



## MEMORANDUM TO CLIENTS AND FRIENDS

October 19, 2005

### Puerto Rico Supreme Court Recent Decisions on Trademarks Registered Without Use

On September 14 and October 3, 2005, the Puerto Rico Supreme Court issued two important decisions on Puerto Rico trademark law. These decisions affect all marks registered in Puerto Rico without use in commerce.

In Arribas Associates, Inc. v. American Home Products Corp., 2005 TSPR 128, the Supreme Court interpreted Section 3 of the Puerto Rico Trademark Act and held that trademark ownership rights may be acquired through the registration of a mark without use in commerce, but that such rights are subordinate to the rights of a prior user of the mark, including a U.S. registrant whose priority is based on the "constructive use" of its mark. This decision reversed the position of the Puerto Rico Trademark Office which had ruled that trademark ownership rights could only be acquired through use in commerce.

In Arribas Associates, Inc. v. Santa Clara C. por A., 2005 TSPR 143, the Supreme Court interpreted Section 42 of the Trademark Regulations of the Puerto Rico Trademark Office and held that the owner of a mark registered without use must file a sworn statement of use within five years after the mark's date of registration, which is retroactive to the filing date. The Court also held that a non-use trademark registration cannot be maintained if the registrant fails to use the mark in commerce and file the aforementioned statement of use within the required five-year period.

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