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Navigating Trademark Use Issues in the United States

Obtaining and Maintaining U.S. Trademark Rights

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Overview

- Trademark Use Requirements for New Applications
- Madrid Protocol Applications
- Use Requirements for Maintaining and Renewing Trademark Registrations
- Non-Use Cancellation Proceedings

┌ New Change in U.S. Trademark Law: Foreign Applicants and Registrants Must Be Represented by U.S. Attorney



Effective August 3, 2019:

Applicants, registrants, or parties to a trademark proceeding whose domicile is not located within the United States (U.S.) or its territories (hereafter foreign applicants, registrants, or parties) must be represented by an attorney who is an active member in good standing of the bar of the highest court of a state in the U.S.

Reasons:

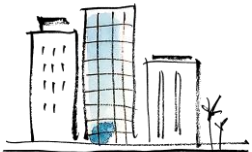
- Other countries have this requirement
- Instill greater confidence in the public that U.S. trademark registrations that issue to foreign applicants are not subject to invalidation for reasons such as improper signatures and use claims
- Enable the USPTO to more effectively use available mechanisms to enforce foreign applicant compliance with statutory and regulatory requirements in trademark matters



Trademark Use Requirements for New Applications



- Newly filed U.S. trademark applications can be based on one of the following:
 - 1. Current use in U.S. commerce** (Lanham Act Section 1(a))
 - “Use” on goods means the mark is used on or in connection with the goods AND that the goods have either been shipped or sold
 - Goods must be shipped either between 2 states (“interstate commerce”) or in commerce between the U.S. and a foreign country
 - “Use” with services means the mark is shown with promotion of the services AND the services are actually able to be provided to consumers
 - 2. Intent to use in U.S. commerce** (Lanham Act Section 1(b))
 - Applicant must have a bona fide intent to use the mark in the foreseeable future with the applied for goods or services
 - Use of the mark with the applied for goods/services must be shown before registration will issue
 - Practice tip: include broader range of goods/services when filing application, as scope can not be enlarged, but can be narrowed, after application has been filed
 - Note: Applications filed on an intent-to-use basis cannot be assigned to third parties before providing use, except to a successor in interest



Trademark Use Requirements for New Applications

- Newly filed U.S. trademark applications can be based on one of the following (cont.):



3. Foreign trademark registration (Lanham Act Section 44(e))

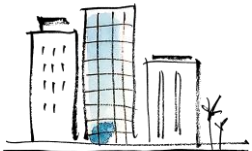
- Use of the mark in interstate U.S. commerce is **not** required before registration will issue
- Use of the mark will need to be shown at time registration is due for required maintenance (between 5th and 6th year from registration date) and renewal (between 9th and 10th year from registration date, and then every 10 years from registration date thereafter)

4. Madrid Protocol (Lanham Act Section 66(a))

- Use of the mark does **not** need to be shown before registration will issue
- Use of the mark will need to be shown at time registration is due for required maintenance (between 5th and 6th year from registration date) and renewal (between 9th and 10th year from registration date, and then every 10 years from registration date thereafter)

5. Foreign pending trademark application (Lanham Act Section 44(d))

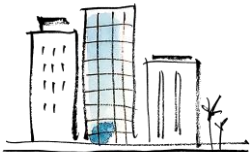
- Applications cannot be on this basis alone, must have additional basis
- Priority date claimed based on filing date of foreign application



Basis of Filed U.S. Trademark Applications



	FY2018	FY2019TD
Total	468,926	427,552
Basis		
Section 1(a) (Existing Use)	46%	48%
Section 1(b) (Intent to Use)	44%	42%
44(e) (Foreign Registration)	2%	2%
66(a) (Madrid Protocol)	5%	5%





Acceptable Trademark Use vs. Ornamental Use

Examples of Ornamental Use





Acceptable Trademark Use vs. Ornamental Use

Examples of Ornamental Use





Trademark Use Requirements for Maintaining and Renewing U.S. Registrations



- Required Maintenance – between 5th and 6th anniversary of registration date
- Required Renewal – between every 9th and 10th anniversary of registration date
 - Example:
 - Registration issued August 1, 2012
 - Maintenance required between Aug. 1, 2017 and Aug. 1, 2018
 - Renewal required between Aug. 1, 2021 and Aug. 1, 2022
 - Next renewal due between Aug. 1, 2031 and Aug. 1, 2032
- Maintenance and Renewal Requirements
- Declaration of Use or Declaration of Excusable Non-Use required
 - Use must be with ALL goods/services in registration
 - Delete goods/services from registration with which not using mark
 - Specimen showing current use of mark with registered goods
- USPTO reviews declarations and specimens
- USPTO audits post-registration maintenance and renewals to confirm actual trademark use

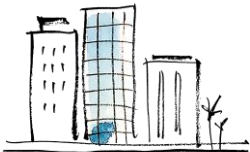


USPTO Pilot Program for Registered Marks

Proof of Use Pilot Results (2012-2015)



Deletions/Cancellations/Acceptances/Inaccurate Use Claims by Basis for Registration				
Basis for Registration	Percentage of Registrations Selected for the Pilot Deleting Goods/Services Queried Under the Pilot	Percentage of Registrations Selected for the Pilot Receiving Notices of Cancellation	Percentage of Registrations Selected for the Pilot Receiving Notices of Acceptance (Including for a Narrowed Scope of Goods/Services)	Percentage of Registrations Selected for the Pilot Unable to Verify Previously Claimed Use in Section 8 or 71 Declarations
Section 1(a)	28%	17%	83%	45%
Section 44(e)	58%	7%	93%	65%
Section 66(a)	57%	14%	86%	71%
Combined Section 1(a) and 44(e)	56%	12.5%	87.5%	69%



USPTO Permanent Audit Results for Registered Marks

(November 2017 – July 31, 2019)

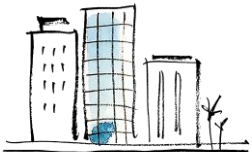


Deletions by registration basis:

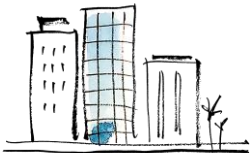
- 44% of 1(a) registrations that filed a response deleted goods or services
- 64% of 1(a) & 44(e) registrations that filed a response deleted goods or services
- 68% of 44(e) basis registrations that filed a response deleted goods or services
- 63% of 66(a) basis registrations that filed a response deleted goods or services

Other Statistics:

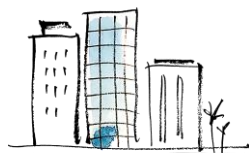
- 5506 First Actions Issued after § 8 Declaration of Use filed
- 2991 responses received thus far
- 1473 (49.2%) of responses received deleted goods/services in response to audit
- 79% of respondents represented by an attorney
- 21% of respondents *pro se*



└ Fake Specimens of Use



└ Fake Specimens of Use



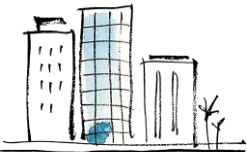


Cancellation Proceedings

Number of Cancellation Proceedings Filed



FY2016 (% +/- FY2015)	FY2017 (% +/- FY2016)	FY2018 (% +/- FY2017)	FY2019 as of July 1, 2019 (% +/- FY2018)
1,848	2,101	2,253	1,773
(+4.8%)	(+13.7%)	(+7.2%)	(+4.9%)



Trademark Trial and Appeal Board Expedited Cancellation Pilot Program

(Since early 2018)



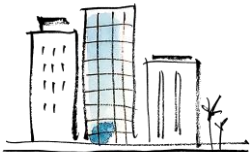
Expedited Cancellation Interests:

- Safeguarding due process and presumptions attaching to registrations
- Creating a fast, efficient proceeding, but still allowing for possible settlement talks
- Identifying “in-between” types of cases (e.g., no need if default judgment likely; unsuitable for cases in need of detailed fact-finding)

Pilot Program Objectives:

- Identify abandonment and non-use cases most suitable for expedited processing
- Discuss with parties application of Accelerated Case Resolution (ACR) procedures that could be used most effectively in such proceedings
- Involve TTAB attorney and judge participating

Note: Respondent can allow goods/services to be deleted from registration





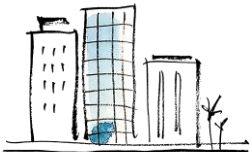
Trademark Trial and Appeal Board Expedited Cancellation Pilot Program

(Since early 2018)



Early Results:

- Default rates are high in cancellation case and growing
- 44% in all cancellation cases
- 49% when the case includes non-use or abandonment claim
- 55% for cases with only non-use claims
- 60% for cases with only abandonment claims





Cancellation Proceedings

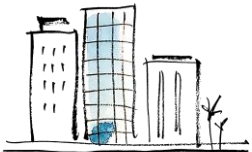


Burden of Proof:

- In a non-use proceeding, burden is on the plaintiff/petitioner
- In an abandonment proceeding, once plaintiff/petitioner shows 3 years of non-use, burden shifts to the defendant/respondent to prove use

Useful Evidence in Support of Non-Use Cancellation:

- Defendant's lack of proof of use in response to discovery
- Investigation results showing no use
- Evidence that defendant's website is not active or has no current use
- Publicly available articles/info that defendant discontinued the brand

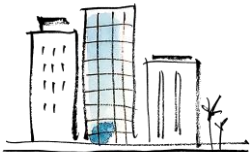




Final Thoughts and Practical Tips



- Ensure client applications/registrations are not vulnerable to attack based on non-use proceeding
 - Review specimens
 - Confirm declarations of use with all goods/services before filed
- Conduct due diligence of cited mark before initiating non-use cancellation proceedings
- Consider practical strategies against cited prior registrations where there is questionable use
 - Consent agreements
 - Parties in cancellation proceeding must be represented by U.S. attorney
 - Full cancellation versus partial cancellation proceeding
 - Fraud claims are very hard to prove
- Consider expedited cancellation proceeding based on non-use
- Consider deletion of conflicting goods from cited prior registration





Thank You!

Questions?

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