

MEMORANDUM TO CLIENTS AND FRIENDS

July 7, 2006

Proposed Amendment to Regulation for the Registration of Marks Granting Grace Period to File Statements of Use for Certain Marks Registered Without Use

On January 19, 2006, the Puerto Rico Department of State (the “Department”) announced that all marks that were registered without use and for which a Statement of Use was not filed within five years of registration (which is retroactive to the filing date of the application) would be deemed automatically canceled (without further notice). The Department made this announcement based on the Puerto Rico Supreme Court’s decision in Arribas & Associates, Inc. v. Santa Clara C. por A., 2005 TSPR 143 (October 3, 2005), which held that the registration of a mark without use expires by operation of law if the registrant fails to use the mark in commerce and file the aforementioned Statement of Use within five years of registration. (We discussed the Arribas case and advised of the Department’s announcement in our Memoranda to Clients and Friends dated October 19, 2005 and January 30, 2006, respectively.)

Before the Arribas decision, the Department accepted Statements of Use after the five-year period if the registrant certified that it commenced use within five years of registration of the mark. In order to allow for the implementation of the Arribas decision in a just and reasonable manner, on July 3, 2006, the Department published a Notice informing that it proposes to amend Section 42 of the Regulation for the Registration of Marks, Regulation No. 4638 of February 21, 1992, to provide a grace period of six (6) months, from the date of approval of the amendment, for registrants to file Statements of Use certifying, under oath, that they commenced use of the relevant marks within five years of registration. After expiration of said grace period, the Department will not accept Statements of Use filed more than five years after registration. Thus, any marks registered without use and for which a Statement of Use was not filed within five years will be deemed automatically canceled. Since the Department does not expect any oppositions to the proposed amendment, registrants who did not file a Statement of Use within the five-year period can file them now.

If you have any questions or comments, or wish additional information regarding this matter, please contact any of the following attorneys:

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