provisions of Federal Law: It is now possible to obtain an injunction against another trademark owner based on the doctrine of dilution. Under classic trademark infringement cases, infringement could only exist if the marks were confusingly similar. In other words, if a consumer bought one product or service thinking that it was made or provided by another entity that makes or provides a similar product or service. Dilution protection, on the other hand, extends to trademark uses that do not con-

fuse consumers as to the origin of a product or service. Dilution may occur when consumers no longer associate a mark with one product or service (“Blurring”) or when a mark’s strength is lessened by unsavory or unflattering associations (“Tarnishment”).

Anti-Cybersquatting Provisions: The 2009 Act has adopted anti-cybersquatting provisions similar to those included in the U.S. Anticybersquatting Consumer Protection Act. These provisions are intended to impede individuals commonly known as “cybersquatters” from registering Internet domain names with no intention of creating a legitimate web site, but who instead plan to sell such domain names to the legitimate trademark owners or to third parties.

Adoption of the USPTO’s Section 8 Affidavit of Use: The most dramatic practical change of the 2009 Act is that registered marks must now show evidence of continuous use between the 5th and 6th year and between the 9th and 10th year after the date of registration. While this has been a long standing requirement (known as the Section 8 affidavit) for marks filed with the USPTO in Puerto Rico no evidence of use was needed for marks registered based on use until the end of the ten year registration period. Therefore, this is a major change in the maintenance of registered marks.

We at Goldman remain committed in assisting you and your business to adjust to these changes in the Law. For further information you may contact Paul Ferrer at pferrer@gaclaw.com or Thelma Rivera at trivera@gaclaw.com.