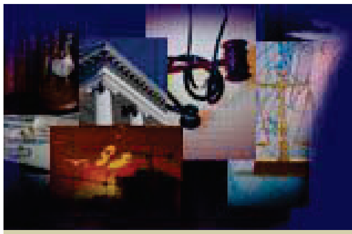


Murchison & Cumming
-Lawyers-

M&C IN BRIEF — Spring 2004

CONTENTS

ARTICLES

M&C Case Review 2-3

Federal Privacy Rights 4

Paid Family Leave Benefits Create Legal Concerns For Employers 5

The Madrid Protocol 6

FEATURES

New Attorney Introductions ...5

Events Calendar 6

M&C's Practice Areas 7

For more information please contact: Kathleen Lawler, Communications Director at (213) 630-1004.

www.murchison-cumming.com

JAMES S. WILLIAMS ELEVATED TO PARTNER

James S. Williams has been named a partner of the firm. Mr. Williams is Co-Chair of the firm's Business & Commercial Practice Group. He focuses his practice on intellectual property and corporate transactions as well as strategic counseling for executives and board of directors. Specifically, Mr. Williams handles the negotiation and structuring of transactions including but not limited to, trademark licenses, website development agreements, executive contracts and enterprise-level software licenses. He also provides counseling on corporate governance issues, company structuring and day-to-day business operations.

Mr. Williams is a member of the board of directors for the National Human Resources Association, Los Angeles chapter. He is also a member of the Trademark and Licensing committees for the American Intellectual Property Law Association and a member of the California Bar Association.

DAN LONGO CONTINUES HISTORY OF M&C LEADERSHIP WITHIN ASCDC

Since the inception of the Association of Southern California Defense Counsel (ASCDC) in 1960, the attorneys of Murchison & Cumming, LLP have been active participants in the development of the association through elected and volunteer leadership positions. Dan L. Longo, a Senior Partner in the firm's Orange County office, continues this long-standing tradition with his election to a two year term on the ASCDC Board of Directors. Mr. Longo, a member of ASCDC for 15 years, will also serve on the Seminars and Industry Liaison committees.

The ASCDC is one of the nation's preeminent regional defense organizations, encompassing a diverse group of more than 2,200 members. M&C attorneys have held key ASCDC leadership positions as elected representatives to the Board of Directors and Chairs of various committees, as well as speakers at seminars and authors of articles for the association newsletter.

Timeline of M&C Leadership in ASCDC

1960

Claude Cumming - One of ASCDC Founders ('60)

H.Velpman - Director ('68-70)

R. Schreiber - Public Relations Co-Chair ('71)

J. McCaskey - Membership Co-Chair ('76)

J. Baker - Director ('75 -77)

M. Lawler - Court Liason Co-Chair ('84)

F. Seitz - Public Relations Co-Chair ('84)

G. Genzmer - Benefits Co-Chair ('86)

M. Lawler - Director ('85 - 90)

J. Lawler - Speaker, Annual Mtg ('91)

M. Lawler - Secretary-Treasurer ('91)

M. Lawler - Vice President ('92)

M. Lawler - President-elect ('93)

M. Lawler - President ('94)

M. Lawler - Past President ('95)

J. Lawler - Director ('94 - 00)

D. Longo - Membership Co-Chair ('00 -01)

D. Longo - Seminars Co-Chair ('02- 03)

E. Farrell - Speaker, Annual Mtg ('00–04)

D. Longo - Director ('04)

2004

M&C CASE REVIEW

SECURITY COMPANY & CHECK SERVICE NOT LIABLE

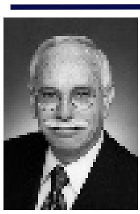
Continental Currency Services adv. Chau, et al.

Michelle A. Hancock successfully defended Sectran Security, Inc., an armored car company, and Continental Currency Services, Inc., a check cashing company in a highly publicized premises liability case.

During an attempted robbery of an armored truck a shootout ensued and a couple was gunned down and severely injured while their children looked on. Another woman allegedly fractured her hip while seeking cover during the shooting. The family sued and demanded $19 million to cover their past and future medical expenses as well punitive damages. The woman demanded $1.6 million during closings.

Continental Currency obtained a non-suit. The court found the shooters to be 75% at fault. The total net verdict was $3.2 million, just a fraction of the original demand, to be shared by the members of the family. A defense verdict was awarded in the case involving the woman with the hip fracture.

Michelle A. Hancock is an associate in the firm's Orange County office where she focuses her practice on general liability and health law litigation with an emphasis on elder abuse and medical malpractice matters.



CAR ACCIDENT PROMPTS PREMISES LIABILITY ACTION

Michael D. McEvoy, **Michelle A. Hancock**, and **Richard D. Newman** successfully obtained a motion for summary judgment in a wrongful death case.

Plaintiff, a 20 year-old, and his friend were driving their respective cars on a rural highway in Temecula. Plaintiff lost control of his vehicle, due to the fact that he was driving at an excessive rate of speed. His car hit the curb of the roadway and landed in a drainage trench that was under construction on adjacent private property. Investigating police officers arrived at the scene and estimated that, after hitting the curb, the plaintiff's car became airborne and traveled over 100 feet in the air. The car impacted the side of the trench and fell in upside down. The trench was filled with rainwater. Decedent was unable to extricate himself and died from drowning.

Plaintiff sued the subcontractor who constructed the trench and the general contractor for the residential development. The defense filed a motion for summary judgment on behalf of the subcontractor and general contractor, on the grounds that the contractors did not owe the plaintiff duty since the trench was over 100 feet from the road. Plaintiff argued that the trench was a dangerous condition to motorists on the adjacent highway and since the occurrence was foreseeable, defendants had a duty to place barricades, warning signs, etc. around the trench. The court granted the motion and concluded that there was no duty under these circumstances.

Michael D. McEvoy, Michelle A. Hancock and Richard D. Newman are resident in the firm's Orange County office.

William T. DelHagen

Eric P. Weiss

Paul R. Flaherty

DEFENSE VERDICT IN WRONGFUL DEATH SUIT

Snyder v. Winston Tire Company and Goodyear Tire Company

William T. DelHagen and **Paul R. Flaherty** of the firm's Product Liability Group won a defense verdict in a wrongful death case arising from a single car rollover accident on I-5 near Fresno. **Eric P. Weiss** of the Law and Motion department provided essential support, including winning a critical Motion for Protective Order to protect the client's trade secrets and confidential business information.

Plaintiff's decedent, Charles Snyder, a charismatic young commercial banker, was returning to San Francisco from San Diego with a friend, Amber Cagle, at the wheel of his car. The left rear tire suffered an impact which caused the tire to fall several hundred miles later, while traveling between 80 and 90 miles per hour. The driver over-corrected, causing the vehicle to leave the road and roll several times, inflicting fatal injuries on decedent Snyder.

Decedent's parents, James and Margaret Snyder, sued Winston Tire Company, which allegedly sold the tire; The Goodyear Tire and Rubber Company, which manufactured the tire, and the driver, Amber Cagle, alleging causes of action in strict products liability and negligence. When plaintiffs proved unable to articulate an independent negligence claim against Winston, Goodyear assumed Winston's defense.

After protracted discovery disputes, the matter proceeded to trial solely on a manufacturing defect theory. At trial, plaintiffs' expert alleged that tire's steel belts were not correctly located within the tire and that the rubber under the tread area as too thin, causing the tire to fail to survive an ordinary impact. Goodyear presented evidence that the tire met the applicable manufacturing tolerances and that the construction of the tire was not related to its failure. Instead, the impact on the tire experienced was so severe that it visibly damaged the aluminum rim and breached the inner liner of the tire, ultimately causing the tire to fail.

The jury deliberated almost four days before returning a defense verdict.

William T. DelHagen and Paul R. Flaherty are members of the firm's Product Liability practice group. Eric P. Weiss is a member of the firm's Law and Appellate practice group. All three are resident in the firm's Los Angeles office.

M&C CASE REVIEW

ANOTHER DEFENSE VERDICT FOR FREIGHTLINER

Freightliner Custom Chassis Corporation adv. Bender

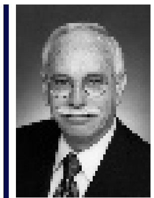
Richard C. Moreno recently obtained a defense verdict on behalf of Freightliner Custom Chassis Corporation in a Lemon Law action. Plaintiffs alleged that Freightliner had breached the terms of its express warranty by failing to repair numerous alleged defects and non-conformities relating to the chassis of a motor home. The plaintiffs testified that the motor home continually pulled to the left since the day of purchase. The plaintiffs also alleged that defects to the box or bottom side of the coach had not been properly secured to the chassis, which also caused pulling to the left and other problems associated with the motor home.

Freightliner contended that the motor home had been repaired and that it had not breached the terms of its warranty. Freightliner also claimed that the plaintiffs were overly sensitive in regard to the manner in which a motor home is designed to track the roadway and that the plaintiff was unfamiliar with the manner in which an air ride suspension chassis operates.

The plaintiffs requested that the jury reimburse them for the purchase price, down payment, incidental and consequential damages totaling $198,000. The plaintiffs also requested treble damages in the amount of $396,000. It is believed that the plaintiff attorneys in this case had amassed some $350,000 in attorney's fees which Freightliner would have been ordered to pay in the event of an adverse verdict, as attorney fees can be recovered in Lemon Law actions.

The jury returned a defense verdict.

This case marks the third Lemon Law defense verdict that Richard C. Moreno has obtained on behalf of Freightliner. Richard C. Moreno is an associate in the Los Angeles Office and focuses his practice on product liability matters.



Michael D. McEvoy

DEFENSE VERDICT IN PRODUCT LIABILITY CASE

Quantum Group, Inc. adv. Rihbany

Richard D.Newman

Michael D. McEvoy and **Richard D. Newman** successfully defended a California company that manufactures carbon monoxide detectors in a products liability case.

The Plaintiffs, three Canadian citizens, who were visiting the Indianapolis Motor speedway, died in their sleep from carbon monoxide (CO) poisoning inside their motor home. The police determined that the CO detector's battery had been removed. The Canadian company which leased the motor home to the victims told investigators that he thought the unit was hard wired, not battery operated.

Families of the three decedents filed wrongful death actions in California claiming that the motor home and CO unit were defectively designed. Both the motor home and the unit were designed in California. The defense filed a motion to stay the action on the grounds that California was an inconvenient forum and that the action should be prosecuted in Canada. Canada laws have provisions for negligence, but not strict liability. Plaintiffs vigorously opposed the motion stating that the sole issue was design defect and that all evidence of design occurred in California.

The defense argued prejudiced because the defense was unable to obtain indemnity against the Canadian lessor of the motor home, thus creating a risk of inconsistent verdicts. The court granted the defense motion and ordered that the action be permanently stayed so that plaintiffs could prosecute their action in Canada.

Michael D. McEvoy is the Partner-in-Charge of the Orange County office and specializes in product liability. Richard D. Newman, also resident in Orange County, focuses his practice in appellate law.

TRANSPORTATION CONTRACTOR WINS SUMMARY JUDGMENT

Super Seal & Stripe, Inc. adv. Finn, Isadore

Michelle A. Hancock

Tom Y. Mei

Eric P. Weiss

The City of Simi Valley had a construction project for street rehabilitation that included a "t-intersection." Excel Paving Company was awarded the general contract and retained several subcontractors, including Super Seal & Stripe, Inc., to perform the signing and striping. Both Excel and Super Seal completed their work pursuant to the contract and under the supervision of the City's engineers. No stop sign at the "t-intersection" was required as part of the work under the contract. The City approved the work and accepted the job as complete.

More than three months after completion of the project, Plaintiff was involved in an automobile accident at this intersection. Plaintiff was traveling on a road which terminated at the "t-intersection," and started to turn left at the intersection. He did not stop before turning and collided into the other vehicle, thereby sustaining injuries.

Plaintiff contended that there had been a stop sign at the "t-intersection," but the stop sign had been removed or had not been replaced during the street rehabilitation project. Plaintiff alleged that Excel and Super Seal, among others, were negligent in either removing or failing to replace the stop sign.

Super Seal's motion for summary judgment was granted as the court ruled as a matter of law, it was immune from liability by performing the contract as specified.

Tom Y. Mei and Michelle A. Hancock, resident in the firm's Orange County office, handled the matter. Eric P. Weiss, a member of the firm's Law & Appellate practice group in Los Angeles, drafted the motion for summary judgment.

FEDERAL PRIVACY RIGHTS

SUPREME COURT REVIEWS RIGHTS TO RECOVER FOR INVASION OF PRIVACY

Cameron J. Etezady

Plaintiffs to lawsuits borne from federal acts protecting privacy rights are entitled to recovery for their "actual damages" suffered as a result of the invasion. Within each of these various acts there contains a floor amount, more commonly written in code books as follows: "…in no event less than $1,000…"[1] On its face, this sounds like a "can't lose situation" for plaintiff, however, this is not the case.

For example, the United States Supreme Court has determined that in order to even be eligible for damages under the 1974 Federal Privacy Act found at 5 USC 552a(g)(4) [herein "1974 Act"], there must be an affirmative showing of some sort of actual damage.[2] In the most recent decision concerning the issue of damages in a federal invasion of privacy action, Doe v. Chau, the Court ruled that in order to recover damages pursuant to the 1974 Act, a plaintiff must prove "actual damages."[3] A failure to do so, even if there is an existing violation of privacy, preempts the plaintiff's ability to recover the minimum damages of $1,000. This holding eviscerates the concept that the $1,000 minimum is guaranteed. Following that precept, attorney's fees are also not guaranteed even for a straightforward privacy violation despite their inclusion in possible recoveries by statute. The Court held that, by statute, a minimum recovery of damages is a condition precedent to an award of attorney's fees. Going the final step, that same argument follows for any potential award of punitive damages in cases of willful violations of the 1974 Act.

Directly on point to this issue, the court opined "…it was hardly unprecedented for Congress to make a guaranteed minimum contingent upon some showing of actual damages, thereby avoiding giveaways to plaintiffs with nothing more than 'abstract injuries.'"[4]

What Are "Actual Damages?"

The obvious issue arises then: what evidence of injury does a plaintiff need to offer as damage in order to recover? In Doe v. Chau, the plaintiff had offered his uncontroverted testimony at a motion for summary judgment that he was "torn . . . all to pieces" and "greatly concerned and worried" about the possibility someone may use his revealed social security number for inappropriate purposes.[5] On appeal, the Court looked at the issue that plaintiff provided no substantiation of his emotional distress claims such as physical symptoms, medical treatment, loss of income, or impact on behavior.[6] The appellate court found his failure to do so was fatal. The Supreme Court concurred; however, they did not address *what exactly* constitutes "actual damages." This issue was not before the court. Certiorari was granted to review whether the court of appeal properly reversed the motion for summary judgment on the issue of no "actual damages" proven, not on the issue of what constitutes "actual damages."

Of course, the circuits are divided as to what constitutes "actual damages." Looking at Black's Law Dictionary, 7th Edition, they are defined as an "amount awarded to a complainant to compensate for proven injury or loss; damages that repay actual losses." Accordingly, the 11th Circuit has held that "actual damages" are restricted to pecuniary loss and the 9th has held that such damages are limited to those costs that are out of pocket.[7] The 5th, on the other hand, notes that they can cover mental anxiety, even if there is no out of pocket expense.[8]

Thus, there is a powerful tool for defense attorneys in this ambiguous language. Promptly pinning down a plaintiff in discovery to admit that there has been no purchase of medication or doctor's visits as a result of an invasion of privacy can pay dividends in the end. A strong argument can be made that plaintiff cannot recover without something other than being upset by the violation and a defense verdict is possible via a motion for summary judgment.

Not All Privacy Is Equal.

There is a catch to all this. Doe v. Chau has clearly applied itself to the 1974 Act, however, the Court provides clear distinction against its application to other similarly constructed statutes. Of most significance, the Court clearly distinguished itself from similar privacy legislation:

The Electronic Communications Privacy Act of 1986 at 18 USC 2707[9] uses similar language stating that: "…in no case shall a person entitled to recover receive less than the sum of $1,000 [for a violation of the Act]." In civil litigation under this act, the legislature noted that damages thereunder "include actual damages, any lost profits but in no case less than $1,000."[10]

26 USC 6110(j)(2) also provides for circumstances where the IRS publishes private information. Therein the damages are defined as: "actual damages sustained by the person, but in no case shall a person be entitled to receive less than the sum of $1,000…" The legislative notes on this provision clearly states that this language creates "minimum damages of $1,000, plus costs."[11]

The above examples do not appear to differ dramatically (if at all) from the language of the 1974 Act, which reads in pertinent part: "…in no case shall a person entitled to recovery receive less than … $1,000." As stated above, the difference is in the legislative notes and the perceived intent. In Doe v. Chau, the Court found that the 1974 Act lacks the clear statement that lawmakers intended to create a floor for damages. The lack of the legislative intent requires those seeking remedy under the 1974 Act to make an affirmative showing of "actual damages."

Application

Therefore, in applying this logic, counsel in these cases should not look solely at the language of the privacy act under which recovery is sought, but at the intent of the legislation, and more importantly, the interpretation of the courts. While it might seem that plaintiffs have the upper hand in privacy rights litigation, the determination and the uncertainty of what constitutes "actual damages" should prod defense attorneys to delve a little deeper into the statutes and case law in order to fully evaluate defensive strategies, especially prompt discovery probative to issues of damages.

Cameron J. Etezady is an associate in the Orange County office of Murchison & Cumming, LLP. Mr. Etezady focuses his practice in the areas of general liability, professional liability and construction law.

[1] This provision can be found in, to name a few, the 1974 Federal Privacy Act, the 1986 Electronic Information Privacy Act, and the 15 USC 6110 (governing IRS publication of personal information).

[2] This Act provides damages for those persons aggrieved by release of personal information by entities managing their records.

[3] *See* generally, Doe v. Chau, 540 U.S. __ case no. 02-1377, (Feb. 24, 2004) (citations omitted).

[4] Doe v. Chau, 540 U.S. ___, at 11.

[5] Id. at page 2

[6] Id.

[7] See Fitzpatrick v. IRS, 665 F. 2d 327, 331 (11th Cir. 1982); see also DCD Programs, Ltd. V. Leighton, 90 F. 3d 1442 (9th Cir 1996). Murchison & Cumming, LLP attorneys would be most likely involved with cases from the 9th Circuit.

[8] See Johnson v. Dept. of Treasury, 700 F. 2d 971, 972-4 (5th Cir. 1983).

[9] This Act protects unauthorized access of electronically stored information.

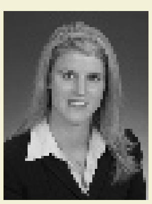
[10] H.R. Rep. No. 99-647, p., 74 (1986).

[11] H. R. Conf. Rep. No. 94-1515, p. 475 (1976).

M&C WELCOMES...

Eric T. Goldie joined the Los Angeles office in April where he is a member of the Insurance Law & Risk Management Practice Group. Mr. Goldie focuses his practice on insurance contracts, defense and indemnification agreements, and bad faith litigation. He is a graduate of California State University, Northridge (B.A.) and Florida Coastal School of Law (J.D.)

Cinema I. Greenberg handles professional liability work with an emphasis on medical and legal malpractice in the Las Vegas office. Prior to joining Murchison & Cumming, Mr. Greenberg served as a co-chair of the American Bar Association's Section of Litigation Trial Evidence Committee. Mr. Greenberg graduated from the State University of New York at Buffalo and is licensed to practice in both New York and Nevada.



Megan R. Peitzke, a former summer associate, returned to the firm's Los Angeles office this spring as an associate. Ms. Peitzke focuses her practice on general liability and product liability matters. She is a graduate of the University of Southern California (B.A.) and Pepperdine School of Law (J.D.) where she served as a Lead Articles Editor for the Pepperdine Law Review.

Resident in the firm's Las Vegas office, **Andrew Wariner** focuses his practice on general liability and construction defect work. Mr. Wariner is a graduate of the University of Tulsa Law School (J.D.) and the University of Utah (B.A.). Mr. Wariner is a member of both the Utah and Nevada State Bars.

Paid Family Leave Creates New Benefits For Employees and Increased Legal Concerns for California Employers

By: Cassondra L. Halpin

On January 1, 2004, most California employees saw an increase of 8% in their state disability withholdings, which will be used to fund California's new Paid Family Leave program, also known as Family Temporary Disability. Beginning on July 1, 2004, nearly every California employer may see an increase in the number of employees taking leave due to a "serious health condition" of a family member or because of the birth, adoption or foster placement of a child. The Paid Family Leave program includes employers who may not be affected by the Family Medical Leave Act or the California Family Rights Act.

In 2002, California became the first state to pass a law providing paid leave for employees to take time off to care for sick family members or to bond with a new baby. Employees can start utilizing this program beginning on July 1, 2004.

If employers do not fully understand this program, its implications and relationship with other leave laws, employers may find themselves looking at a new risks in the areas of retaliation, wrongful termination and invasion of privacy claims. The following provides a brief summary of the program and issues employers may need to note.

Benefits

The Paid Family Leave program is a component of the State Disability Fund and is 100% employee funded. The program is available to any employee who has earned at least $300.00 in the base period (the five to 17 months before the employee takes leave) and is unable to work due to a family member's serious health condition or to allow time to bond with a new baby. While on leave, employees will receive approximately 55% of their base income. This includes part and full-time employees. Each eligible employee may receive benefits for up to six weeks per calendar year. The weekly amount is capped at $728.00 per week in 2004 and $840.00 per week in 2005.

Application Procedure

To receive benefits the employee must complete an application with the Employment Development Department (EDD) which states there is no other family member available to provide care. This requirement, of course, would not apply to baby bonding. The employee then has a one week mandatory waiting period before receiving benefits. This has the potential of extending the leave time to seven weeks. The employee is also required to have a medical certificate completed by the ill family member's physician. The medical certificate must include the diagnosis, the International Classification of Disease Code, start date of the disability, probable duration and an estimated time care is needed. It must also state that the serious health condition warrants participation of the employee to provide care. When the employee is taking leave for purposes of bonding during the first year following the birth, adoption or foster care placement of a child, a separate certification is required.

Employees who already receive state disability, unemployment insurance or worker's compensation are not eligible for Paid Family Leave. However, if a woman has been on state disability due to pregnancy at the end of the disability period she is automatically eligible for six weeks of Paid Family Leave, without an additional one week waiting period. The EDD will send every woman on pregnancy disability notice of this new benefit.

Scope of Leave

Unlike other leave laws, Paid Family Leave is <u>not</u> restricted to employees of companies with over 50 employees. It also does not require that the employee have one year of service with the company, in fact an employee could theoretically start one day and take leave the very next day. Employers may require that the employee take up to two weeks accrued vacation, however employers cannot force employees to use sick leave. Paid Family Leave may be used all at once or intermittently.

Continued on Page 7

THE MADRID PROTOCOL

GLOBALIZATION OF TRADEMARK PROTECTION: THE MADRID PROTOCOL

One Application, One Fee, One Language, 59 Countries

Daniel K. Robyn

Since November 2, 2003, our clients have had the opportunity to apply for registration of their trademarks and service marks internationally by filing an application, in English, in the United States, paying on fee and selecting 59 countries in which their applications will be processed. This so-called "one-stop shop" system of trademark applications for the U.S. trademark and service mark owners was made possible by the United States depositing its instrument of accession to the Madrid Protocol with the World Intellectual Property Organization (WIPO) in Geneva, Switzerland, on August 2, 2003, after passing the Madrid Protocol Implementation Act (MPIA) in November of 2002. The U.S. Membership to the Madrid Protocol took effect on November 2, 2003.

The countries which agreed to the treaty include many of the United States' major trading partners such as Australia, Austria, Belgium, China, Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, Norway, Poland, Portugal, Russia, Singapore, Slovakia, Spain, Sweden, Switzerland, United Kingdom and Turkey. Thus far, the most notable omissions from the treaty include Canada, Hong Kong S.A.R., Israel, Mexico, New Zealand, the Central and South American countries, most of Africa and the Middle East.

To apply for registration of trademarks or service marks under the Madrid Protocol, the U.S. applicant needs to prepare and file an international application with the United States Patent and Trademark Office ("USPTO"). The application then designates the countries in which International registration is being sought. The fee to be paid to the USPTO will depend on how many countries and how many different classes of goods or services are selected. As of the end of 2003, the initial filing fee charged by the USPTO per mark and per class was $335, the fee for the international trademark certification to WIPO $100. Application fees charged by WIPO are in Swiss Francs (CHF) and amount to CHF 653 (approximately $490) plus the individual national fees which vary depending on the member country (from approximately $45 to $670).

The USPTO then transmits the international application to WIPO where a limited review of the application, essentially for formalities is conducted prior to publishing the mark in the WIPO Gazette of International Marks. The WIPO will then forward the application to the national trademark offices of each member country designated in the application. The national trademark office then processes the application in accordance with its own national laws. Each member nation has up to 18 months to refuse the application and, if the application is not refused within that time period, the mark will be deemed registered in that country.

While the filing of one application in English is more cost effective than the filing of numerous national applications in their respective national languages, the international application under the Madrid Protocol may not always be the best way to proceed. For instance, the United States, which is the "home" application for U.S. applicants, require a relatively narrow and sometimes painfully detailed description of the goods and/or services to which the mark will be applied, whereas other member countries allow broad descriptions of goods and services under their national laws. In cases where a U.S. applicant desires a broad description of its goods or services, it may be preferable to file separate national applications in member countries permitting broad a broad description instead of designating such countries in the international application.

Furthermore, the international application is dependent upon the home application or registration for five years. If, during that period of the time, the home application or registration is amended, canceled, denied or withdrawn, the same will happen to the international application and all extension filings to designated member nations. Accordingly, if the USPTO requires the applicant to amend its goods or services description, the description will be amended accordingly in all designated member countries. However, it is possible under the Protocol to convert the international application or registration to a national application or registration in the designated member countries, while retaining the original filing date and any claimed priority. The drawback resulting from such a conversion would be that additional costs will be incurred which would eliminate any savings the applicant reaped under the Madrid Protocol. After the five-year period, the international registration will become independent of the home application or registration.

Moreover, under the Protocol, the form in which a mark is filed in the applicant's home country dictates the form in which it will be extended to other member countries. It does not contain a provision regarding the international application for a change in the form of a mark from the mark in the home country. For instance, the United States is fairly liberal in permitting registration of marks consisting of single letters of double-letter combinations, whereas other member nations will not register these letters unless they are in color or part of a logo or other device. Accordingly, filing a single letter mark in the United States and seeking an extension of that filing in other member countries may result in a refusal of the application by other member nations.

The procedures of the Madrid Protocol apply equally to applicants from all member nations. Non-U.S. applicants can apply in their home countries to register their trademarks or serviced marks in the United States. As a result, U.S. trademark owners should monitor the WIPO database and new applicants filed by Protocol-member nations with the USPTO, by employing "watch services," in order to be able to file the appropriate oppositions to new applications with the USPTO. Now that the world largest economy has joined the international trademark registration system, U.S. trademark owners will face both new opportunities and new risks as the world moves towards global trademark protection to match global trade routes.

Daniel K. Robyn, a German lawyer, focuses his practice in the areas of Corporate Law, Business Litigation and International and German Law. Mr. Robyn is resident in the firm's Los Angeles office.

Event Calendar

July 1
National Business Institute's Advanced Expert Witness Tactics Conference
Las Vegas, Nevada
M&C Speaker: James D. Carraway

July 2 - 8
IADC Annual Meeting
Hot Springs, Virginia

July 25 - 31
FDCC Annual Meeting
Chesapeake Bay Cambridge, Maryland
Jean Lawler installed as FDCC President
M&C Speakers: Michael Lawler & Guy Gruppie

August 5 - 7
USLAW Transportation Seminar
Broomfield, Colorado
M&C Speaker: Richard C. Moreno

Paid Family Leave (Continued from Page 5)

Medical Privacy

The introduction of Paid Family Leave is accompanied by several legal concerns for California employers. One possible legal complication that may arise is accusations of violations of medical privacy. Employers will have access to a wealth of medical information about an employee or an employee's family member as a result of the application process. It is important for all employers to keep any medical information received about an employee or the employee's family member in files that are completely separate from an employee's personnel file. All medical files should be kept in locked/secure areas. Access to these medical files should be strictly limited to people within the organization with an absolute need to know. Medical information about the employee or his or her family members should not be disclosed to co-workers, including supervisors, without the employee's consent. Finally and perhaps most importantly, health information gained from leave applications should not be considered for decisions involving advancement, retention or termination.

Effect on Discipline/Termination

Another area in which to proceed with caution is in disciplining or terminating an employee who has used Paid Family Leave. Paid Family Leave is an income protection program but does not protect an employee's position. Employers should be aware that while Paid Family Leave does not protect an employee's job, employees may still be protected through the Family Medical Leave Act (FMLA), California Family Rights Act (CFRA) or California Pregnancy Disability Leave. Even if an employee is not protected by one of these acts, if an employee who is terminated or disciplined may still be able to advance a wrongful discharge or retaliation complaint beyond the pleading stage, raising the likelihood of an increase in litigation. Employers should ensure that any actions are consistent with leave laws and seek the assistance of counsel with any questions.

Relationship With Other Leave Laws

While Paid Family Leave does not protect an employee's job, it may operate concurrently with a variety of laws that provide job protection. The Family Medical Leave Act (29 USC §2601, et seq.) and California Family Rights Act (California Government Code §12945.2) provide employees with up to 12 weeks unpaid leave for the employee's own or a family member's serious health condition. Both FMLA and CFRA apply only to employers with 50 or more employees working within a 75 mile radius. Employers with fewer than 50 employees are exempt, unless they have voluntarily elected to comply with the laws through their own policies. Under both FMLA and CFRA the employee's right to return-to-work is protected and the employer must provide benefit continuation. If the employee is entitled to Paid Family Leave it must be taken concurrently with FMLA and/or CFRA.

California Pregnancy Disability Leave (California Government Code §12945(b)(2)) applies to any California employer with five or more employees. Under Pregnancy Disability Leave employees are permitted to take up to 4 months unpaid leave for pregnancy related disabilities. The employee's right to return-to-work is protected, however the employer is not required to continue benefits. However, if an employer provides more than four months of leave for other types of temporary disabilities or provides for the continuation of benefits, the same considerations must be made available to women who are disabled due to pregnancy, childbirth, or a related medical condition.

Pregnancy Disability Leave may be taken concurrently with an employee's FMLA 12- week entitlement, however under the CFRA pregnancy is not considered a "serious health condition." Therefore Pregnancy Disability Leave does not run concurrently with the CFRA. Once an employee is no longer disabled by a pregnancy related condition, she becomes eligible to take the 12-week entitlement under CFRA for baby bonding.

It is therefore possible that an employee may be disabled by pregnancy for four months and then elect to take additional leave for bonding with her new child thereby entitling the employee to nearly seven months of leave. Employees eligible for state disability benefits receive state disability for the duration of the pregnancy related disability. Following the disability period the employee is entitled to an additional six weeks of benefits provided for baby bonding under Paid Family Leave.

Conclusion

With the introduction of Family Temporary Disability, it is likely that many more employees will take advantage of their ability to use FMLA or CFRA. As the percentage of employees who take advantage of leave policies increases, employers should re-educate themselves on all leave acts, ensure all internal policies are consistent with these laws and update employee handbooks.

Cassondra L. Halpin is resident in the firm's San Diego office where she focuses her practice in the areas of general liability and employment law.

Murchison & Cumming, LLP
801 South Grand Avenue, 9th Floor
Los Angeles, California 90017

LOS ANGELES ◊ ORANGE COUNTY ◊ SAN DIEGO ◊ NORTHERN CALIFORNIA ◊ NEVADA

MURCHISON & CUMMING, LLP
OFFICE LOCATIONS

LOS ANGELES
801 S. Grand Ave., 9th Fl.
Los Angeles, CA 90017
(213) 623-7400

ORANGE COUNTY
801 Park Tower
200 West Santa Ana Blvd.
Santa Ana, CA 92701
(714) 972-9977

SAN DIEGO
Symphony Towers
750 B. St., Ste. 2550
San Diego, CA 92101
(619) 544-6838

NORTHERN CALIFORNIA
200 Pringle Avenue, Suite 550
Walnut Creek, CA 94596
(925) 374-0944

NEVADA
2965 S. Jones Blvd., Ste. B
Las Vegas, NV 89146-5606
(702) 920-2300

www.murchison-cumming.com