

PUERTO RICO'S "NEW AND IMPROVED" 2009 TRADEMARK ACT

INTRODUCTION

Almost twenty years ago, in 1991, Puerto Rico enacted a trademark statute that attempted to update its protection of this important intellectual property by, among other things, expressly allowing for the registration of service marks. Nevertheless, as years went by, the scope of trademark protection continued to expand elsewhere, while our jurisdiction remained frozen in time. With Puerto Rico's newly enacted Trademark Law, Act No. 169 of December 16, 2009 (the "2009 Trademark Act" or the "Act"), the Legislature aims to adjust and expand the previous protection to properly address the current needs of the Puerto Rico marketplace. In order to achieve this goal, some elements of both the Lanham Act (U.S. Trademark Act, 15 U.S.C. 1051 *et. seq.*) and the Model State Act have been combined with Puerto Rico's basic protections. The key changes of the new statute, which has already come into effect, are as follows.

NEW PROTECTIONS PROVIDED FOR TRADEMARK OWNERS:

Puerto Rico's former trademark statute solely prohibited the use of a mark that was substantially similar to, or that created a "likelihood of confusion" with, **a registered mark**. The 2009 Trademark Act expressly provides protection for other types of actions that may affect a trademark's value.

- **"Dilution" of famous marks:**

The new 2009 Trademark Act expressly envisions a cause of action for dilution of the distinctive character of a famous mark due to "blurring" or "tarnishment." The statute also provides guidelines to ascertain when a mark may be deemed famous so as to qualify for this additional protection. The list of criteria to establish whether a mark is famous does **not** include its local registration.

- **Protection for Non-registered marks and for the non-registered licensee**

As opposed to the former statute, which provided relief solely for the trademark registrant, the new 2009 Trademark Act expressly provides that the "registrant," the "owner," or any person with a written authorization from the owner of a mark may file suit seeking damages

or injunctive relief. Moreover, the 2009 Trademark Act provides for the possibility of treble damages where the infringement was in bad faith or for the reduction of actual damages when the infringer did not know or have reason to know that his actions constituted infringement.

- **New Claim for "False Designation of Origin"**

The 2009 Trademark Act provides an equivalent to the Lanham Act's Section 43(a). Puerto Rico's version provides for a claim against any person who has caused damages by falsely designating the origin of its products in such a way as to cause likelihood of confusion or by mischaracterizing the goods in promotional advertisements.

- **Stronger remedies for trademark registrants:**

The 2009 Trademark Act uses stronger language to compel the Court to issue an *ex parte* temporary restraining order—which may not last more than 10 days—when a trademark registrant submits a sworn complaint claiming that the other party has violated its rights through the forgery, copying, imitation or adoption of a mark that is so similar to the registered mark that it creates a likelihood of confusion. In order to obtain this restraining order, the registrant must allege specific facts that evidence these claims. Furthermore, the Act allows trademark registrants the option of seeking statutory damages of \$750.00 up to \$30,000 per violation, thereby avoiding the sometimes difficult computation of actual damages. Finally, the Act directs that trademark registrants shall be awarded costs and attorney's fees.

- **Unlawful use of a mark as a domain name:**

The 2009 Trademark Act provides a cause of action when a mark is registered as a domain name in bad faith by someone other than the mark's owner, and allows for remedies including cancellation or confiscation of the domain name.

NEW FLEXIBILITY IN SOME FORMERLY "STRICT" REGISTRY TERMS:

- **Intent-to-Use registrations**

As many observers of the Puerto Rico trademark protection scheme know, the need to submit a use-declaration for intent-to-use applications was

