The Commercial Law Connection

The National Bar Association Commercial Law Section

VOLUME 4, ISSUE 1

Winter 2007

CONNECTING PEOPLE, IDEAS AND OPPORTUNITIES

INSIDE THIS ISSUE:

Karol Corbin Walker's Chair Message

Karol Corbin Walker, Chair

Please mark your calendars for our upcoming Annual Corporate Counsel Conference, which will take place at the beautiful Doral Resort and Spa in Miami, Florida from February 22 – 24, 2007. Commercial Law Section members and corporate counsel who have attended this conference in the past know that it is a great opportunity to establish and reinforce relationships with outstanding lawyers from across the country. We are very excited about this year's conference, in particular, because it marks the 20th anniversary of the Corporate Counsel Conference.

Since 1987, we have provided corporations with an opportunity to further their important diversity initiatives and goals by providing a forum in which they have been able to meet and develop relationships with outstanding African-American attorneys from across the country. The Corporate Counsel Conference has connected more than 100 major corporations with more than 1,000 National Bar Association members.

The 20th Celebration will kick-off with a Jazz Brunch, followed by a private General Counsel Luncheon for Platinum and Gold conference sponsors. This year also will feature a Diversity Town Hall Meeting in place of the traditional Attorney and Corporate Counsel Roundtables. The conference will also include a Thursday Dinner Event and Award Presentation where we will honor the founders of the Corporate Counsel Conference as well as those corporations whose participation has been integral to the success of the conference. The conference also will offer substantive CLE programs, which will feature many corporate counsel, including General Counsel, as panelists. In addition, there will be a Buffet Breakfast on Friday and Saturday, the Keynote Address and Luncheon on Friday, and the One-on-One Corporate Interviews both Friday and Saturday. As always, there will be many opportunities for networking at the many conference receptions and other events. This year's golf tournament will be particularly memorable as conference attendees will play the famed Blue Monster course at the Doral, home of the PGA Ford Championship.

The Diversity Town Hall Meeting will be an important part of our 20th Annual Corporate Counsel Conference. It will be a moderator-led panel discussion that will take place on February 22, 2007, from

continued on page 7

The Trademark Dilution Revision Act Of 2006 — A Purported Win For Owners Of Famous Trademarks

By Jonathan D. Goins, Esq. and Dinisa Hardley Folmar, Esq.

On October 6, 2006, President Bush signed the Trademark Dilution Revision Act ("the Act"), which broadens the scope of protection to owners of famous trademarks seeking injunctive relief by lowering the standard of proof required to establish a cause of action for dilution. Among other revisions, the Act also attempts to provide greater clarity to dilution jurisprudence as it defines several trademark terms of art, including the meaning of a "famous" mark, and the two types of dilution — dilution by "blurring" and dilution by "tarnishment."

The Act was primarily the result of efforts initiated by the International Trademark Association ("INTA") in response to the Supreme Court ruling in *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003). According to INTA President Paul W. Reidl, Associate General Counsel of E. & J. Gallo Winery, the Act "gives brand owners a powerful tool for protecting the trademarks they have worked so hard to build."

What is Dilution?

Generally, dilution refers to the lessening of the capacity of a famous mark to identify and distinguish goods or services. 15 U.S.C. § 1127. For example, a person is liable under dilution laws for selling adult sensual paraphernalia over the Internet using the name ADULTS R US, which is a spin-off of the famous mark TOYS "R" US. *See Toys "R" Us, Inc. v. Akkaoui*, 40 U.S.P.Q.2d 1836 (N.D. Cal.

continued on page 12

The National Bar Association Mourns the Loss of John W. Jones

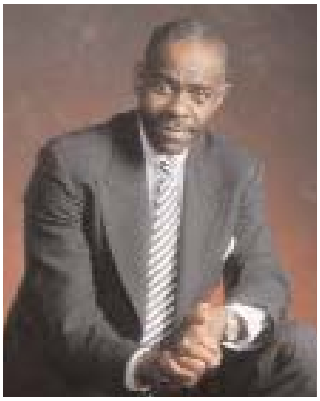
Mr. John W. Jones passed away on Sunday, December 3, 2006, at the age of 38. Mr. Jones was the General Counsel of Radio One, Inc., which is one of the larger radio broadcasting companies in the United States and is the largest radio broadcasting company whose market is the African-American community and urban listeners.

Mr. Jones graduated from the United States Naval Academy where he earned a Bachelor of Science degree. During that period, he was a three-time All-American on the National Collegiate Boxing Association team. He later served in the United States Marine Corps and rose to the rank of Captain. Continuing his education, Mr. Jones earned his Masters degree in Business Administration at Webster University in St. Louis, Missouri and his Juris Doctor degree at the University of Maryland School of Law.

Mr. Jones began practicing law at Cooley Godward Kronish LLP in Reston, Virginia, where he was involved in multiple transactions, including financing for public and private companies, mergers and acquisitions and venture capital financings. He left that firm in 2001 to become Assistant General Counsel of Radio One. In 2003, he became General Counsel at TV One, LLC, which is an affiliate of Radio One. In 2005, he returned to Radio One to become its General Counsel.

Because of their admiration for Mr. Jones, Radio One and the Minority Media and Telecommunications Council have announced the creation of the John W. Jones Legal Education Fund. The resources of the fund will be used to train law students and young lawyers in the practice of public interest and civil rights law before the Federal Communications Commissions so that they can advance minority entrepreneurship in the country's media and telecommunications industries.

The Commercial Law Section Will Confer Its Inaugural Cora T. Walker Award on Clyde E. Bailey, Sr., Posthumously



During the NBA Commercial Law Section's 20th Annual Corporate Counsel Conference, the Section will bestow its inaugural Cora T. Walker Pioneer/Legacy Award upon Past NBA President Clyde E. Bailey, Sr., posthumously. Cora T. Walker was a legal pioneer, who was admitted to the New York State Bar in 1947, which was a time when very few women and very few African-Americans were practicing attorneys. She also was a former Chair of the Commercial Law Section and was one of the NBA members who organized the first Corporate Counsel Conference. Thus, the Corporate Counsel Conference is part of her legacy. Ms. Walker's life and her service to her community represent what is best in us as a people.

It is fitting that the Commercial Law Section bestows this important inaugural award upon Past NBA President Clyde E. Bailey, Sr., posthumously. Mr. Bailey, like Ms. Walker, was a pioneer. During his legal career, he practiced law at NASA, handling space commercialization and intellectual property matters, among others. He also prosecuted over 500 patents during his tenure at the Eastman Kodak Company.

As NBA President, Mr. Bailey encouraged corporations and majority-owned law firms to diversify the racial make-up of their in-house counsel and associate/partnership ranks, respectively. He also was a founding member of the National American Drug Policy Coalition, which is a coalition of African-American professional organizations, such as the NBA, that want to make drug abuse laws fairer.

Part of Mr. Bailey's legacy is what he taught us about the value of reaching out to and connecting with people of African descent in America and in other countries. He recognized the enormous potential of networking with people of African descent around the world and working together to improve the lives of all. To help realize this potential, he traveled to many of the countries in Africa and developed mutually beneficial relationships with lawyers in many African countries.

The Commercial Law Section will have the honor of presenting this award to Mr. Bailey's widow, Dr. Jean Bailey, on her late husband's behalf. Please join us in congratulating her and recognizing her late husband's many achievements.

Employers Brace For Rise In Retaliation Complaints In Light of Supreme Court's New Broad Standards For Liability

Court Resolves Circuit Split in Defining What Constitutes Actionable Retaliatory Conduct, But Have They Opened a Wide Door for Plaintiffs' Attorneys?

By Veronica L. Merritt, Esq.

Over the last decade, the number of retaliation claims under Title VII of the Civil Rights Act of 1964, has risen exponentially, in comparison to the rate of employment discrimination and harassment claims brought under the core provision. The EEOC reports that in 1992, retaliation complaints comprised 15.3% of all charges. As of 2005, that percentage had nearly doubled to 29.5%.[1]

The rise in retaliation claims seems to indicate a shift in workplace dynamics that may tell a distressing story. While employees are now utilizing their employer's internal grievance procedures and raising their voices in opposition to perceived unfairness in the workplace, increasingly they feel that they are being penalized by the employer for availing themselves of these measures. Allegations of supervisor backlash, demotions, negative evaluations, promotion denials, alienation and even termination, in the wake of discrimination complaints, present difficult scenarios for employers to defend.

It is becoming a more common occurrence for employers to effectively defend an underlying discrimination claim, yet incur liability for retaliation. In 2004, the EEOC recovered over $90 million dollars in damages on retaliation claims alone—a significant number of which were not even alleged in the initial charge.[2] Employers faced additional pressure, due to the fact that exactly how severe and job-related an employer's conduct must be to constitute cognizable retaliation depended on which circuit court of appeals was asked.

The Fifth and Eighth Circuits opined that employer liability for retaliatory discrimination under Title VII should be restricted to an "*ultimate employment decision*," such as hiring, discharging, promoting, and compensation.[3] Other circuits applied a more relaxed standard, finding liability for any "*materially adverse change*" in the terms, conditions or benefits of employment.[4] The most lenient analysis, utilized by a minority of courts, is based on whether the challenged conduct "would have been material to a *reasonable employee*," and would likely have "dissuaded a reasonable worker from making or supporting a charge of discrimination."[5]

Last June, the Supreme Court, in reviewing a decision from the Sixth Circuit, analyzed each of these tests and adopted a standard that appears to be more expansive than any other test previously applied. In *Burlington Northern & Santa Fe Railway Co. v. White* the Court incorporated the standard applied by a minority of courts, and concluded that Title VII's anti-retaliation provision covers:

> ***"…those (and only those) employer actions that would have been materially adverse to a reasonable employee or job applicant. In the present context that means that the employer's actions must be harmful to the point that they could well dissuade a reasonable worker from making or supporting a charge of discrimination***." 126 S. Ct. 2405, 2409 (2006).

Even more surprising was the Court's ruling that prohibited retaliatory conduct need not occur in the workplace or be employment-related. *Id*.

The Background

In June 1997, plaintiff Sheila White was hired by Burlington Northern's Memphis rail yard, as a "track laborer" in the maintenance department. Her duties included removing and replacing track components, transporting material, and removing litter and spillage from the track's right-of-way. Considered a 'less than glamorous' position by most railway workers, this job was typically held by less senior laborers in the department. At the time White was hired, she was the only woman. Shortly after White was hired, one of the laborers who primarily operated the forklift, opted to move into another job position. The department manager, aware of White's previous forklift experience, immediately assigned the fork lifting duties to White. After only a few months working as a forklift driver, White reported to management that she was being harassed by her foreman. Burlington investigated White's complaint, suspended the harasser and ordered him to complete sexual harassment training. *Id*. at 2409.

Up to this point, Burlington officials responded appropriately to White's complaint, applying acceptable standards under Title VII— a viable method for complaints, prompt investigation, and effective remedial action to cease the harassing behavior. Management then, however, contemporaneously decided that White would be reassigned to her former tasks as a general track laborer. Burlington explained that their decision was based on fairness to the other workers, who felt that a "more senior man" should get the "less arduous and cleaner job" of forklift operator. *Id*. at 2409. Two weeks later, White filed a complaint with Equal Employment Opportunity Commission (EEOC), alleging that the reassignment of her duties constituted gender discrimination and retaliation in response to her harassment complaint against the foreman. *Id*. Only days after the company received White's EEOC charge, White had a disagreement with a different foreman and was suspended without pay for insubordination. White challenged the suspension through an internal grievance and was reinstated 37 days later with full backpay. Thereafter, White filed another retaliation charge, based on the suspension. *Id*.

After exhausting her administrative remedies, White filed suit in federal court where she alleged unlawful gender discrimination and retaliation. White contended that Burlington Northern retaliated against her by changing her job responsibilities and also by suspending her for 37 days without pay. Burlington Northern argued that White's retaliation claims should fail because, (1) the subsequent reassignment of duties fell within the scope of her job description and (2) White ultimately did not suffer a financial loss from the suspension. The jury rejected White's Title VII gender discrimination claim, but awarded her $43,250 in damages on the retaliation claims. Though the

continued on page 10

Minority-Owned Law Firms and Corporate America's Diversity Crucible

By Herbert A. Igbanugo, Esq.

When it comes to law firms, we often hear the terms "leading law firms," "major law firms," "large law firms," "best law firms" and "top-ranked law firms." Several publications purport to rank law firms but there is no easy way to determine which law firms have been the most successful in all aspects of law practice. No one statistic can gauge which firms, majority- or minority-controlled, have done the best job for their clients. Notable black lawyers, such as Willie E. Gary and the late Johnny Cochran, have memorably established that size does not matter all the time. However, size-wise, there are a few minority-owned law firms with a nationwide practice that can service large corporations as well as their majority-owned counterparts.

The genesis of the diversity discourse is the 1999 letter by Charles Morgan, then Executive Vice President and General Counsel of BellSouth Corporation, commonly known as "The Statement of Principle." The statement was signed by more than 500 General Counsels over a period of two years and advocated the importance of diversity in the workplace both from a business perspective and because it is the right thing to do. In 2004, Roderick A. Palmore, Executive Vice President, General Counsel and Secretary of Sara Lee Corporation, authored "A Call to Action," which represented a sharp escalation from the previous high-profile diversity manifesto created by Charles Morgan.

This was followed shortly by a study commissioned by Stacey Mobley, Senior Vice President, General Counsel and Chief Administrative Officer of Dupont Corporation, "The Study on the Status of Minority-Owned Law Firms in Today's Legal Environment." This study sadly confirmed that the number of minority-owned law firms serving Corporate America has declined significantly over the last decade and a half. The study suggested that minority-owned firms face obstacles, such as competition from silk stocking firms, limited access to corporate counsel decision-makers, the good old boy network, perceived inexperience, insufficient resources and racial bias, among others. Also noteworthy in this debate are the efforts of E. Christopher Johnson Jr., Vice President and General Counsel of GM North America, and determined corporations like Wal-Mart and Prudential Insurance Company of America that are truly committed to diversity.

But it remains a struggle for minority-owned and/or minority-controlled law firms nationwide to get to first base with major corporations. Many minority-owned firms are compelled to lower their fees, making the work they get barely profitable. In certain situations, this amounts to practicing law with little or no dignity. The necessity to ensure long-term survivability of minority-owned law firms is a crucial one. First, it provides an alternative career path for graduating minority lawyers. The career path provided by minority-owned law firms exists both because large law firms were not always an option for lawyers of color and because many outstanding lawyers of color opt to practice law in this environment. It is therefore imperative to maintain minority-owned law firms both as a viable career option for future lawyers of color and as a continued source of exceptional legal services to corporations and government agencies around the nation.

Much has been said or made of minority attorneys in majority-owned law firms being able to fill the minority gap in the legal profession, but lessons of the past show that the answer does not lie with this erosive alternative. Diversity scorecards kept by organizations, such as the National Minority Law Journal, say nothing about how well a firm performs among each minority group. Blacks compose 3.1% of all lawyers at scorecard firms, Hispanics 2.4% and Asians 4.7%. In comparing individual firms to these national averages, a pattern emerges: at the vast majority of firms, diversity is concentrated in just one or two ethnic groups. Overall, almost 11% of the lawyers at the top twenty firms are Asian-American, 4% are Black and 4% are Hispanic.[1] Therefore, the success in recruiting and retaining lawyers from one ethnic group can obscure the fact that the numbers from other groups are lacking substantially.

Extensive research failed to produce any comprehensive or credible ranking of minority-owned law firms by any national or regional organizations, publications or entities. The Minority Law Journal, however, does maintain a National Directory of Minority Attorneys. Its listing is not as detailed as Martindale Hubbell's but you can glance through and easily pick out the larger firms of 10 or more lawyers, as well as a handful of firms of 20+ and 30+ lawyers. It also describes their areas of practice but doesn't tell you anything else about the firm. I imagine one would have to go on individual websites of the firms to see what they say about themselves and their achievements in the legal field.

To the extent that size matters, one cannot ignore the international law firm, Adorno & Yoss LLP. In the early part of 2006, the firm merged with one of New England's largest minority-owned firms, Fitzhugh, Parker & Alvarado LLP of Boston. With its 23 lawyers, Fitzhugh, Parker & Alvarado became Adorno & Yoss' New England office and conducts business locally under the name of Adorno, Yoss, Fitzhugh, Parker & Alvarado LLP. The combined firms have 270 lawyers and 20 U.S. and international offices according to Adorno & Yoss' website. Adorno & Yoss LLP also spearheaded the formation of the National Minority Law Group (NMLG) and maintains that it is the largest certified minority-owned law firm in the nation ranked number 169 among the National Law Journal 250 in 2005. According to a March 28, 2006, Minority Corporate Counsel Association article entitled "*The National Minority Law Group; Debate for Corporate America's Business Heats Up,*" approximately three years ago, the firm began a massive expansion effort merging with other minority-owned firms to open offices in New York, New Jersey, Dallas, Atlanta and, most recently, Boston. The firm avers that it is the only law firm member of the National Minority Supplier Development Counsel's Corporate Plus Group and that it has been ranked in the top 300 law firms in the country according to American Lawyers Rankings.

Adorno & Yoss LLP confirms that it canvassed the nation looking for top-tier minority-owned law firms, on the corporate defense side in metropolitan areas, and their selective search uncovered just 25 qualifying firms, with a number of those unwilling to lose their autonomy by undergoing a merger. What subsequently emerged from this effort is the National Minority Law Group (NMLG), a consortium of minority-owned law firms that work in concert, complimenting each other's practice areas with a network of offices and talent across the country. The NMLG website, www.nmlg.org lists

continued on page 10

The NBA Commercial Law Section's 20th Annual Corporate Counsel Conference

An Opportunity to Celebrate, Reflect on Past Success, and Continue to Promote Diversity

By Dawn Tezino, Esq.

The NBA Commercial Law Section ("NBACLS") will hold its 20th Annual Corporate Counsel Conference, February 22 - 24, 2007, at the world famous Doral Golf Resort and Spa in Miami, Florida. The primary purpose of the conference is to give NBACLS members who practice business law at law firms an opportunity to meet and develop professional relationships with each other and with attorneys who work in law departments at large corporations. The conference also gives corporations an opportunity to diversify the racial make-up of their legal service providers by reaching out to minority attorneys and referring legal matters to them.

The NBACLS Corporate Counsel Conference began as a means to encourage corporations to retain minority attorneys who practiced at relatively small minority-owned law firms. Throughout the years the conference has continued to grow in size, visibility, and influence. Presently, the number of minority attorneys who practice at majority-owned law firms substantially exceeds the number of minority attorneys who practice at minority-owned law firms. The conference benefits both groups. Minority attorneys who practice at minority-owned law firms still face the same challenge as their predecessors did – difficulty obtaining legal work from Corporate America. Minority attorneys who practice at majority-owned law firms face a similar challenge – difficulty bringing legal work to their firms and, thereby, gaining some influence at their firms. The conference provides an opportunity for both groups of attorneys to meet these challenges.

We estimate that over the previous nineteen years the conference has connected more than 1,000 NBACLS members with more than 100 different corporations and their representatives. Some have formed long-standing, mutually beneficial attorney-client relationships. We hope to increase the number of such relationships during the 20th anniversary conference. As in past years, in-house counsel will have an opportunity to interview minority counsel whose practice areas coincide with his or her corporation's legal needs. In-house counsel also will have the opportunity to interact with other counsel at various networking events. The legal seminars presented at the conference allow all of the attending attorneys to learn about emerging legal issues and trends in various areas of commercial law and to earn valuable CLE credits. In addition, this year, the conference will include a Diversity Town Hall Meeting at which representatives from various ethnic bar associations and other organizations will participate in a multi-cultural discussion of diversity issues.

The NBACLS invites all companies that recognize the importance of ethnic diversity in a global marketplace to participate in the conference and meet talented minority outside counsel who want to provide high-quality legal services to Corporate America. We hope to see you in Miami. For more information you can access conference registration materials and register on-line at www.nbacls.com.

Dawn Tezino is an Associate at MehaffyWeber PC in Beaumont, Texas. Her practice areas include employment law, environmental law, products liability, premises liability, toxic torts and insurance defense. Ms. Tezino is licensed to practice law in both Texas and Louisiana. She can be contacted at DawnTezino@mehaffyweber.com.

There's Plenty to Do in Miami - Gateway to the Americas

By Donald O. Johnson, Esq.

Miami attracts teems of visitors during the winter months for good reason. The weather, the beaches, and the tropical culture are just a few of the many attractions. Our golfers will love the weather. Although all but the most hardy of them had their golf games rained out last year in Birmingham, this year the weather should be picture perfect, and world-class golf greens will be just outside the hotel doors.

South Beach and miles and miles of other beaches will be only a fifteen- to twenty-minute drive east from the conference site — the Doral Golf Resort and Spa. South Beach begins in Miami Beach at about 5th Street and Collins Avenue. If you go to Miami Beach, you may want to stop at Joe's Stone Crab House to sample its famous dishes. If you do, make your reservation far in advance.

On the Miami side of Biscayne Bay, you can have drinks, eat and/or shop for souvenirs at Bayside, which is an interesting shopping center in downtown Miami on Biscayne Boulevard. Right down the street, you will find American Airlines Arena, home of the Miami Heat. The Heat will play the Cleveland Cavaliers on Sunday afternoon, February 25th. If you are a betting person who likes a game with a faster pace than basketball, you may enjoy Miami Jai-Lai — a Spanish game of wall ball played on a long court with a hard ball and large basket-like rackets. You can bet (e.g.,

continued on page 9

The NBACLS Continued Its Annual Participation in the NBA's Annual Convention

During the NBA's 81st Annual Convention in Detroit, Michigan, the Commercial Law Section hosted its Annual Reception and coordinated, along with the Corporate Law Section, the NBA's Career Day. Dykema, a law firm with a national practice, and Schering-Plough Corporation co-sponsored the Section's Annual Reception. Sherrie Farrell, Elliot Hall, Peggy Cosello, and Kathleen Lewis, partners at Dykema, attended the reception, as did Sensimone Britt Williams, Schering-Plough's Senior International Counsel, and Timothy G. Rogers, Schering-Plough's Vice President & Associate General Counsel.

The Commercial Law Section sincerely thanks Dykema and Schering-Plough Corporation for their support and for helping us make our Annual Reception so successful. We also thank General Motors Corporation for making its beautiful facilities available for the NBA's equally successful Career Day and Dr. Walter Sutton and his colleagues from Wal-Mart Stores, Inc. for their attendance and continued support. As the photographs taken at the Section's events demonstrate, our Section members and their sponsors enjoyed these events.






Richard A. Jones, the General Counsel of the Federal Reserve Bank of Atlanta, Will Be the Keynote Speaker at the Upcoming Corporate Counsel Conference

The Commercial Law Section will have the honor of having Richard A. Jones, Senior Vice President and General Counsel of the Federal Reserve Bank of Atlanta, as the keynote speaker at its 20th Annual Corporate Counsel Conference. The Federal Reserve Bank of Atlanta serves the Sixth Federal Reserve District, which encompasses Alabama, Florida, Georgia and sections of Louisiana, Mississippi and Tennessee. As part of the nation's central banking system, the Atlanta Fed participates in setting national monetary policy, supervises numerous commercial banks and provides a variety of financial services to depository institutions and the U.S. government.

Mr. Jones joined the Atlanta Fed in October 2000 as Vice President and Deputy General Counsel and was promoted to General Counsel in February 2001. Prior to joining the Atlanta Fed, he served as Regional Counsel for the Atlanta region of the Federal Deposit Insurance Corp. (FDIC), which includes Alabama, Florida, Georgia, North Carolina, South Carolina, Virginia and West Virginia. In this capacity, he oversaw the provision of legal services pertaining to the examination and supervision of state-chartered banks that are not members of the Federal Reserve System.

Before joining the FDIC, Mr. Jones was a senior regional attorney for five years at the Office of Thrift Supervision, where he played a lead role in numerous enforcement matters and acquisitions of troubled thrifts. He began his career as an attorney with the Federal Home Loan Bank Board in Washington, D.C., and, after a year, became a senior attorney with the Federal Home Loan Bank of Atlanta.

Mr. Jones earned a bachelor's degree, with honors, in 1981 from Morehouse College in Atlanta, Ga. He received his juris doctor degree in 1984 from George Washington University's National Law Center in Washington, D.C. He is a member of the State Bar of Georgia and is a past chair of the corporate counsel section of the Atlanta Bar Association.

We look forward to hearing Mr. Jones' keynote speech and benefiting from the insight that he has gained from his many years of service in prominent positions in the public sector side of our nation's financial services system.

Common Commercial Lease Considerations

by Juanita R. Ingram, Esq.

So your client comes to you with the right commercial property for their business or your client has found the perfect tenant for their office park or warehouse. Before you have your client "sign on the dotted line," there are several inter-related variables and issues that warrant adequate consideration and negotiation. Some variables are straight forward while others are more complex.

Bear in mind that the potential list of issues and considerations relating to the commercial leasing process will vary immensely. There are several fundamental differences between retail, office and warehouse leases. The same issue may be treated quite differently depending on the character or classification of the space being leased. Exploring all of these differences, therefore, is beyond the scope of this article. This article discusses issues common under each type of lease.

A. The Parties and the Plans

Every commercial lease transaction, at a minimum, involves two primary parties -- the landlord and the tenant. There also will be a lender involved in some capacity as it relates to the transaction; however, this article will focus on the two primary parties to these lease transactions. Each party will have its own agenda, set of concerns and perspectives. Naturally, a tenant's goals and objectives will be different than those of the landlord. Depending on the market, the negotiation power that each party possesses will vary. An important initial step in the leasing process is understanding your client's underlying business and their plans for the potential lease location. Although the basic "business terms" of the lease agreement are not ordinarily determined by attorneys, having a well-developed understanding of "the deal" and the multiple business variables affecting it will greatly aid in your ability to discern which statutes and drafting techniques need to be explored and employed. This will ensure that the original basic "business terms" are effective, functional and, most importantly, enforceable.

B. Term/Duration of the Lease

Although there are situations in which landlords and tenants will prefer a longer lease term in order to ensure rental income or continuity of business, there are times when a longer lease duration can be problematic. Traditionally, a landlord is able to evict a tenant who is not paying the agreed rent, regardless of the stated duration of the lease. In cases where the landlord has entered into a long-term lease based upon underestimates of future increases in rental values, the landlord may face a greater risk with a tenant who is paying his rent on time. In such a case, a landlord could end up locked into a lease with a tenant who has a legal right to continue renting for less than fair rental value.

In addition, most landlords will require the personal guarantees of the business owners before leasing to a newly formed LLC. Therefore, the new business owner generally will be forced to forego the limited liability protection he might otherwise enjoy in running a business through a corporation or limited liability company. It is a universally accepted reality that small start-up businesses have a high failure rate. Many commercial leases will last longer than the businesses that sign on to them. Unfortunately, when this happens, the small business owner can wind up owing rental payments to the landlord long after the business has ceased occupancy of the building. The smart tenant should seek to have a specific requirement that the landlord make affirmative efforts to re-let the premises after the tenant defaults.

Another issue that arises in connection with the term of the lease is the issue of establishing an actual commencement date for the term of the lease. Typically, the term of the lease should begin or commence on or before the date of delivery of possession of the leased premises to the tenant. Often, delivery of possession will depend on what responsibilities the landlord and tenant have for

continued on page 11

Chair's Message . . . *continued from page 1*

2:00 p.m. until 5:00 p.m. Panelists will include General Counsels, other corporate counsel, bar leaders, and legal commentators. At the Diversity Town Hall Meeting, we hope to identify strategies to overcome key challenges such as increasing diversity and inclusion at major firms by increasing the number of ethnically diverse attorneys who take the lead on significant transactions and litigation and who serve as relationship partners. The Diversity Town Hall Meeting also will address the challenge of increasing the pipeline of ethnically diverse law school students.

We are glad to have received commitments from corporations that have not participated in previous Corporate Counsel Conferences. This conference promises to be the best ever. Hopefully, I will see you in Miami, as this is a sold-out conference. You may check out our Section's website – www.nbacls.com – for more information.

Safe travels to Miami.

Member Spotlights

John Lewis, Jr. - Significant Promotion

The NBACLS applauds its immediate past Chair, John Lewis Jr., on his recent promotion to Senior Managing Counsel - Litigation for The Coca-Cola Company in its global legal center in Atlanta. In his new role, John manages the attorneys and staff responsible for litigation and disputes throughout the 200+ countries around the world where the Company does business. John joined the Company in 2002 as Litigation Counsel.

Congratulations, John.

Will Stute - Changes Firms

Will Stute recently moved to Faegre & Benson and is a Partner in its Minneapolis, Minnesota office. Will's primary practice areas are commercial litigation, securities fraud, investor-broker disputes, broker-dealer disputes, copyright infringement, and corporate governance. The NBACLS wishes Will great success at his new firm. Faegre & Benson also has offices in Colorado, Iowa, London, Frankfurt, and Shanghai. Will can be contacted at WStute@faegre.com or 612-766-7984.

Victor Vital – Eclipse Super Lawyer

Congratulations to Victor Vital who has been selected as a Super Lawyer by Eclipse magazine and was featured and recognized along with a select group of African-American lawyers. The Eclipse Magazine issue, which was published in January 2007, also profiled Dallas's African-American legal legends — attorneys who have made historical contributions in either private practice or public service. Eclipse is an African-American owned magazine serving the state of Texas.

Vital is a trial partner in the Dallas office of the law firm of Haynes and Boone, a 450 lawyer firm with offices in Texas, Washington, D.C., New York, Mexico City, and Moscow. Vital is in the firm's Business Litigation Section where he focuses his trial practice on a wide variety of commercial and business disputes as well as tort matters.

Again, congratulations to Vital on this great honor.

Angela Reddock – A Lawyer on the Move

NBACLS member and Westchester, California lawyer Angela Reddock is truly a rising star – a lawyer on the move. In 2006, she accepted an appointment as co-chair of the Transportation Committee of Los Angeles City Councilmember Bill Rosendahl's 11th District Empowerment Congress. Of Angela, Councilman Bill Rosendahl aptly stated, "She is a dedicated public servant, an extraordinary civic leader, and a brilliant attorney. Angela is truly one of our city's rising stars."

Public service and community and bar involvement are not foreign to Angela. She has been a Los Angeles City Transportation Commissioner since 2002. She also serves as a Member of the State Board of Barbering and Cosmetology and as a Commissioner on the Los Angeles County Local Government Services Commission. She chairs the Board of Directors of the Los Angeles African American Women's Public Policy Institute and the Governance Committee of Ability First. She is a member of the Los Angeles Urban League Executive Corp and provides pro bono legal counsel for the African Marketplace and Cultural Fair and Social Concerns of Los Angeles. Angela also is a member of the National Bar Association, the Black Women Lawyers Association and the Langston Bar Association.

In July 2006, Angela celebrated the one-year anniversary of the establishment of the Reddock Law Group, a labor and employment firm that represents employers in litigation, workplace consulting and federal and state regulatory compliance. Angela represents private companies, government and public sector clients and nonprofits. Before opening her own office, Angela was a named partner in Collins, Mesereau, Reddock & Yu, a firm that she managed and at which she headed the employment, business litigation and government relations practices. Angela has been named a "Rising Star" for the past three years in Los Angeles magazine's "Super Lawyers" edition.

DeMonica D. Gladney - Inspiring Poet and Author

Congratulations to DeMonica D. Gladney, the Secretary of the Section's Executive Committee for the upcoming debut of her new book, *Willing to Wait*, in February 2007. Her book reaffirms the old adage that "good things come to those who wait." In the book, DeMonica walks the reader step-by-step through the waiting process that we must all go through in preparation for God's promises.

Willing to Wait (ISBN 0-9724229-2-7) will be available for purchase directly from the publisher, New Horizon Publishers (www.newhorizonpublishers) and various local and online bookstores. DeMonica is also the author of the inspiring book of poetry, *Reflections from God*.

Sharon Bridges - Diversity Roundtable

Sharon Bridges organized and chaired a roundtable discussion about diversity, which was entitled "A Corporate Counsel and Corporate Executive Perspective," in Jackson, Mississippi, on November 16, 2006. The Hinds County Bar Association presented the event, which was co-sponsored by the Leadership of Greater Jackson, the Magnolia Bar Association, the Metro Jackson Chamber of Commerce, the Mississippi State Bar, the Mississippi College School of Law, the Mississippi Corporate Counsel Association, the Mississippi Economic Council, and the University of Mississippi School of Law.

The panelists included executives and attorneys from many major corporations, including Baxter International, Cingular Wireless, DuPont, Ford Motor Company, Georgia-Pacific Corporation, Harrah's Entertainment, Nissan North America, Pfizer, Inc., Prudential Equity Group, Tyson Foods, The Coca~Cola Company, and the Kroger Company. One of the panelists was our fellow Section member, Cheryl Turner, who is a Corporate Liaison on our Section's Executive Committee.

Among other topics, they discussed the definition of diversity, the current corporate emphasis on diversity, effective methods of marketing diverse law firms, potential means of achieving diversity in non-diverse law firms, changing company culture, and methods for recruiting and retaining minorities. The panelists stressed that a diverse workforce can increase a company's or law firm's profitability. Thus, in addition to being the right thing to do morally, diversifying the workforce is the right thing to do financially. They also agreed that diversity allows a company to benefit from the varied talents and resources of the people in its community.

The roundtable was a great success, drawing more than 300 business and community leaders to the event. Congratulations, Sharon for organizing such an impressive event.

Sharon F. Bridges, RN, J.D. is a Partner in the law firm of Brunini Grantham Grower & Hewes in Jackson, MS. Attorney Bridges practices in the areas of product liability, commercial litigation and medical malpractice, typically representing major corporations who are sued in Louisiana and Mississippi. Sharon can be reached at 601-973-8736 or sbridges@brunini.com.

There's Plenty to Do in Miami... *continued from page 5*

win, place, or show) on games that match individual players or teams. The jai-lai fonton is at 3500 N.W. 37th Avenue.

Coconut Grove, which is south of Rt. 1 (a/k/a S. Dixie Highway), is an upscale area that has lots of restaurants and other attractions. It borders Coral Gables, one of the more picturesque and expensive residential sections in the Miami area with its tropical tree-lined roads and large houses.

Miami has long had a large Latin-American population. One area that is well-known for its Latin culture is Little Havana (La Pequena Habana), which extends along and around S.W. Eighth Street (Calle Ocho) from S.W. 5th Avenue to S.W. 37th Avenue. There you can try drinks and dishes that are typically enjoyed in the various countries in Latin America. The drinks include café cubano (Cuban coffee), guarapo (sugar cane juice), mojitos (a Cubano cocktail), and caipirinas (a Brazilian cocktail). The dishes include churrasco (broiled steak), moros and cristianos (black beans and white rice), arroz con pollo (chicken and rice) and paella (a Spanish seafood dish).

For more information about things to do in and around Miami after the conference activities have ended for the day, visit the Greater Miami Convention & Visitors Bureau's website at http://www.gmcvb.com.

We look forward to seeing you all and to having a great time together.

Donald O. Johnson is a graduate of the University of Miami School of Law and a member of the NBA Commercial Law Section's Executive Committee.

Minority-Owned Law Firms ... *continued from page 4*

the following member firms: Atkins & Evans LLP (www.atkinsevans.com), Blackwell Igbanugo P.A. (www.blackwell-law.com)[2], Brown & Hutchinson (www.brownhutchinson.com), Brown & Sheehan, LLP (www.brownsheehan.com), Escamilla & Poneck, Inc. (www.escamillaponeck.com), Fields & Brown, LLC (www.fieldsandbrown.com) and Fitzhugh, Parker & Alvarado (www.fitzhughlaw.com).

The National Directory of Minority Attorneys published by Minority Law Journal lists minority-owned firms. Sizeable ones include: Gonzalez, Saggio & Harlan of Milwaukee, Wisconsin with 35 lawyers; Sanchez & Daniels of Chicago, Illinois with 34 lawyers; Harris, Kardstaedt, Jamison & Powers of Englewood, Colorado with 30 lawyers; Lewis & Munday of Detroit, Michigan with 28 lawyers; Armienti & Brooks of New York with 25 lawyers; Miller, Alfano & Raspanti of Philadelphia, Pennsylvania with 22 lawyers; Reichard & Escalera of San Juan, Puerto Rico with 20 lawyers; Antonelli, Telly, Stout & Kraus of Arlington, Virginia with 18 lawyers; Pugh, Jones & Johnson of Chicago, Illinois with 14 lawyers; Brown, Diffenderffer & Kearney of Baltimore, Maryland with 14 lawyers; Ferguson, Stein, Wallas, Adkins, Gresham & Sumter of Charlotte, North Carolina with 14 lawyers; Wilson, Petty, Kosmo & Turner of San Diego, California with 12 lawyers; Carro, Velez, Carro & Mitchell of New York with 11 lawyers; Rollin Wong of Irvine, California with 10 lawyers; Greene & Letts of Chicago, Illinois with 10 lawyers.

This is certainly not a qualitatively or quantitatively exhaustive list. To claim otherwise would be offensive to many and explosive at best. Prudential Insurance, Wal-Mart, Dupont, Shell and numerous other corporations that have conducted extensive research in their diversity reengineering efforts are usually tight-lipped about the selection process for their preferred minority counsel.

In the past few years, many minority-owned law firms have moved into majority-owned law firms or corporations. This does not yet spell extinction for the minority-owned law firms in the United States nor does it necessarily bode well for them. A trend that started in the 1980s is the partnering of minority-owned and majority-owned law firms to service major U.S. Corporations. This is fueled in this globalization era environment by the easily understood principle that corporations operate in a multicultural world so that their law firms must field a multicultural team to better represent them overall.

In January 2005, Venable formed an alliance with Brown & Sheehan, which made it the third Am Law 200 firm. That pairing followed similar partnerships between Womble, Carlyle, Sandridge & Rice and Molden, Holley, Fergusson, Thompson & Heard, and between Sonnenschein, Nath & Rosenthal and Pugh, Jones, Johnson & Quandt. The most notable advantage of this trend is that smaller firms gain access to resources and clients that might otherwise be out of reach. This seems like a win-win for all, but critics say it is merely an attempt by majority firms to outsource their diversity.[3]

However, after all is said and done, the real key to the survival of minority-owned and/or minority-controlled law firms is for major corporations around the country to double their efforts and maintain fidelity to their diversity vision. The diversity visionaries of Corporate America must take another step or two forward if diversity is to no longer be a footnote. Nothing will get the attention of the majority-owned law firms like major U.S. corporations becoming "real stakeholders" in minority-owned law firms by committing to building their foundational and formative blocks from the bottom up. Pillars could be found amongst minority law firms or minority lawyers in majority law firms. Legal architects and builders are not lacking in the minority legal community and many are poised to create responsibly managed law firms if major corporations are willing to commit significant dollars of legal work in specific areas that will permit minority-owned law firms to build credible practices in those areas. This is how the majority law firms came to be where they are today and there is no secret to it, nor is it nuclear science. This is no longer the time to plead with majority-owned firms to meet diversity goals to which equal opportunity corporate clients aspire.

Initiatives like Sara Lee's General Counsel Rick Palmore's "Call to Action" are evidence of some corporations' re-born commitment to diversity in the legal profession. Some are really "walking the walk" by boldly crossing the line from "talk shops" to "work shops." This is quite commendable, and I'm sure that these efforts

continued on page 11

Employers Brace For Rise in Retaliation... *continued from page 3*

judgment was affirmed by the Sixth Circuit Court of Appeals, the *en banc* panel differed as to the applicable standard for analyzing retaliatory action. 364 F. 3d 789.

The New Standard

The core provision of Title VII of the Civil Rights Act of 1964, forbids employment discrimination against an individual with respect to "compensation, terms, conditions, or privileges of employment," based on "race, color, religion, sex, or national origin."[6] Title VII's anti-retaliation provision forbids employer actions that "discriminate against" an employee for "opposing" a discriminatory practice or for "participating in" a hearing or other proceeding related to Title VII prohibited conduct.[7] The Court analyzed the linguistic differences between the core provision and the anti-retaliation provision and determined that Congress' intention was that the provisions served different purposes and provided different protections. While the substantive provision serves to secure employment-related opportunities, "an employer can effectively retaliate against an employee by taking actions not directly related to his employment or by causing him harm *outside* the workplace." *Id*. at 2412.

The Court explained its reasoning by citing to a case where the FBI retaliated against an agent by refusing to provide protection after the agent received death threats from a prisoner. Another example involved an employee who filed false criminal charges against an employer who complained of discrimination. Though the FBI's refusal to investigate and the employer's filing of criminal charges, were not directly work-related, such actions could effectively deter an employee from reporting discrimination. The Court's finding explicitly rejected the rationale applied by most Courts of Appeal, which had long limited actionable retaliation to workplace harms. *Id*. at 2415.

While explaining how courts are to evaluate retaliatory actions, the Supreme Court specifically limited actionable conduct to that which is '*materially* adverse.' Employer liability will not arise

continued on page 13

Common Commercial Lease ... *continued from page 7*

constructing tenant improvements. Issues that arise in connection with this consideration revolve around determining the point in time when the premises are "substantially complete" and what penalties are associated with late delivery. In order to define "substantial completion," the parties may need to engage an architect to certify "substantial completeness" for the purposes of determining the commencement date.

C. Rent and Operating Expenses

Regardless of whether your client is the landlord or the tenant, issues arising in connection with rent are always critical and worthy of adequate consideration. It is important from a landlord's point of view to ensure that the tenant's obligation to pay rent is unconditional without any right to set-off or abatement. A landlord also will need to decide how to structure the rental terms for the lease transaction in a manner what will not only allow the landlord to recoup its investment, but also realize some profit. In this respect, the landlord will need to be certain that it has adequate rental income to cover the operating expenses, which include taxes, insurance, utilities, maintenance and any debt on the property. This is typically done by providing for "base" rent supplemented by "additional" rent. Also, "percentage" rent will routinely be utilized which allows the landlord to share in a percentage of the tenant's profit over a specified threshold income amount.

The tenant will want to carefully analyze and negotiate which expenses will be included, as well as excluded, from the "additional rent" or "operating expense." Special attention should be given by both parties when crafting the definition of "operating expenses" and tenant's "proportionate share." From a tenant's perspective, the tenant will want to make sure that the denominator includes all leaseable areas and not just the leased areas. The tenant will not want to pay for more than its share, and, thus will want the landlord to pay the operating costs for any unoccupied space. From a landlord's perspective, the landlord will want the trusting tenant to stipulate to the percentage that represents tenant's proportionate share of operating expenses. This approach is beneficial to the landlord since it does not require the landlord to justify how the tenant's "proportionate share" is determined.

Most well-drafted commercial leases, at least, will provide the widely accepted definition of tenant's "proportionate share," which typically is calculated as a fraction, whose numerator is the total rentable square footage of the leased space and whose denominator is the total rentable square footage of the project. Some landlords, however, will want to set the denominator as the total square footage of the occupied portion of the project. In this situation, landlords will argue that such a method of calculation is fair because it is based on the actual square footage leased.

With regard to costs that are excluded from the definition of operating expense, tenants will desire exclusions for costs incurred in connection with the construction, improvement or remodeling of the property, including the cost of resurfacing parking areas, correcting design or construction defects, repairing things that are beyond the scope of routine repairs that tenants regularly performed, and any other costs that are capitalized under GAAP. Tenants also will desire that the costs of selling, syndicating or mortgaging any interest in the property be excluded from operating expenses.

continued on page 14

Minority-Owned Law Firms ... *continued from page 10*

are appreciated very much by the entire minority legal community.

If the United States of America can go into Iraq to build a democracy, U.S. Fortune 500 companies certainly can help minority-owned law firms become as large and as capable as majority-owned law firms. If the signatories to the "Call to Action" make a commitment to help build several of these types of firms around the country, it will bring to fruition the desire of minority-owned law firms to service corporations that express a continued commitment to working with a first-class group of diverse lawyers on a national basis. Again, the ultimate key to and/or measure of success in this worthwhile endeavor is fidelity to the vision.*

[1] Emily Barker, *Not All Diversity is Created Equal*, The Minority Law Journal (June 1, 2006).

[2] Blackwell Igbanugo dissolved on November 1, 2006 and reconfigured into two new firms: Blackwell Burke P.A. (www.blackwellburke.com) and Igbanugo Partners Int'l Law Firm, PLLC (www.igbanugolaw.com).

[3] Dimitra Kessenides, *Outsourcing Diversity*, The Minority Law Journal (May 1, 2005).

Herbert A. Igbanugo, Esq. is a founding Shareholder of Igbanugo Partners Int'l Law Firm, PLLC, located in Downtown Minneapolis. He is admitted to practice law in Minnesota and New York. Mr. Igbanugo's principal practice areas are U.S. Immigration and Nationality Law and International Trade Law in Sub-Saharan Africa. He is also well versed in African-governmental relations development, interest advocacy as well as interpretation of the African Growth and Opportunity Act's legislative provisions. He can be contacted by telephone at 612-746-0360 or by e-mail at higbanugo@igbanugo-law.com.

The Trademark Dilution ... *continued from page 1*

1996). In a denotative sense, the offender's use "dilutes" the value of, and harms the reputation associated with, the mark TOYS "R" US.

Two Types of Dilution

Dilution by "blurring" and dilution by "tarnishment" are now codified in the Act. The Act defines dilution by blurring as an "association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark." In other words, a conflicting mark whittles away at, demeans and blurs the value of the famous mark. The Act provides a list of factors in determining dilution by blurring, including without limitation: (i) the degree of similarity between the conflicting mark and the famous mark; (ii) the degree of inherent or acquired distinctiveness of the famous mark; (iii) the extent to which the famous mark's owner is engaged in substantially exclusive use; (iv) the degree of recognition of the famous mark; (v) the intent of the conflicting mark's owner to create an association with the famous mark; and (vi) any actual association between the conflicting mark and the famous mark.

Dilution by tarnishment, on the other hand, is "an association arising from the similarity" between the conflicting mark or trade name and the famous mark "that harms the reputation of the famous mark." 15 U.S.C. § 1127 (c)(2)(C). Unlike its specificity with regard to dilution by blurring, the Act does not shed light on any determinative factors.

What is a Famous Mark?

A mark is famous "if it is widely recognized by the general consuming public of the United States as a designation of course of the goods or services of the mark's owner." 15 U.S.C. § 1127(c)(2)(A). The Act provides a list of factors for determining whether a mark is famous, including without limitation: (i) the duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties; (ii) the amount, volume, and geographic extent of sales of goods or services offered under the mark; (iii) the extent of actual recognition of the mark; and (iv) whether the mark is federally registered.

Additionally, the Act is clear in that a claim may be brought for a famous mark that has acquired distinctiveness or secondary meaning. 15 U.S.C.§ 1125(c)(1) ("the owner of a famous mark that is distinctive, inherently or through acquired distinctiveness, shall be entitled to an injunction").

Likely To Cause Dilution Standard

At least as early as three years ago, a higher standard of proof for persons filing dilution lawsuits was required as the U.S. Supreme Court in *Moseley* held that owners of famous marks must prove that alleged offenders committed "actual dilution." In *Moseley*, the Court opined that the owner of the VICTORIA'S SECRET mark failed to establish objective proof of actual injury to the economic value of its famous mark as a result of a local Kentucky mom-and-pop adult store's use of the name "Victor's Little Secret." *Moseley*, 537 U.S. at 433-34. Proving actual dilution required more than consumers' mere mental association of the conflicting marks; demonstrating actual, objective evidence was critical. *Id*.

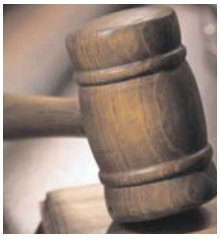
In line with the *Moseley* decision, a number of courts applying federal or state anti-dilution statutes found in favor of dilution in limited circumstances, typically only (a) if the challenged mark was essentially the same, sufficiently similar to, or virtually identical to or in some variation to (by adding or subtracting letters of), the famous mark, coupled with the similarity of the mark's design, logo, color, font, size, marketing, or advertising; and/or (b) if evidence of actual dilution via consumer surveys or experts was proved (assuming the conflicting marks were not identical).

In response to the *Moseley* decision, the Act now provides greater clarity and establishes that an owner of a famous mark is entitled to injunctive relief against an alleged offender who uses a mark in commerce that is "*likely to cause* dilution . . . *regardless* of the presence or absence of actual or likely confusion, of competition, or of actual economic injury." 15 U.S.C.§ 1125(c)(1) (emphasis added). Thus, proving likelihood to cause dilution — as opposed to actual dilution — has the effect of making it easier for famous trademark owners to seek injunctive relief under the Act. The degree of similarity between the conflicting marks is but one non-exclusive factor in determining dilution by blurring. 15 U.S.C. § 1125(c)(2)(B)(i).

Fair Use Defense

The Act specifically recognizes a defense — adopted by many courts already — to dilution actions if the person accused establishes a "fair use" of the famous mark. The Act states that the following shall not be actionable as dilution: "[a]ny fair use, including a nominative or descriptive fair use, or facilitation of such fair use, of a famous mark by another person other than as a designation of source for the person's own goods or services, including use in connection with, (i) advertising or promotion that permits consumers to compare goods or services; or (ii) identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner." 15 U.S.C. § 1125(3)(A). In other words, a person may use a famous mark in comparative advertisements. The Act also takes into account First Amendment considerations, explicitly excluding actionable dilution claims for all forms of news reporting and news commentary, or any noncommercial use of a mark.

continued on page 13



YOUR VOICE

If you have comments concerning the NBACLS newsletter, the Commercial Law Connection, or if you are a NBACLS member who wants to submit an article to us for publication consideration, please contact us at nbanews@nbacls.com.

The Trademark Dilution... *continued from page 12*

Other Highlights

The Act broadens trademark protection to owners of famous marks that are federally registered with the U.S. Patent & Trademark Office. The Act creates an incentive and competitive advantage to owners of federally registered trademarks with its preemptive provision, which provides a complete bar to dilution claims in state courts against persons who are owners of federal registrations for trademarks in dispute. It remains to be seen how courts and practitioners interpret the Act's implicit suggestion that owners of federally registered trademarks may escape dilution claims in federal courts as well. 15 U.S.C. § 1125(c)(6)(B) (ownership of federal registrations for marks in question shall be a "complete bar to an action against that person … that seeks to prevent dilution by blurring or dilution by tarnishment" or "asserts any claim of actual or likely damage or harm to the distinctiveness or reputation of a mark, label, or form of advertisement.").

Also worth noting is that the owner of a trade dress not federally registered has the burden of proving its trade dress is famous and not functional. 15 U.S.C. 1125(c)(4).

Jonathan D. Goins, Esq. is an IP Litigation Associate at King & Spalding LLP and Dinisa Hardley Folmar is Trademark Counsel at The Coca-Cola Company.

Employers Brace For Rise in Retaliation ... *continued from page 10*

from "petty slights or minor annoyances" that the employee may be subjected to. Actionable conduct is to be objectively analyzed using a *reasonable employee* standard, where "the significance of any given act of retaliation will often depend on the particular circumstances." *Id*. The Court explained that a schedule change may not materially impact some employees, but could have an impact on a mother with school-age children. Similarly, a reassignment of job responsibilities, even within the same job description, can constitute retaliation where certain job duties are considered more arduous and time consuming (track labor), and other duties indicate a higher level of experience and prestige (forklift operator). *Id*. at 2417. A jury could therefore conclude that the employer's actions would have been materially adverse to a reasonable employee.

Similar reasoning was applied to White's 37-day suspension without pay. Despite Burlington's contention that the subsequent back pay remedied any adverse impact by making White financially whole, "many reasonable employees would find a month without a paycheck to be a serious hardship." *Id*. at 2417. Conversely, an employee who loses one-day's wages, from one paycheck during one pay period, is not likely to have an actionable claim.[8]

Practical Impact

The Supreme Court's ruling should definitely raise antennas for all employers to exercise additional monitoring and scrutiny following a report of discriminatory activity. Allegations of discrimination or harassment that are fairly determined to be unfounded could eventually lead to significant liability due to retaliatory conduct. Whether there was thorough documentation or appropriate follow-up could be the determining factor in assessing liability. The new standard leaves a lot of room for plaintiffs' attorneys to cast a wide array of activities as questionable when arguing the 'materiality' and 'reasonableness' of post-complaint events. Unfortunately, the standard not only makes it easier to maintain a retaliation claim, it could present new hurdles to obtaining summary judgment.

Additionally, employers should ensure that their harassment policies and corporate codes of conduct specifically cover complaints of retaliation. Where many corporate policies have traditionally included only general references to anti-retaliation, the implications of the new standard may necessitate a heavier emphasis defining the expanded scope of retaliatory behavior, as well as more focused management training. Most individuals are not likely to assume that non work-related events could amount to retaliation liability for the company.

The good news for employers is that the Court did describe the test as objective, thus eliminating the need to evaluate each plaintiff's subjective emotions and allowing the lower court to make a final determination as to the sufficiency of the evidence. Nevertheless, it is safe to predict that the number of retaliation complaints will likely surge, and employers should take early measures to institute necessary strategies that specifically deal with the new and difficult issues created by *Burlington*.

Veronica L. Merritt is an Associate in the Birmingham, Alabama office of Ogletree Deakins Nash Smoak and Stewart, P.C. Ogletree Deakins is one of the nation's largest labor and employment law firms, with 25 offices located across the country. Before coming to Ogletree Deakins, Ms. Merritt clerked for Chief United States District Judge U.W. Clemon, of the Northern District of Alabama.

1 *EEOC Charge Statistics FY 1992 Through FY 2005*, http://www.eeoc.gov/stats/charges.html.

2 *EEOC Retaliation Statistics*, http://www.eeoc.gov/types/retaliation.html

3 *See Mattern v. Eastman Kodak Co.*, 104 F.3d 702, 707 (5th Cir. 1997); *Manning v. Metropolitan Life Ins. Co.*, 127 F.3d 686, 692 (8th Cir. 1997); *see also, Gupta v. Florida Bd. of Regents*, 212 F.3d 571, 587 (11th Cir. 2000).

4 *Burlington Northern & Santa Fe Railroad Co. v. White*, 364 F.3d 789, 795 (6th Cir. 2004); *see also, Von Gunten v. Maryland*, 243 F.3d 858, 866 (4th Cir. 2001); *Robinson v. Pittsburgh*, 120 F.3d 1286, 1300 (3rd Cir. 1997).

5 *Washington v. Illinois Dept. of Revenue*, 420 F.3d 658, 662 (7th Cir. 2005); *see also, Rochon v. Gonzales*, 438 F.3d 1211, 1217-1218 (D.C. Cir. 2006).

6 42 U.S.C. § 2000e-2(a).

7 42 U.S.C. § 2000e-3(a).

8 *See Plautz v. Potter*, 156 Fed. Appx. 812, 817-818 (6th Cir. 2006).

Common Commercial Lease ... *continued from page 11*

Conversely, the list of costs and operating expenses an aggressive landlord may attempt to pass thru to project tenants is sometimes only limited by the imagination of the landlord or its accountant. For example, the following provision is a landlord-oriented operating expenses provision:

> Operating expenses may include, without limitation: tenants proportionate share of all costs and expenses of every kind and nature and may be actually paid or incurred by landlord relating or indirectly relating to the operation, replacement, maintenance, management, or repair of the property, including common areas.

The foregoing type of provision is so broad that a tenant would be hard pressed to challenge the appropriateness of any expense or cost that the landlord passed thru to the tenant.

D. Assignment and Subletting

Understandably the tenant will want as much flexibility as possible regarding assignment. At the very minimum, a tenant will want a landlord to agree not to unreasonably withhold, delay or condition the landlord's consent to an assignment of the lease. From a tenant's perspective it is best to set out specifically the criteria that the landlord can consider. Typically, a landlord can refuse to consent to a sublease or assignment if the lease allows him to do so and ordinarily has a duty only to consider the request.

A well-written lease, from the landlord's perspective, will stipulate a laundry list of factors which will be "reasonable" for a landlord to consider in connection with a sublease or assignment request. Some of those factors would include whether a proposed assignment or sublease would cause the landlord to violate an exclusive granted to another tenant, whether the proposed assignee or subtenant has "sufficient" financial stability or net worth to discharge the monetary obligations of the lease, and whether the proposed subtenant's or assignee's use of the property would be inconsistent with the types of uses engaged in by other tenants.

Most landlords understand that a sophisticated corporate tenant may attempt to effectively assign a lease thru a corporate reorganization of the tenant entity and that an assignment could be deemed to occur in connection with the purchase of the tenant's assets by a third party. Consequently, a landlord-oriented lease would expressly provide for circumstances or transactions that would be deemed an assignment. Most landlords would typically agree that certain inter-company changes in control or assignments to corporate affiliates of a tenant may not be considered an assignment for the purposes of the lease.

E. Default

A well-written lease from a landlord's perspective will characterize any obligation of the tenant to pay money under the lease as rent and will not limit rent to just the base rent due and payable under the lease. Landlords typically will wish to volunteer to give tenants written notice and a cure period in connection with a failure to pay "rent." A tenant with any negotiating power usually will be able to obtain a lease provision that requires the landlord to notify the tenant upon the tenant's failure to pay rent and to give the tenant a reasonable time after the receipt of such notice to cure non-payment. A landlord, particularly one with significant negotiation position and power, will limit the number of occasions during the term of a lease in which the landlord is required to notify the tenant about a failure to pay rent.

From a tenant's perspective, events of default should not include the bankruptcy of a guarantor, and the lease should not include cross default clauses. Tenants also will seek a provision requiring the landlord to mitigate damages and precluding the landlord from recovering consequential damages. Tenants also will desire lease language that makes remedies non-exclusive and the non-waiver of future defaults mutual. Lastly, a savvy tenant will seek to limit the recovery of damages to reasonable, actual and out of pocket losses.

F. Conclusion

The real challenge of commercial leasing is understanding the "business" issues that are at issue for your client. While the landlord's goals are distinctively different, these deviating views can usually be fused together to obtain the common goal – a mutually agreeable lease. Although the commercial leasing process is a multifaceted terrain, landlords and tenants alike are well advised not to negotiate such terrain without the advice of legal counsel. Experienced counsel can help smooth the process.

Mrs. Ingram is an in-house staff attorney with Simon Property Group, Inc. where she practices in the Legal Development group. Simon, the largest publicly traded retail real estate company in North America, is engaged in the ownership, development and management of retail real estate, holding interests in the United States, France, Italy, Poland, Japan and Mexico. Mrs. Ingram received her JD/MBA from the University of Memphis and her BBA in accounting from Tennessee State University. She is also an adjunct Professor of Business Law at Butler University, past president of the S. L. Hutchins Bar Association (NBA affiliate chapter), as well as a member of the International Council of Shopping Centers, the National Coalition of 100 Black Women and Delta Sigma Theta Sorority Inc.

COMING EVENTS

February 22-24, 2007
20th Annual Corporate Counsel Conference Sponsored by the NBA Commercial Law Section
Marriot Doral Golf Resort & Spa
Miami, Florida

March 15-18, 2007
NBA Small Firms/Solo Practitioners Division 12th Annual Conference
Puerto Rico

April 2007
NBA Mid-Year Conference & Gertrude E. Rush Award Dinner
Hollywood, Floida

April 19-23, 2007
NBA Young Lawyers Division 4th Annual Retreat
Melia Cabo San Lucas Hotel
Cabo San Lucas, Mexico

June 2007
International Trip
South Africa

July 8-20, 2007
NBA Crump Law Camp
Washington, D.C.

July 25, 2007-August 5, 2007
National Bar Association 82nd Annual Convention & Exhibits
Atlanta, Georgia

NATIONAL BAR ASSOCIATION COMMERCIAL LAW SECTION
2006-2007 EXECUTIVE COMMITTEE

The National Bar Association

Commercial Law Section

Newsletter

The Commercial Law Connection

Connecting People, Ideas and Opportunities

National Bar Association
Phone: (202) 842-3900
Fax: (202) 289-6170
Email: headquarters@nationalbar.org

National Bar Association
Commercial Law Section
1225 11th Street, NW
Washington, D.C. 20001

Non-Profit
U.S. Postage
PAID
Permit No. 7163
Washington, D.C.