



# Patents in Paradise, Tropical Trademarks,

The timeless and sagely advice to the effect that “[w]hen in Rome, do as the Roman do,” also serves as prudent counsel for trademark practitioners serving a client’s needs in United States territories and possessions. Arrogantly, or passively, assuming that a federal registration is preferable and sufficient in every situation may not provide maximum protection for a client’s commercial and/or legal interests. Indeed, depending upon the particular circumstances, and the client’s customized objectives, local trademark practice and registration may well be advisable. In any case, few who have ventured into the tropics have lost their trousers by sporting both a belt and suspenders.

**BY IRA COHEN**

# and Caribbean Copyrights

**F**ar better known for their white, sandy beaches, blue-green surf, and duty-free shopping opportunities, the last thing that small island nations call to mind is their variegated legal landscapes. Yet, inasmuch as the jurisprudential terrain of a locale must be deemed to be inextricably intertwined with its commerce and trade, we would do well to bear in mind that a business' intellectual property assets and rights merit equal respect, and commensurate protections, whether the enterprise is based in St. Augustine, Fla., or St. Thomas, U.S. Virgin Islands.

Intellectual property attorneys would be remiss not to counsel their clients engaged in interstate commerce to apply for local or state and federal mark registrations, inasmuch as they are not necessarily mutually exclusive. The scope of protection, potency of federal remedies under the Lanham Trademark Act, and omnipresence of federal courts in the continental United States seem to render the various state statutes duplicative or almost nugatory. That cavalier approach does not, however, hold true in the scattered and outermost bastions of U.S. jurisdiction. In those remote, tropical outposts, the order of the day should be to garner as many forms of intellectual protection as one reasonably can muster.

Thus, what may seem like a quaint and interesting approach to academics ought to be adopted as a mantra by the practitioners. To forego or bypass such local legal protection ill serves the best interests of the clients and very well could be tantamount to malpractice.

Just as the flora and fauna change from island to island, the historical antecedents and legal customs and practices also differ, not to mention the rubric of registration procedures and legal protections afforded to aggrieved parties whose rights have

been encroached upon, or infringed by, intellectual property predators and business pirates. To then know how best and fully to serve the needs of one's commercial clients, one must understand and distinguish the similarities, differences, nuances, and subtleties of the varying local tropical trademark systems.

What follows is an expedition of sorts; call it an educational expedition, if you will. It is a voyage of legal discovery carrying us from the tourist-laden shores of the Caribbean to the lonely atolls of the South Pacific.

As a general observation, federal trademark or service mark registration affords a great measure of protection to its owner in all states, territories, and possessions.<sup>1</sup> Stated otherwise, with respect to U.S. territories and possessions, a federal trademark registration granted by the U.S. Patent and Trademark Office (USPTO) will afford protection for a trademark or service mark.<sup>2</sup> It ought to be noted that, in terms of the local enforcement, injunctive relief generally will not be available except when the plaintiff's trademark or service mark is being used within a particular territory or possession, previously has been registered in that locale, or, alternatively, has gained a reputation therein.<sup>3</sup>

In terms of copyright protection in U.S. territories and possessions, a copyright holder's rights and remedies arise and are enforced, almost without exception, under federal law.<sup>4</sup> However, as discussed, *infra*, Puerto Rico protects moral rights and now allows for registration of certain works (analogous to the workings of the U.S. Copyright Office). In Guam, the proprietor of U.S.-registered intellectual property also can register locally.

Of course, only the USPTO grants patents, and, thus, any protection or remedies sought by a patentee for infringement and related claims are exclusively limited to the federal legal sphere and jurisdiction of the federal courts.<sup>5</sup>

Clearly, however, entrepreneurs engaging in commercial enterprises in U.S. territories and/or possessions can take it upon themselves to proactively safeguard their marks by applying for, and securing, federal registrations for their service marks and/or trademarks. The Lanham Trademark Act protects marks registered to all territories under the control and jurisdiction of the United States.<sup>6</sup> As noted in the USPTO's Trademark

Manual of Examining Procedure (TMEP), the types of commerce that may be regulated by Congress include interstate, territorial, and commerce between the United States and a foreign country.<sup>7</sup> In turn, “territorial commerce” has been defined to mean commerce within a U.S. territory (e.g., Guam, Puerto Rico, American Samoa, and the U.S. Virgin Islands), or between the United States and a U.S. territory.

In terms of judicial jurisdiction, district courts have “original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks,”<sup>8</sup> not to mention unfair competition claims (“when joined with a substantial and related claim under the copyright, patent, plant variety protection or trademark laws”).<sup>9</sup>

For purposes of federal jurisdictional analysis under Title 28, U.S.C. § 1338(a) and that statute’s prohibition to the effect that “[n]o State court shall jurisdiction over such claims,” the definition of the term “state” expressly “includes any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands.” However, the federal courts’ jurisdiction over trademark matters, unlike the vast majority of patent and copyright cases, is not exclusive.

### Commonwealth of Puerto Rico

The Commonwealth of Puerto Rico, which translates to “rich port” in Spanish, is an unincorporated,<sup>10</sup> organized<sup>11</sup> territory of the United States. The island lies in the northeastern Caribbean, west of the U.S. Virgin Islands. Its capital and main city is San Juan.

Claimed for Spain in 1493 by Christopher Columbus, aboriginal Taino people initially inhabited the island and called it “Borikén” (“Land of the Valiant Lord”). Spain colonized and ruled Puerto Rico for more than four centuries. Between forced labor and European infectious diseases, the Tainos were all but entirely annihilated. In the aftermath of the Spanish–American War, Spain ceded Puerto Rico, along with the Philippines, to the United States on April 11, 1899.<sup>12</sup>

Until July 1, 1950, the U.S. military ruled Puerto Rico; in the interregnum, the Foraker Act of 1900 granted certain measures of civilian government. By 1917, Puerto Ricans were granted U.S. citizenship. Subsequently, the populace elected their own governor (1948) and enacted a constitution (1952). The thorny issue over Puerto Rico’s possible conversion to statehood raises a perennial debate.

Puerto Rico is subject to plenary Congressional powers by virtue of the U.S. Constitution’s territorial clause.<sup>13</sup> Although they are U.S. citizens, Puerto Ricans cannot vote for the U.S. President and may only elect a non-voting delegate to the U.S. House of Representatives.

Local government in Puerto Rico is fashioned after the republican design, *to wit*, with tri-partite branches (an executive, headed by a governor; a bicameral legislature of a House and Senate; and a judiciary). Citizens elect the governor and legislators by popular vote every four years; all judges are appointed by the governor, with the Senate’s advice and consent.

The Puerto Rican legal system combines common law and civil law. The commonwealth (territorial) level has a number of different lower courts. The Puerto Rican judicial system is divided into 13 districts and has municipal courts (in 78 municipios), district courts

(13), superior courts (9), a Circuit Court of Appeals (sitting in San Juan), and a seven-justice Supreme Court of Puerto Rico.

Turning to the federal judicial blueprint, Puerto Rico has a U.S. district court, which sends appeals to the U.S. Court of Appeals for the First Circuit in Boston, Mass.

The twin official languages of Puerto Rico are Spanish and English, with Spanish being the dominant tongue. The court system is divided into languages as well. In the commonwealth judicial system, Spanish carries the day, while U.S. District Court proceedings are conducted only in English.

According to the 2010 U.S. Census, Puerto Rico has an estimated 3.7 million people. The GDP (2009 est.) is approximately US\$108.4 billion, and the currency used is, of course, the U.S. dollar.

For eons, agriculture drove Puerto Rico’s economy, and the main cash crop was sugarcane. But due to advancing technology and economic stimulation, manufacturing activity has increased markedly. Beverage distillation, petrochemicals, and pharmaceuticals are counted among the business vanguard in Puerto Rico. Of course, in the late 20<sup>th</sup> century, and continuing up through the present time, tourism has become a critical piece of the economic puzzle. Typically, about 5 million tourists per year visit the island (including cruise ship passengers), and most hail from the continental United States. Indeed, San Juan boasts the busiest port in the Caribbean and is amongst the top 10 U.S. ports involving commercial activity and movement of cargo goods.

The Department of State of Puerto Rico is part and parcel of Puerto Rico’s executive branch of government. Headquartered in San Juan, it includes the Office of the Intellectual Property Registrar (analogous to the U.S. Copyright Office) where, for a mere US\$30 (USD), applicants can protect their moral rights (e.g., writings, musical compositions, computer programs, architectural designs, graphic works, sculptures, audio–visual works, and photographs). It should be noted that legal protection (for the life of the author plus 70 years or until the work enters the public domain), as to any such works is confined to the geographic borders of Puerto Rico.<sup>14</sup> Puerto Rico’s trial courts enforce these “Caribbean copyrights.”; both injunctive relief and monetary damages are available.

The physical address of the Department of State is Calle San Jose, Esq. (“Esquina” or “corner of”) San Francisco, San Juan, Puerto Rico 00902, with a postal address of P.O. Box 9023271, San Juan, P.R. 00902-3271; Tel. (787) 722-2121.

Puerto Rico’s trademark system is separate and distinct from that of the United States. In other words, if your client plans to market its goods and/or services in both the United States and Puerto Rico, it would be sound and prudent practice to register the mark(s) in both places. Mark registrations granted by USPTO are recognized in all U.S. states and territories, Puerto Rico being no exception. Nevertheless, there are sound legal and business reasons for registering a mark locally as well, a step which, while not compulsory, is highly advisable.

Over the past decade, the volume of local mark applications in Puerto Rico has mushroomed dramatically.<sup>15</sup> More businesses and entrepreneurs alike are becoming cognizant of the need for, and advantage of, intellectual property asset protection. Such assets, over time, can acquire significant market value. By way of example, the Bacardi® family of marks bears a value measured in billions of dollars.

In December 2009, Puerto Rico repealed its old trademarks law

and enacted in its stead Act 169-2009, 10 P.R. CODE ANN. §§ 223 *et seq.*, the Government of Puerto Rico Trademark Act. Important amendments to the act took effect on July 12, 2011. As under the Lanham Trademark Act in the United States, Puerto Rico allows for both use-based<sup>16</sup> and intent-to-use applications.<sup>17</sup>

A formal examination process lasts between 15 and 20 months from filing to registration, barring any opposition.<sup>18</sup> The Puerto Rico Trademark Office (PRTO) examination includes a trademark search and distinctiveness inquiry. The owner can prove secondary meaning by demonstrating use of the mark for a period of five years.

Assuming, *arguendo*, that all registration requirements are satisfied by the applicant, as under current U.S. law, trademark registrations are granted for terms of 10 years.<sup>19</sup> Again, as at the USPTO, the registration may be renewed for additional, successive 10-year periods.<sup>20</sup>

The act expanded protection by broadening the definition of “trademark” to include any word, name, symbol, image, business style, medium logo, design, trade dress, sounds, smells, and product design.<sup>21</sup> Furthermore, the statute expressly recognizes the common law rights reposed in marks that have not been registered.

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Starting in or around 2010, the PRTO, much to its credit, launched an online registration portal. Since that time, legal practitioners have been able to file trademark registrations electronically, making the process more time and cost efficient, as well as environmentally responsible.

To apply online, one simply needs to go to [www.estadogobierno.pr](http://www.estadogobierno.pr) and click on “Registrar Marcas...” The PRTO electronic process may be completed in Spanish or English. The user-friendly system uses the well-known International Classification Codes under the Nice Agreement (10<sup>th</sup> ed.), containing the easily recognizable and omnipresent 45 classes of goods and services.<sup>22</sup> Furthermore, there is a handy and readily accessible database reflecting the archives of PRTO registrations and applications and also providing some USPTO data.

The current filing fee for one mark application in one class is US\$150. Major credit cards are accepted.

A representative for the owner of the mark must be identified. Such representative can be the mark owner, a company official of the mark owner, or an attorney.

Puerto Rico offers some rather good electronic reference sources to conduct formal legal research or gather general information. One excellent research tool is the electronic library databases on the University of Puerto Rico website ([www.bib.upr.edu](http://www.bib.upr.edu)). From there, one can access various university library public catalogues

including, but not limited to, the branch libraries of Puerto Rico, the law and public administration libraries of Recinto de Rio Piedras, the library of the Catholic University of Ponce, the Puerto Rico Legislative Services Library, the National Index of Puerto Rico, and various, other specialty libraries.

It is beyond debate that many of the revised Puerto Rican trademark law provisions were patterned after the Lanham Act. For example, a local trademark registration in Puerto Rico is deemed to be *prima facie* evidence of ownership and validity of that mark; additionally, it attests to the registrant’s exclusive right to use the mark in Borinquen (yet another sobriquet for the island). In addition, antidilution remedies and enhanced damages against trademark infringers exist.

Under the old law, the registration of Puerto Rican trademarks would endure for 10 years, irrespective of actual use. Currently, an applicant can secure a mark’s registration, but must *prove* use within five years of the registration date.<sup>23</sup> (*N.B.* An extension of one year may be granted, if timely requested, within the five-year period.) In addition, a Declaration of Use must be filed within the fifth and sixth anniversaries of registration (though there is a six-month grace period).<sup>24</sup> The act also protects web domain names against the blight of bad faith conduct (e.g., cybersquatting).<sup>25</sup> A party aggrieved by such computerized mischief can petition a court to cancel a name (or assign the name to the plaintiff), in addition to recovering monetary damages for infringement.

Moreover, the revamped trademark law in Puerto Rico allows for recordation of license agreements. A potpourri of other statutory provisions cover registration of descriptive marks that have acquired secondary meaning, geographic marks, and surnames, as well as claims for false designation of origin and false description.<sup>26</sup>

Not surprisingly, the standard for determining a mark’s registration qualifications and for the infringement analysis is likely to confuse. Marks that are the same, or similar to, and which cause confusion as to the origin of goods or services, subject the wrongdoer to civil liability in the form of injunctive relief and pecuniary damages.

Famous marks from any country—even if they are not actually used in Puerto Rico—are not eligible for registration by the PRTO, and famous marks may not lawfully be diluted there.<sup>27</sup> Similarly, a party alleging infringement may be able to secure an injunction against an infringer of a registered Puerto Rican mark, even when that mark is not in use on La Isla del Encanto (“The Island of Enchantment,” another of Puerto Rico’s several endearing nicknames).

Caution is well advised. Any person or entity that uses a famous mark in Puerto Rico without consent, or any mark substantially similar thereto that causes a blurring of the mark’s distinctive nature or adversely affects or tarnishes reputation of the mark, can be subject to injunction and money damages.<sup>28</sup> Even if confusion is absent, while damages may not be recovered, injunctive relief still may be available. Furthermore, in situations wherein bad faith is proved, enhanced damages from the court also may be recoverable.

The remedies for trademark infringement in Puerto Rico are exceedingly broad. Indeed, the plaintiff in such cases is afforded the opportunity to elect damages under certain, established legal criteria or, in the alternative, to recover statutory damages (ranging from US\$750 to US\$30,000).<sup>29</sup>

In terms of damages awarded under the legal criteria, the court, in its discretion, can effectuate a downward modification of the

award in cases of innocent infringement. On the other hand, in situations wherein bad faith is demonstrated, the court may upwardly modify the award and issue a judgment for treble damages against the defendant(s). Statutory damages, if that is what the plaintiff has opted for, also are susceptible to upward or downward modifications, depending upon the court's findings regarding the infringer's bad faith or lack thereof.<sup>30</sup>

As noted above, although USPTO trademark registrations cover Puerto Rico, a local Puerto Rican trademark registration may serve to provide the local trademark proprietor with a panoply of legal protections. This is a not insignificant factor, particularly in a market such as Puerto Rico (especially considering San Juan's tourist trade) which is infamous for sales of counterfeit goods. Puerto Rican law, thus, provides local mark owners with faster and more efficacious remedies in such situations.<sup>31</sup>

To illustrate, in counterfeiting cases, submitting a certified copy of the local Puerto Rican trademark registration to the court can lead to the issue of a temporary restraining order (TRO) on an *ex parte* basis. To provide additional deterrent and punitive statutory protection under Puerto Rican law, the possession of counterfeit goods bearing a Puerto Rican trademark is subject to enhanced criminal penalties.

Trade names are allowed and may be registered in Puerto Rico under the Commonwealth Trade Name Act for a US\$150 fee.<sup>32</sup> Trade secrets have not been left out in the rain from under the protective umbrella of Puerto Rican law. Based on the Uniform Trade Secrets Act, the Trade Secrets Act of Puerto Rico (PRTSA) was enacted in 2011.<sup>33</sup> An *ex parte* TRO, injunctive relief, and damages are available under the act. Furthermore, in circumstances wherein bad faith is involved, the court may award treble damages and attorney's fees.

## U.S. Virgin Islands

The United States purchased the Virgin Islands from Denmark in 1917 for US\$25 million in gold. It is an organized, albeit unincorporated territory, under the purview of the Office of Interior Affairs, U.S. Department of the Interior.<sup>34</sup>

Situated approximately 40 miles east of Puerto Rico, in the Caribbean Sea, Christopher Columbus originally dubbed these islands, in the name of the King and Queen of Spain, "Santa Ursula y las Once Mil Virgines" (Saint Ursula and the 11,000 Virgins) or "Las Virgines" for short. The original inhabitants were native Arawak and Carib people. Today's official language is English, however, other languages, including Spanish, French, and Creole, are widely spoken.

The Danish West India Company originally settled St. Thomas in 1672, followed by St. John in 1644. Denmark, having later purchased St. Croix from France (in 1733), made all of the islands royal Danish colonies in 1754. Over the centuries, however, a number of European nations have controlled their destiny.

Although the Spanish-American War lasted only three and a half months in 1898, it was waged over a very large geographic area, ranging from Cuba to the Philippines. With negotiated terms highly favorable to a triumphant America, the Treaty of Paris, *inter alia*, marked the final decline of the Spanish Empire and forced Spain to relinquish jurisdiction over Cuba. In other resulting territorial changes, Spain also ceded control over Puerto Rico, Guam, and the Philippine Islands to the United States for the paltry sum of US\$20 million.

The Treaty of the Danish West Indies was ratified on March 31, 1917, when the United States took possession (now celebrated yearly by residents as "Transfer Day"). The revised Organic Act of USVI was enacted on July 22, 1954.

Today, these northernmost islands of the Lesser Antilles are known as St. Thomas (pop. 51,000), St. Croix (pop. 50,000), and St. John (pop. 4,000) (based on the 2010 census), and cover an area roughly twice the size of Washington, D.C. The scenic capital of the islands is Charlotte Amalie on St. Thomas.

The people of the U.S. Virgin Islands became U.S. citizens in 1927, 10 years after the Puerto Ricans, but they, too, are not permitted to vote for the U.S. President and may elect only a non-voting delegate to Congress. At the commonwealth level, there is a unicameral legislature, comprising 15 senators elected to two-year terms and a territorial governor, who is elected every four years.

For cases arising under U.S. Virgin Island law, there are Superior Courts, the appeals from which are taken to the Supreme Court of the U.S. Virgin Islands. The governor appoints territorial judges for decade-long terms. In the federal judicial arena, there exists the U.S. District Court of the U.S. Virgin Islands, with appeals to the U.S. Court of Appeals for the Third Circuit in Philadelphia, Pa. U.S. common law, together with U.S. Virgin Island statutory law, is applied in the court system.

The islands have a GDP (2003 est.) of approximately US\$1.577 billion. The main industry is tourism, with some 2 million visitors per year (mostly debarking from cruise ships). Other industries of note include manufacturing, such as rum distilling and petroleum refining.

Trade names are available under local law.<sup>35</sup> In fact, any business conducted other than in the name of the person, partnership, or association engaging in that business, must file a certificate in the Office of the Lieutenant Governor.<sup>36</sup> Corporations must file a similar

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certificate with the same office and pay a US\$25 fee.<sup>37</sup> Appropriate forms are available from the U.S. Virgin Islands government.<sup>38</sup>

Trade names registered under the provisions of Chapter 21 must not be the same as or so similar to the trade name of another person, partnership, association, or entity (foreign or domestic) doing business under that name in the U.S. Virgin Islands.<sup>39</sup>

Noncompliance with the trade name registration procedure is a serious matter. It can result in a referral by the Office of the Lieutenant Governor to the Office of Attorney General, which may then commence an action to enjoin the offending business from engaging in any commercial activity. Interestingly, any such legal action would have to be brought to the U.S. district court.<sup>40</sup> In the event that a commercial enterprise voluntarily ceases doing busi-

ness, it must file a Certificate of Cessation.<sup>41</sup>

Registered trade names must be renewed every two years for a fee of US\$50.00 (USD).<sup>42</sup> Failure to renew within six months results in the trade name becoming freely available to anyone else that files and pays the appropriate fee.<sup>43</sup>

The U.S. Virgin Islands also boast a Uniform Trade Secrets Act (UTSA).<sup>44</sup> Under the UTSA, an aggrieved party may seek injunctive relief,<sup>45</sup> damages,<sup>46</sup> and reasonable attorney's fees.<sup>47</sup> Under the damages provisions, either damages may be awarded or, alternatively, a reasonable royalty may be imposed by the court for the unauthorized disclosure or use of a trade secret.<sup>48</sup> In cases where the court finds a willful and malicious misappropriation of the trade secret, it has the discretionary power to award exemplary damages up to twice the amount of any initial damages award.<sup>49</sup>

## Guam

Guam, the largest and southernmost of the Mariana Islands, is an unincorporated, organized U.S. territory in the western Pacific Ocean.<sup>50</sup> Guam originally was governed by the U.S. military (from April 11, 1899, to July 1, 1950) before civilian government operations were allowed to commence.

Guam's capital is Hagåtña and its largest village is Dededo. The Chamorros, Guam's indigenous people, who first arrived four millennia ago, account for approximately 39 percent of the population, with another 26 percent descending from Filipino heritage.

The island of Guam endured three centuries of Spanish rule. During his circumnavigation of the globe in 1521, Ferdinand Magellan sailed to Guam, although Spain did not claim the island until 1565. Spanish colonization took yet another century, commencing in 1668. From 1668 to 1815, Guam was a critical port and rest area for the Manila-bound galleons of the Spanish fleets. The Philippines governed the Spanish East Indies, but technically Guam was a part of the Viceroyalty of New Spain, which was headquartered in Mexico City.

On June 20, 1898, a few short weeks before Lieutenant Colonel Theodore Roosevelt and his 1<sup>st</sup> U.S. Volunteer Cavalry would successfully charge up San Juan Hill in Puerto Rico, on the other side of the world, Guam quietly surrendered without a fight. Following the end of what then-U.S. Ambassador John Hay had termed a "splendid little war," the United States took control of the island according to the terms of the Treaty of Paris.

During the World War II era, a day after the Japanese attack on Pearl Harbor, Guam was invaded by Japan and occupied by the Japanese military for two and a half years until the bloody three-week long Battle of Guam in July of 1944.

Subsequently, pursuant to the Guam Organic Act of 1950 (GOA), Guam was established as an unincorporated, organized territory of the United States. The GOA established the structure of the island's civil government, whereby the Guamanians were granted U.S. citizenship. However, inasmuch as Guam is not a state, its residents cannot vote in U.S. presidential elections and, like Puerto Rico and the Virgin Islands, its U.S. congressional representative is a mere non-voting member.

The home of multiple military bases, including Naval Base Guam and Andersen Air Force Base, Guam's three-branch government center is situated in Hagåtña. Its unicameral legislature consists of 15 senators.

The local currency is the U.S. dollar, and the GDP in 2000 was

approximately US\$2.5 billion, with a per capita annual income of US\$15,000. Other than revenue derived from the U.S. military, Guam's principal industry is tourism (i.e., hotels, shopping, and golf, mainly for Japanese tourists).<sup>51</sup> Boasting a population of approximately 160,000 (2010 census), the official languages are English

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and Chamorro. There is a United Airlines hub located in Guam, but the island also has the dubious distinction of being home to the world's largest K-Mart® store.

Guamanians pay no income on excise taxes. They do pay federal income taxes; however, that money stays in Guam rather than going to Washington, D.C.

For more information regarding business and taxation in Guam, one can consult the Guam Department of Revenue and Taxation, at 1240 Army Drive, Barrigada, Guam 96913; Fax (671) 633-2643; P.O. Box 23607, GMF, Guam 96921 (mailing address); [www.guamtax.com](http://www.guamtax.com) (information and electronic filing); and [www.govguamdocs.com](http://www.govguamdocs.com) (forms).

Guam recognizes fictitious names for businesses. A Certificate of Transacting Business Under a Fictitious Name (D/B/A) can be secured by applying to the General Licensing and Registration Branch of the Department of Revenue and Taxation, Government of Guam. The current filing fee for a duly notarized application is only US\$25. The applicable form is available on the Department of Revenue and Taxation's above-cited website.

To apply for local registration (or renewal) of a trademark and/or a service mark in Guam, an appropriate completed application form, together with the required filing fee of US\$100 for each mark must be submitted to the Guam Department of Revenue and Taxation, along with three specimens of the mark as used in commerce or being reserved. Forms are available online. Checks must be made payable to "Treasurer of Guam," and the completed form, fee, and specimens mailed or delivered to Department of Revenue and Taxation, Government of Guam, 1240 Route 16 (Price Smart Building), Barrigada Heights, Guam U.S.A. 96920.

Turning to the local registration of trademarks, in accordance with the provisions of Chapter 20 of the Guam Code Annotated, one may apply for a mark based upon either: (1) the applicant's actual use in commerce on or in connection with the goods/services identified in the application;<sup>52</sup> or (2) the Applicant's *bona fide* intention to use the mark in commerce.<sup>53</sup> Contrary to current U.S. law, registrations are granted based on intent-to-use, without more.

With respect to registrations predicated upon intent-to-use, it should be cautiously observed that such registrations are, nonetheless, subject to revocation by the Director of Department of Commerce, pursuant to the provisions of § 20411, Ch. 20, Title 5,

GCA, following nonuse for more than 365 consecutive days.

Registrations of local Guam marks are valid for a period of five years.<sup>54</sup> Renewals, thereafter, are possible for additional five-year terms. It hardly seems necessary to add that, under Guam's law, the protection granted to any local service marks or trademarks does not extend beyond its territorial boundaries.

The owner of a U.S. Letters Patent, copyright, trademark, or service mark can register same in the Territory of Guam<sup>55</sup> by supplying a certified copy of the U.S. Registration. The current fee for such "patents in Paradise" and other registration documents is only US\$50. The same procedure applies to the local registration of U.S. mark Registration Renewals.<sup>56</sup>

In the event of an adverse decision by the director of the Guam Department of Commerce, in terms of the issuance (or nonissuance) of a Guam local registration, or the revocation of same, there is a right of appeal granted.<sup>57</sup> Within 30 days after that action, the aggrieved party can file papers to secure judicial review by the Superior Court of Guam. Notably, the notice of appeal must be filed in the superior court, rather than at the Department of Revenue and Taxation.

Guam's trademark administrators are no shrinking violets. An intentionally false mark application can subject the applicant to fines of up to US\$30,000, while a negligently false application can cost up to US\$3,000 in fines.<sup>58</sup> Under § 20409, it is illegal in Guam to adopt or use an identical or confusingly similar print, label, mark, or trade name. To give that law teeth, § 20410 provides, *inter alia*, for fines of not less than US\$10,000 for unlawful use (e.g., infringement).<sup>59</sup> Moreover, the Superior Court of Guam is vested with the power to grant injunctions to prevent violations of any right of an owner of a print, label, trademark, service mark, or trade name registered by the director of the Department of Commerce of Guam.<sup>60</sup>

Guam also punishes the counterfeiting of registered marks as a crime.<sup>61</sup> Both local Guam, and U.S. federally registered marks, as well as marks of any other state, commonwealth, or territory of the United States, are protected.<sup>62</sup> Intentional counterfeiting of a registered mark constitutes the crime of counterfeiting. If the goods of the defendant have a cumulative retail sale value of US\$500 or less, it is considered a misdemeanor. If the value is greater than US\$500, it is considered a felony.<sup>63</sup> Similar charges and penalties apply if one is accused, and convicted, of "trafficking" in counterfeit goods.<sup>64</sup> Aiding and abetting the trafficking of counterfeit goods likewise is a crime.<sup>65</sup>

In terms of criminal prosecution, the standard of proof is the relaxed *onus probandi* of "preponderance of the evidence." Upon a ruling that the goods bear a counterfeit mark, the attorney general may secure an order from the court authorizing the destruction of the goods, unless the registered mark owner approves a different disposition.<sup>66</sup>

Counterfeit goods may be seized by law enforcement officers, under § 47.60. Moreover, any personal property (e.g., cash, tools, machinery vehicles) used in the counterfeiting crime may be seized and are subject to forfeiture.<sup>67</sup> Finally, in addition to the penal sanctions set forth under §§ 47.20, 47.30, and 47.40, the law provides that the court shall order restitution for the costs of storage and destruction.<sup>68</sup>

## American Samoa

American Samoa is an unincorporated, unorganized U.S. territory. With its capital situated in Pago Pago, it consists of five volca-

nic islands and two coral atolls, nestled in the south Pacific Ocean between Hawaii and New Zealand. The total land mass measures slightly larger than Washington, D.C.

Boasting a population of approximately 55,000 persons (2010 census), the largely bilingual population speaks English and Samoan. About 95 percent of the people live on the largest island, Tutuila. Demographically, the ethnic majority of the American Samoa is Polynesians.

Contact between the native Samoans and the Europeans did not occur until the early 1700s. Over time, the islanders gained an infamous reputation for aggression and ferocity, particularly in light of an 18<sup>th</sup> century battle on Tatuila against French explorers at the aptly named Massacre Bay.

Competing claims between the United States and Germany over these islands were settled by the 1899 Tripartite Convention, whereby the United States took possession of the eastern islands. On July 17, 1911, the islands officially were renamed "American Samoa." Back in 1949, an Organic Act of the U.S. Department of Interior was defeated, thus, leaving the territory, technically, unorganized.

Consequently, the people of American Samoa are U.S. nationals, but not citizens. That is to say, they are under the protection of the United States, with freedom of U.S. travel (without visas), but they cannot vote in U.S. presidential elections and they are represented by a single, non-voting delegate to the House of Representatives. They do, however, hold local voting rights and pay some U.S. federal taxes.

The 1967 constitution combines both traditional and customary practices with the common law. Samoans are permitted self-government, but certain powers nevertheless are reserved to the U.S. Secretary of the Interior. Evidently not bound by the dictates of "political correctness," up to this day, neither "commoners" nor women are allowed to vote in American Samoa.

***Boasting a population of approximately 55,000 persons, the largely bilingual population speaks English and Samoan.***

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As in the United States, there are three branches of government, namely, the executive, legislative, and judicial. The legislative branch is bicameral in nature (i.e., House and Senate). The independent judiciary comprises the district courts and the High Court of American Samoa (located in Pago Pago). Appeals from the high court are routed to the U.S. Supreme Court in Washington, D.C.

The governor is the head of government and chief executive in American Samoa. However, traditional village politics, councils, and the "matai" (chiefs) still are quite important in the local legal landscape.

In 2007, the GDP of American Samoa was approximately US\$537 million. The U.S. dollar is the official currency. Major industries include aluminum recycling, drink bottling, fish processing and

canning, and shipping services. Starkist® Tuna maintains substantial operations there. The main exports of the islands are bananas, handicrafts, and pet food, while its main trading partners are the United States, Japan, Australia, and New Zealand.

Local trademark registration is covered by Chapter 3 of Title 27 of the American Samoa Code Annotated. Applications for certificates are filed with the territorial registrar.<sup>69</sup> The statutes cover prints, labels, trademarks, and trade names.

The effect of a certificate is to grant exclusive use, for a period of 10 years, in the territory.<sup>70</sup> Revocation is possible following a period of 365 consecutive days of nonuse.<sup>71</sup> Appeals from any action taken by the registrar are reviewable *de novo* in the high court.<sup>72</sup>

Under the laws of American Samoa, an aggrieved litigant can petition the court for an injunction when money damages alone portend to be an inadequate remedy. Title 43 of the American Samoa Code Annotated relates to civil remedies and procedure. More specifically, Chapter 13 of said title covers injunctions, of a preliminary and permanent nature.<sup>73</sup> Bonds (sureties)<sup>74</sup>, awards of reasonable costs and attorney's fees<sup>75</sup>, as well as sanctions for non-compliance with a court's injunctive award (e.g., contempt sanctions)<sup>76</sup>, all are available, generally, to aggrieved litigants in American Samoa.

## Conclusion

An intellectual property lawyer's initial impulse to rest a client's laurels on, for example, a federal trademark or service mark registration, could bring incalculable harm upon the client. The need for, and value of, local protection of intellectual property assets and, in particular, mark registrations, cannot be argued.

Furthermore, in most instances, the actual costs of securing local trademark prophylaxis are reasonably modest, the registration procedures relatively unencumbered, and the potential advantages manifold. Accordingly, any cost-benefit analysis would seem clearly

in favor of adopting the old, tried-and-true "belt and suspenders" approach in such commercial practice situations. ☺



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## Endnotes

<sup>1</sup>Notably, a U.S. trademark registration also may be granted for a service mark or trademark utilized only within the geographic boundaries of the District of Columbia (i.e., Washington, D.C.). (See Trademark Manual of Examining Procedure (TMEP) § 901.03).

<sup>2</sup>15 U.S.C. § 1051, *et seq.* (Lanham Trademark Act).

<sup>3</sup>It hardly seems necessary to add that if a mark owner's business is strictly intrastate or intraterritorial, local registration, if available, would be highly advisable. Furthermore, the same recommendation would apply in cases where the principal market of the owner's mark lies distant in geographical terms (e.g., Alaska, Guam, and American Samoa).

<sup>4</sup>17 U.S.C. § 101, *et seq.* See also U.S. CONST. art. I, § 8, cl. 8.

<sup>5</sup>35 U.S.C. § 101, *et seq.* See Also, U.S. CONST. art. I, § 8, cl. 8.

<sup>6</sup>15, U.S.C. § 1127.

<sup>7</sup>TMEP §903.03.

<sup>8</sup>28 U.S.C. § 1338 (a).

<sup>9</sup>28 U.S.C. § 1338 (b).

<sup>10</sup>"Unincorporated" territories (i.e., overseas possessions or insular areas) did not exist in the United States prior to 1856. Today, there are several such territories.

<sup>11</sup>"Incorporated" means that a territory is part of the United States proper, and "organized" refers to the fact that an Organic Act has been passed by Congress, under U.S. CONST. art. IV, § 3.

<sup>12</sup>The Spanish crown gave Puerto Rico its coat of arms which the Commonwealth of Puerto Rico adopted, in 1905, after Spain left.

<sup>13</sup>U.S. CONST. art. IV, § 3.

<sup>14</sup>This procedure and the existence of the copyright registry is authorized by Puerto Rico Civil Code, P.R. LAWS ANN., Title 21 §§1401 and 1402. See also Act. No. 55 of 2012.

<sup>15</sup>According to USPTO archives, between 2006–2011, more than 1.7 million trademark applications were filed at USPTO. Moreover, during the period from 2008–2010, in excess of 900 mark applications were filed at USPTO by Puerto Rico-based applicants.

<sup>16</sup>See P.R. LAWS ANN. Title 10 § 223a.(1). Marks not used for three years after registration are subject to challenge based upon alleged abandonment.

<sup>17</sup>*Id.* § 223a.(2). A notable distinction, however, is that registrations are granted predicated upon a *bona fide* intent to use. However, if no statement of use is filed within three years of filing, then, the registration lapses.

<sup>18</sup>*Id.* § 223e.

<sup>19</sup>*Id.* § 223p. As in the U.S., renewal applications should be filed between the ninth and tenth anniversaries of the registration issuance date.

<sup>20</sup>Even renewals applied for within six months of expiry likely will be resuscitated by the PRTO.

<sup>21</sup>*Id.* § 223.

<sup>22</sup>*Id.* § 223s.

<sup>23</sup>*Id.* § 223b.; § 223q.

<sup>24</sup>*Id.* § 223o.

<sup>25</sup>*Id.* § 223z.

<sup>26</sup>*Id.* § 223x.

<sup>27</sup>*Id.* § 223c.

<sup>28</sup>*Id.* § 223y.

<sup>29</sup>*Id.* § 223w.

<sup>30</sup>*Id.* § 223w (from no less than US\$500 up to a maximum of US\$150,000.)

<sup>31</sup>Puerto Rican local products are afforded extra commercial protection and prominence by use of a stamp or seal of guaranty. *Id.* §§ 208-211.

<sup>32</sup>*Id.* §§ 225 *et seq.*

<sup>33</sup>See Act No. 80 of 2011 (June 3). See also P.R. LAWS ANN. Title 32 § 30; Title 33 §4815; and P.R. Civ. Pro. Rule 23.2(g).

<sup>34</sup>The motto of the U.S. Virgin Islands is "United in Pride and Hope."

<sup>35</sup>See, generally, V.I. CODE ANN. Title 11, ch. 21.

<sup>36</sup>*Id.* § 1201.

<sup>37</sup>*Id.* § 1203.

<sup>38</sup>*Id.* § 1205.

<sup>39</sup>*Id.* § 1204.

<sup>40</sup>*Id.* § 1207.

<sup>41</sup>*Id.* § 1209.

<sup>42</sup>*Id.* §1213.

<sup>20</sup>*Id.*

<sup>21</sup>*Id.* at 1309.

<sup>22</sup>*Id.* at 1318.

<sup>23</sup>*Id.* at 1306.

<sup>24</sup>709 F.3d 1117 (Fed. Cir. 2013).

<sup>25</sup>*Id.* at 1119-20.

<sup>26</sup>*Id.* at 1120 (citing *Move, Inc. v. Real Estate Alliance Ltd.*, 413

F. App'x 280, 296 (Fed. Cir. 2011)).

<sup>27</sup>*Id.*

<sup>28</sup>*Id.* at 1122.

<sup>29</sup>*Id.*

<sup>30</sup>*Id.* at 1123.

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## PATENTS IN PARADISE continued from page 61

<sup>43</sup>*Id.*

<sup>44</sup>*Id.* § 1001 *et seq.*

<sup>45</sup>*Id.* § 1003.

<sup>46</sup>*Id.* § 1004.

<sup>47</sup>*Id.* § 1005.

<sup>48</sup>*Id.* § 1004 (a).

<sup>49</sup>*Id.* § 1004 (b).

<sup>50</sup>The motto of Guam is “Where America’s Day Begins.”

<sup>51</sup>Guam has no sand whatsoever. Its beaches are, in reality, covered with ground coral.

<sup>52</sup>GUAM CODE ANN. Title 5, ch. 20, art 4, § 20405(b).

<sup>53</sup>*Id.* § 20405(a).

<sup>54</sup>*Id.* § 20406.

<sup>55</sup>*Id.* § 20402.

<sup>56</sup>*Id.* § 20403.

<sup>57</sup>*Id.* § 20414.

<sup>58</sup>*Id.* § 20408.

<sup>59</sup>*Id.* § 20410(a).

<sup>60</sup>*Id.* § 20410(b).

<sup>61</sup>*See, generally*, GUAM CODE ANN. Title 9, ch. 47, §§ 47.10 *et seq.* (Trademark Counterfeiting Act).

<sup>62</sup>*Id.* § 47.10(a).

<sup>63</sup>*Id.* § 47.20.

<sup>64</sup>*Id.* § 47.30.

<sup>65</sup>*Id.* § 47.40.

<sup>66</sup>*Id.* § 47.60(a).

<sup>67</sup>*Id.* § 47.60(b).

<sup>68</sup>*Id.* § 47.70.

<sup>69</sup>27 AM. SAMOA CODE ANN. § 27.0302.

<sup>70</sup>*Id.* § 27.0303.

<sup>71</sup>*Id.* § 27.0304.

<sup>72</sup>*Id.* § 27.0306.

<sup>73</sup>*Id.* §§ 43.1301 *et seq.*

<sup>74</sup>*Id.* § 43.1309.

<sup>75</sup>*Id.* § 43.1311.

<sup>76</sup>*Id.* § 43.1313.

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## NPEs IN DELAWARE continued from page 67

(D. Del. Aug. 12, 2010).

<sup>18</sup>*Clouding IP, LLC v. Amazon.com, Inc.*, 2013 WL 2293452 (D. Del. May 24, 2013) (dismissing indirect infringement but not willfulness); *Eon Corp. IP Holdings LLC v. Flo TV, Inc.*, 802 F. Supp. 2d 527 (D. Del. 2011); *Xpoint Tech., Inc. v. Microsoft Corp.*, 730 F. Supp. 2d 349 (D. Del. 2010) (dismissing indirect infringement but not willfulness); *Chalumeau Power Sys. LLC v. Alcatel-Lucent*, 2012 WL 6968938, at \*2 (D. Del. July 18, 2012) (dismissing willfulness and indirect infringement); *see Execuware, LLC v Staples, Inc.*, 2012 WL 6138340, at \*7 (D. Del. Dec. 10, 2012) (recommending dismissal of claims of indirect infringement and willfulness without prejudice).

<sup>19</sup>*See* [www.ded.uscourts.gov/court-info/local-rules-and-orders/guidelines](http://www.ded.uscourts.gov/court-info/local-rules-and-orders/guidelines).

<sup>20</sup>*Compare CyberFone Sys. LLC v. Amazon.com, Inc., et al.*, No 11-831 (D.I. 91) (D. Del. Mar. 8, 2012) *with Platte Chem. Co. v. Fuzion AG, Inc. et al.*, No. 11-1159 (D.I. 41) (D. Del. Apr. 10, 2012).

<sup>21</sup>Judge Stark, Standing Order Regarding Case Dispositive Motions in Patent Cases, [www.ded.uscourts.gov/sites/default/files/Chambers/LPS/StandingOrders/Standing\\_Order\\_Case\\_Dispositive\\_Motions-Patent.pdf](http://www.ded.uscourts.gov/sites/default/files/Chambers/LPS/StandingOrders/Standing_Order_Case_Dispositive_Motions-Patent.pdf).

<sup>22</sup>Judge Sleet, Important Note to Counsel About Contacting Chambers and Page Limigs for Briefing, [www.ded.uscourts.gov/judge/chief-judge-gregory-m-sleet](http://www.ded.uscourts.gov/judge/chief-judge-gregory-m-sleet).

<sup>23</sup>*See* Nos. 11-827-SLR, 11-829-SLR, 11-831-SLR, 12-113-SLR, 12-116-SLR.

<sup>24</sup>*Cyberfone Systems, LLC v. Cellco Partnership*, 885 F. Supp. 2d 710 (D. Del. 2012).

<sup>25</sup>*See, generally*, No. 11-833-SLR (D.I. 182).

<sup>26</sup>*See Finjan, Inc. v. Symantec Corp. et al.*, C.A. No. 10-593-GMS.

<sup>27</sup>Briefing in the case noted that Finjan had divested itself of all operations in November 2009. No. 10-593 (D.I. 18).

<sup>28</sup>Press Release, The White House, Fact Sheet: White House Task Force on High-Tech Patent Issues (June 4, 2013) [www.whitehouse.gov/the-press-office/2013/06/04/fact-sheet-white-house-task-force-high-tech-patent-issues](http://www.whitehouse.gov/the-press-office/2013/06/04/fact-sheet-white-house-task-force-high-tech-patent-issues).

<sup>29</sup>Vermont H.299; *see also* Parija Kavilanz, Vermont fights back against ‘patent trolls’, CNN MONEY (May 24, 2013) [money.cnn.com/2013/05/24/smallbusiness/patent-trolls/index.html](http://money.cnn.com/2013/05/24/smallbusiness/patent-trolls/index.html) (explaining Vermont bill).

<sup>30</sup>Paul Shakovsky, Key Players Update AIPLA on Growing Momentum for Patent Small Claims Court, BLOOMBERG BNA, [www.bna.com/key-players-update-n17179873839/](http://www.bna.com/key-players-update-n17179873839/); Gene Quinn, PTO Considering Patent Small Claims Proceedings, IPWATCHDOG (Feb. 10, 2013) [www.ipwatchdog.com/2013/02/10/pto-considering-patent-small-claims-proceedings/id=35154](http://www.ipwatchdog.com/2013/02/10/pto-considering-patent-small-claims-proceedings/id=35154).