

The July issue of Sterne Kessler's **MarkIt to Market™** newsletter contains an analysis of the TESLA trademark lawsuit in China, a reminder to look beyond the register to determine whether trademarks in the U.S. are both registrable and enforceable, and an updated list of the Sunrise periods currently open for new gTLDs.

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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An Expensive Reminder to Secure Trademark Rights Prior to Foreign Expansion

Electric car manufacturer Tesla Motors was recently sued in China by businessman Zhan Baosheng. Baosheng registered the TESLA trademark in China in 2006, prior to Tesla's entry into the Chinese market. The lawsuit demands that Tesla pay Baosheng \$3,850,000 in damages for trademark infringement, and demands that Tesla stop all sales and marketing activities in China, including shuttering all showrooms and Tesla's supercharging facilities. Arguments in this case are scheduled to be heard in August.



Even if Tesla ultimately wins this battle with Baosheng, the case serves as a timely reminder of how important it is to file trademark applications early in the business planning phase – particularly in first-to-file countries, such as China, Argentina, Brazil, Japan, Mexico, and many others. Unlike in the U.S., where trademark rights can only be acquired and enforced based on use, in many other countries rights are based on who was first to file. If you are planning on expanding your business outside of the U.S., be sure to include international trademark filing in your budget.

Registrability and Enforceability - Look Beyond the Register to Determine Scope of Trademark Rights

The Trademark Trial and Appeal Board's recent decision in *In Re The Franchise Group*, (TTAB July 2, 2014) reiterates that marks in use in the marketplace, not just on the Register, help determine whether trademarks in the U.S. are both registrable and enforceable.



This *ex parte* appeal from a final refusal to register involved the mark **DASH DOG WASH and Design** for pet-related services, including dog washing and grooming:



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gTLD Sunrise Periods Now Open

As first reported in our December 2013 newsletter, the first new generic top-level domains (gTLDs, the group of letters after the "dot" in a domain name) have launched their "Sunrise" registration periods. Please see our **December 2013 newsletter** for information as to what the Sunrise Period is, and how to become eligible to register a domain name under one of the new gTLDs during this period.

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