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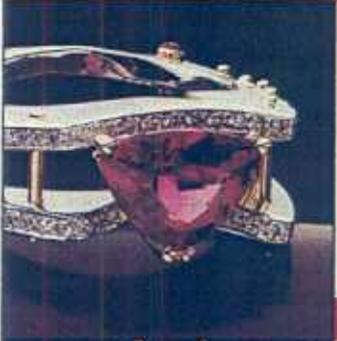
Cambodian Blues • Himalayan Rubies • ICA in the UAE

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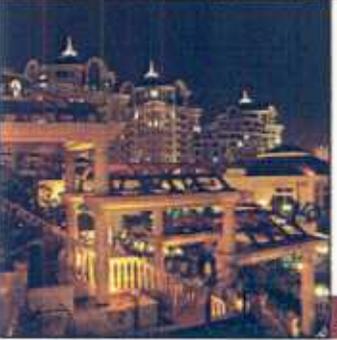
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ON THE COVER

One-of-a-kind pendant by James Kaya of Solair Jewelers, featuring a 4.30-ct. pink tourmaline accented with peridot and diamond, set in platinum and 18K gold. Photo by Jim Lawson.

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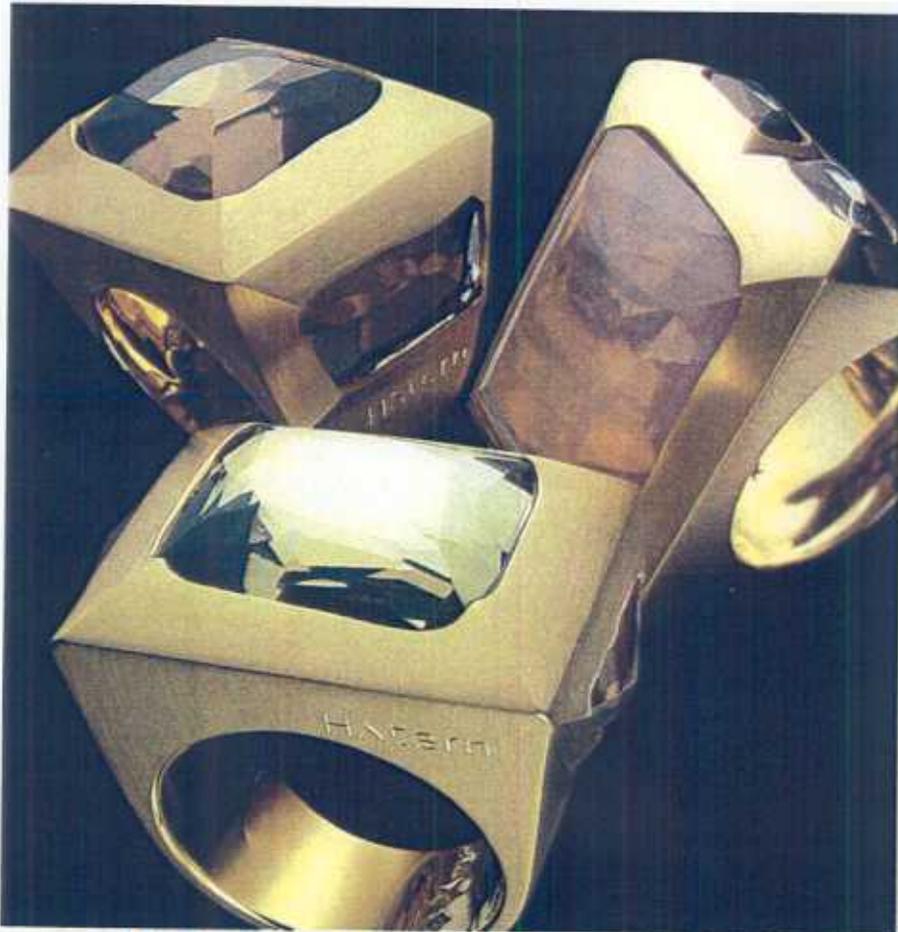
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marking **your** turf

Given the competitive climate of the jewelry industry, copyrights and trademarks are important ways for manufacturers and retailers to set themselves apart in the marketplace. Yet, as with other industries, there is a lot of confusion about what the law protects and how a designer or manufacturer can go about protecting his or her jewelry design or brand.



H. Stern has trademarked the pierced stars on the inside of these ring shanks (center bottom of the photo). Photo of these Deco Barocco rings courtesy H. Stern.

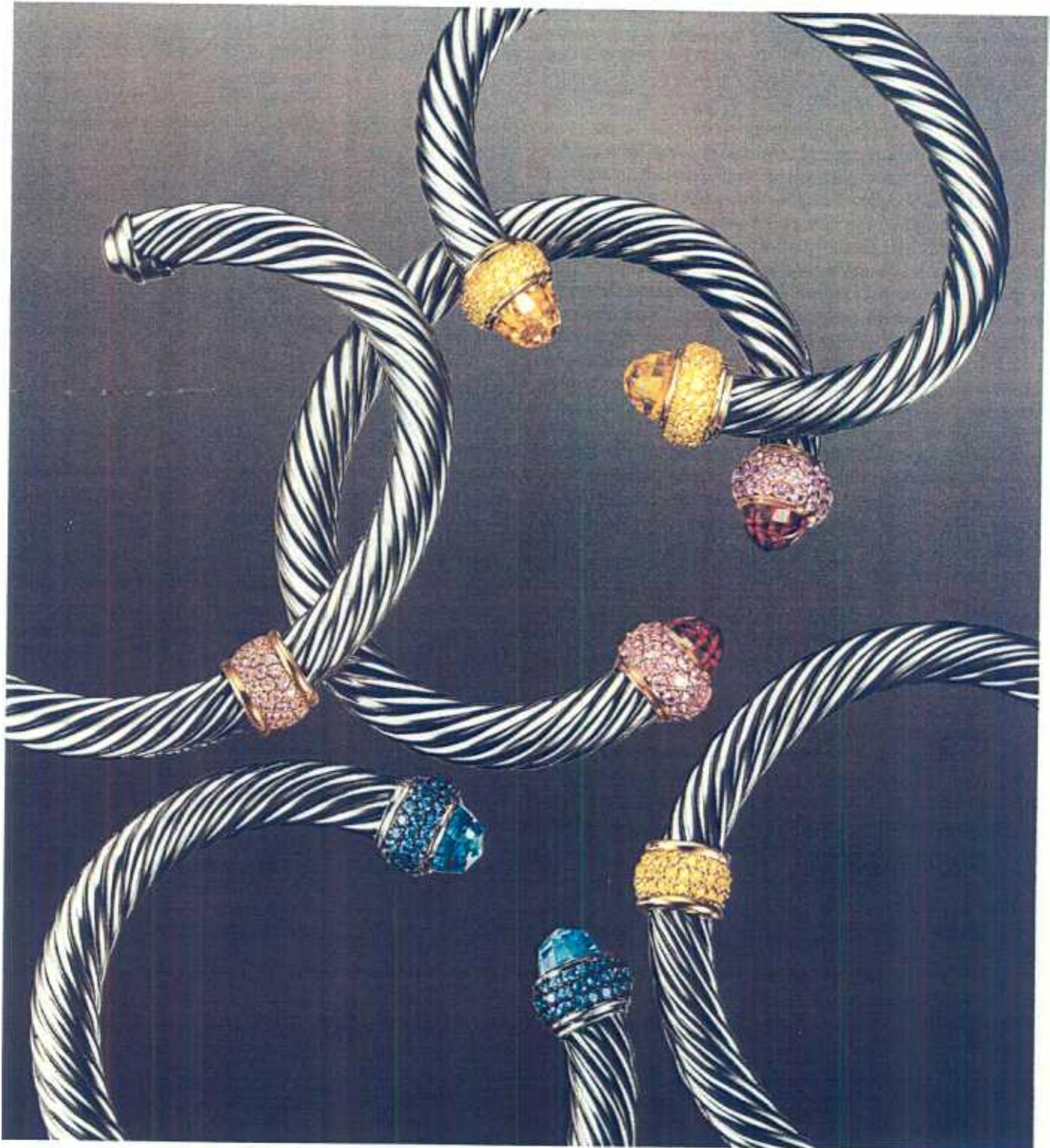
OPPOSITE PAGE: Courts have ruled that while individual elements of David Yurman's jewelry may not be unique, the way the elements are combined constitutes a legally-protected trademark. Photo courtesy David Yurman.

Copyright and trademark laws protect different subject matter. A copyright protects original creative expression. Thus, an original shape in a pendant, chain, or ring setting might be protected. However, to be protected, it is important that the creator establish both that the design is "original" — meaning that nobody else has ever created a similar design — and that the design is "non-functional," meaning that it serves no functional purpose, or that its decorative features are independent of any functions that it does serve.

Consider a real-life example: the O pendant. Clearly, it is not original, and therefore not copyrightable. Though there are many variations — the size of the O, its shape (oval vs. circle), whether it is set with diamonds, the size of those diamonds, and whether it is white or yellow gold or platinum — it would be hard to contend that any of these variations are different enough to constitute original creative expression.

A trickier example is the David Yurman rope design. Yurman has argued in court that it is original creative expression. Others

BY JEANNE HAMBURG



believe it is derivative of a long-standing and classic design that is many years old. Is this design original enough in its execution to qualify for copyright protection? Only time (and the courts) will tell, most likely based on expert testimony as to the origination of the design, as well as the factual evidence presented.

A good illustration of what the law means by “non-functional” is a setting for a stone. Obviously, a setting serves a functional purpose by holding a stone in place. However, the setting may also embody expression apart from that purpose. Assuming

that this non-functional aspect is also original and creative, then it should be copyrightable.

The copyright requirements illustrated below provide guidance both on when it is appropriate to register a copyright in a jewelry design and how to approach a charge of copyright infringement.

It’s important to note that it is not necessary to register a copyright for it to exist. However, registration offers important advantages, among them a presumption that the jewelry design is protectable (the U.S. Copyright Office will make this determination



in issuing the registration, and that determination creates a presumption in court that the design is protectable). To bring an action for copyright infringement, it is necessary to have a copyright registration. Without a registration, the owner of a copyright cannot obtain the damages set by law, called "statutory damages," of up to \$150,000 per design infringed. If a registration is obtained after the infringement begins (so that a lawsuit may be brought), the copyright owner will be deprived of the ability to collect these statutory damages, and recovery will be limited to its actual damages (the copyright owner's lost sales or the infringer's actual sales).

These same principles are important in analyzing a charge of copyright infringement. A copyright infringement results from the copying of a copyright-protected design so that the resulting infringement is identical or "substantially similar" to the original design. In considering whether the charge of infringement has merit, the jewelry maker or seller must consider the following issues: Is the design being infringed original? Non-functional? Does the alleged owner of the design own a copyright registration? A copyright attorney can provide valuable counsel in answering these questions. It may be wise to enlist his or her services before beginning to sell a design where there may be some question as to whether it is too similar to another already in the marketplace. A copyright attorney can, among other things, commission a search of U.S. Copyright Office records to determine if the party that may have rights in a design owns a copyright registration.

TRADEMARK & BRANDING

Trademark law affords another avenue for jewelry designers and manufacturers — as well as retailers — to differentiate themselves and to protect brand names. A trademark is any designation that exclusively identifies the source of goods or services to a consumer. It can include not only words, but

two- and three-dimensional designs, sounds, and colors (think of Tiffany's Blue Box®).

Like copyrights, trademarks may be registered. In order to register a mark, the trademark owner must show the mark is being used in connection with goods sold across state lines. Registration of a trademark in the U.S. Trademark Office, although not necessary, offers important advantages. For example, regardless of the actual geographic area in which the jeweler is using the trademark, as long as there are sales outside a single state, registration confers a presumption of nationwide rights and exclusivity. By contrast, rights in an unregistered mark (so-called "common-law" rights) exist only where there is actual use — that is, sales — of the mark.

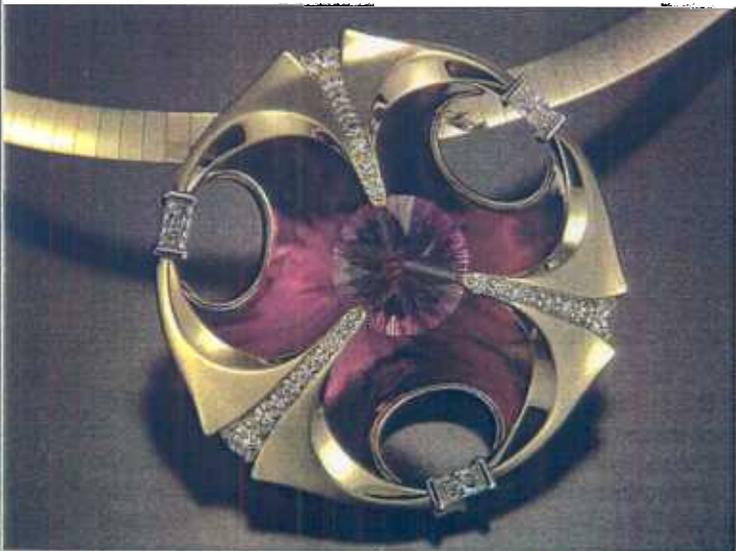
Therefore, the trademark owner who does not own a federal registration cannot prevent another party from using the same mark outside the owner's geographic area, even if the trademark owner's use began before the other party's. With a federal registration, it is possible to prevent others from using the mark nationally.

As noted, a trademark may be a word or words, sound, shape, color, or distinctive packaging. To be registered or afforded common-law rights, the trademark must be capable of denoting exclusive use. Therefore, a word mark cannot be so commonplace a descriptor that it is generic, such as "Marquis" for a marquis-shaped stone. A generic term cannot identify a single manufacturing/retail source. A trademark should be entirely invented or suggestive, such as "Silver Ice" for Yurman's silver and diamond jewelry.

A mark that is descriptive but not generic will be registered only if the owner establishes use, usually for a minimum of five years, and sales and advertising figures which establish that consumers have come to associate the mark exclusively with a single source.

Three-dimensional features, such as specific design elements of jewelry, may be protected as trademarks. However, for the same reasons that a generic term cannot function as a trademark, a functional jewelry feature will not, either. Thus, a particular clasp or stone setting will not be eligible for trademark protection unless there is some source-identifying feature that is separate from the functionality of the object. This is because multiple parties can have the same clasp or setting, and consequently the clasp or setting will not be associated by consumers with only a single source of manufacture or sale.

The requirement that a mark function as a source identifier, as opposed to a decorative or functional feature of jewelry, is



In order to copyright a design or some part of a design, it must be original and non-functional. In order for Thomas Dalling to copyright his parabolic dish designs, for example (above and right), he would have to show that the overall design, or some aspect of it, was unique to him. Photos by AZAD. TOP: PAJ Inc. has registered a ruby set into a square as its international trademark. Photo by Joe Zhou.





LEFT: While Murphy Designs considers the “tongue” cabochon its trademark, in order to register it, the company would have to prove to the Trademark Office that customers identify this design with their company alone. Photo by Patrick T. Murphy. BELOW: Tiffany & Co.'s trademarked *Lucida*® diamond band and ring, both set in platinum. Photo courtesy Tiffany & Co.

especially important in the context of three-dimensional marks. PAJ Inc., an international jewelry wholesaler, has obtained registration in the United States and around the globe for its famous ruby logo, a small ruby or ruby-colored stone set into a square, which appears on the underside or attached to all its jewelry. In such cases, if the three-dimensional mark is purely decorative, it will not be registered — it must be understood by consumers to denote source. In this respect, years of use and advertising can help establish this source-identifying feature.

Trademarks are useful in protecting not only a designer's primary brand name, but also particular types of jewelry within its brand. Famous jewelers, from Tiffany to Cartier to H. Stern, have established tremendous goodwill and marketplace recognition for which customers are willing to pay a premium. Also deserving of attention are the marks jewelry designers have obtained in the names of particular lines of jewelry they sell, such as diamond cuts — for example, *Lucida*®, a registered trademark of Tiffany.

The jewelry designer/manufacturer/retailer should also consider whether international protection under trademark or copyright law is appropriate. This is particularly important when business is global. Trademarks and copyrights are not extraterritorial; therefore, it is not possible to enforce a U.S. trademark or copyright against an infringement that occurred only in a foreign country. Many foreign countries do not have filing systems for copyright registration. However, a good U.S. attorney can coordinate foreign copyright registration, where appropriate, with an agent in a foreign country.

Additionally, it's a good idea to register a trademark in foreign countries. In the United States, this has become much easier with the adoption of a system of international registration under a treaty known as the Madrid Protocol. This system permits the owner of a U.S. trademark registration, through a single application, to extend the protection of its U.S. registration to any foreign country that has signed the treaty.

Finally, even if business is restricted to the United States, if knockoffs are made abroad it may be useful to enlist an attorney to record a copyright and/or trademark in protected designs and brands with U.S. Customs. This relatively inexpensive process results in automatic seizure by U.S. Customs of any goods that infringe the designer/manufacturer/retailer's mark or copyright. It is a wonderful way to protect intellectual property at low cost.

But what about designs that might violate another's copy-

right or trademark? Prior to adopting a brand name or signature design, the jewelry designer/manufacturer/retailer should enlist the aid of an attorney to commission a U.S. search (or if business is global, a worldwide search) to make sure no other parties have prior rights in the name or design. This is a smart way to avoid liability, because even if one unwittingly infringes another's rights, one may still be subject to a lawsuit. However, if one adopts a mark with the advice of counsel based on a search report, “good faith” is established, and significant damages can be avoided.

Moreover, if protection for the mark in question is desired, once an attorney clears the mark through such a search, it is even possible to file an “intent to use” trademark application before sales under the mark have actually begun. This is an excellent way to preserve rights in the mark, since “priority” (that is, prior rights) are established as of the date of the filing. Registration will take effect once the designer starts using the trademark. In the meantime, if another company files an application to trademark the same or similar goods, the application will be rejected.

Relatively speaking, copyrights and trademarks are an inexpensive means to obtain significant legal protection. A copyright application, with good counsel's assistance, usually does not cost more than \$1,000, and often costs less. A U.S. trademark application can range in cost from \$1,000 to \$5,000. A trademark might be refused if there is a likelihood of confusion with another company's mark, and in that case it would take more time and money to overcome the refusal.

In considering both how to protect designs and marks, and defend against — and ideally prevent — charges of infringement, those in the jewelry business should evaluate their business needs. How much are you investing in developing a design or brand? How integral is it to your business? How sure are you that a new design doesn't violate someone else's copyright? When in doubt, an ounce of legal prevention is worth a pound of cure. ○

