

## Use Use Use

Understanding its Unique Role in U.S. Trademark Law

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### Introduction

- Why "use"?
- United States v. the Rest of the World
- Creation of Rights: Use v. Registration
- Proof of Use Requirements
- Canada - changes in law expected to be in force in early 2019



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### 1. U.S. "Basis" Requirement: Intent to Use



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**"Basis" for Registration**

Filing Basis	Use Requirement
1(a) -- Actual Use	Proof of actual use
1(b) -- Intent to Use	"bona fide intent to use"
44(d) -- Foreign Registration	"bona fide intent to use"
66(a) -- Madrid Protocol	"bona fide intent to use"

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**What is a "bona fide intent to use" a mark?**

- "under circumstances showing **good faith**" 15 USC § 1051(b)(1)
- **demonstrable** intent; more than a mere subjective belief  
*M.Z. Berger & Co. v. Swatch AG*, 787 F.3d 1368, 1375 (Fed. Cir. 2015)
- **"fair, objective determination** of the applicant's intent based on all the circumstances" ~S. REP. NO. 100-515 (1988) at 24
- "although the evidentiary bar is not high, the circumstances must indicate that...the intent to use the mark was **firm and not merely intent to reserve a right** in the mark" *M.Z. Berger & Co.*

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**Proof of "bona fide intent to use"**

*M.Z. Berger & Co. v. Swatch AG*

No "bona fide intent to use" where evidence of intent is limited to:

- Prosecution of trademark application
- Emails with examining attorney re application
- 3 images showing proposed use of the mark, submitted to the USPTO at the request of the examining attorney (witnesses disagree on whether images were created for tm prosecution or business purposes)
- Testimony that goods were included in application to "leave [Applicant's] options open"

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**Proof of "bona fide intent to use"**  
Evidentiary Considerations

Question of fact

Totality of the circumstances

At the time the application was filed

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**Proof of "bona fide intent to use"**  
Evidence in favor of finding

- Conducting availability search
- Creating graphic designs or labels for sales materials
- Using a mark in test marketing
- Informal, unwritten business plans or market research
- Obtaining necessary regulatory permits
- Obtaining a correlative domain name or setting up a website
- Correspondence mentioning planned use of mark
- Attempts to find licensees, including ones outside the U.S.
- Obtaining commercial space in which to perform services

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**Proof of "bona fide intent to use"**  
Evidence against finding

**Filing numerous ITU applications:**

- to register the same mark for more new products than contemplated
- for a variety of desirable trademarks intended to be used on a single new product
- to register marks consisting of or incorporating descriptive terms relating to a contemplated new product
- to replace applications which have lapsed because no timely declaration of use was filed

**Filing an "excessive" number of ITU applications:**

- for marks which ultimately were not used
- in relation to the number of products likely to be introduced under the applied-for marks during the pendency of the applications

**Filing overly broad applications**

- Applications unreasonably lacking specificity in describing the goods

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## 2. U.S. "Basis" Requirement: Actual Use

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### What is Actual Use?

The mark must be *in use* in commerce in connection with all goods/services listed in the application.

What is "in use"?

- for goods: goods are sold or transported in commerce
- for services: services are rendered in commerce

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### What is Actual Use?

The mark must be in use *in commerce* in connection with all goods/services listed in the application.

What is "in commerce"?

- Under the Lanham Act, "commerce" means all commerce which may lawfully be regulated by Congress
- Interstate commerce
- For services: "rendered in more than one state or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services"

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### What is Actual Use?

The mark must be in use in commerce in connection with **all goods and services** listed in the application.

Asterisks "\*" identify additional items appearing in the goods/services. For: Cheese, Dairy products excluding ice cream, ice milk and frozen yogurt, Yogurt, Yogurt drinks, Yogurt-based beverages  
International Classes: 029 - Primary Class      U.S. Class(es): 046  
Class Status: ACTIVE

- Applicant must be using the mark on ALL of the following:
  - Cheese
  - Dairy products (other than ice cream, ice milk, and frozen yogurt)
  - Yogurt
  - Yogurt drinks
  - Yogurt-based beverages

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### 3. Proving Use

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### Proving Use When is proof required?

- 1(a) application: at the time of filing
- 1(b) application: when filing Statement of Use or Amendment to Allege Use
- 44(e) and 66(a) registrations: when filing Declaration of Use on 6th anniversary and at time of each renewal

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**Proving Use**  
Filing Statements of Use ("SOUs") and Amendments to Allege Use ("AAUs")

- SOUs and AAUs:
  - Same requirements
  - Same result
  - The difference is *when* they are filed
- AAU: filed to convert ITU to actual use before the Notice of Allowance issues
- SOU: filed after Notice of Allowance issues to convert ITU to actual use

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**Proving Use**  
Filing SOUs and AAUs

**REQUIREMENTS**

- Declaration of Use as to ALL listed goods/services
- Specimen for each class
- Date(s) of First Use Anywhere
- Date(s) of First Use in Commerce

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**Proving Use**  
Specimens for Goods

Specimen must show the mark **affixed** to the goods

			
On the goods	On packaging	On labels and hangtags	Point of Sale Displays

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**Proving Use**  
Specimens for Goods

Alternative Specimens : When Affixation is **impracticable**

- Impractical: mere assertion is not sufficient; must be supported by evidence in the record
- Alternative Specimens:
  - Invoices, bills of lading, shipping documents
  - Must show mark and description of goods
- Not intended as a general alternative to "affixation" requirement

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**Proving Use**  
Specimens for Goods

Unacceptable Specimens for Goods

- Printer's proof of mark or packaging
- Advertising material
- Material inserted in a package (e.g., order forms, brochures, invoices, press releases, etc.)
- Specimen showing variation of mark as applied-for (e.g., color differences where color is claimed in the application, added terms, etc.)

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**Proving Use**  
Services

What is a service?

- A real activity
- "for others" | must benefit someone other than the mark owner
  - Example: ad agencies provide advertising services; promoting one's own goods/services is not rendering a service for others

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**Proving Use**  
Services

What is a service?

- Differs from necessary activities done in connection with the sale of mark owner's goods or the performance of another service
- Example 1: operating a grocery store is a service; bagging groceries for customers is not a separately registerable service
- Example 2: conducting clinical trials for the mark owner's own drugs is not a separately registerable services from providing the drugs themselves
- Example 3: conducting a contest to promote the mark owner's goods is not a service because it is an ordinary/routine promotional activity

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**Proving Use**  
Services

- Services must actually be rendered
- Specimens: less rigid requirements than for goods
  - "used or displayed as a service mark in the sale of the services, which includes use in the course of rendering or performing the services", or
  - "used or displayed in *advertising* the services, which encompasses marketing and promotional materials"
- Association between the mark and the services

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**Proving Use**  
Specimens: YOU BE THE BOARD

Applied-for Mark: DELI EXPRESS SAN LUIS

Specimen:



Board Decision: Affirmed refusal. DELI EXPRESS and SAN LUIS will not be perceived as a unitary mark.

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**Proving Use**

Specimens: YOU BE THE BOARD

Applied-for Mark: WINGS

Specimen: point of sale poster

Board Decision: Affirmed refusal. The word WINGS is not presented in a way that creates a separate, distinct commercial impression apart from the slogans.

NOW AVAILABLE:  
SUGAR FREE WINGS.



22 A&DENTONS

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**Proving Use**

Specimens: YOU BE THE BOARD

Applied-for Mark: REPUBLIC NATIONAL

Services: real estate investment and acquisition services, among others

Specimen: office door sign



Board Decision: Affirmed refusal. Fails to create association between mark and services (lacks any reference to the type of services provided behind the door).

25 A&DENTONS

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**Proving Use**

Specimens: YOU BE THE BOARD

Applied-for Mark:



Goods: tires

Specimen:



Board Decision: Refusal Reversed. Drawing shows a "substantially exact" representation of the design shown in the specimen; not a "mutilation".

27 A&DENTONS

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**4. Dates of First Use**



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**Dates of First Use**  
**Determining Dates**

- Must be bona fide use in the ordinary course of trade
- Date of First Use Anywhere
  - Goods first sold or transported or the services first rendered
  - Can be in the US or elsewhere, interstate or intrastate, local or national, or any other type of use
  - Always earlier than or the same as the Date of First Use in Commerce
- Date of First Use in Commerce
  - Goods first sold or transported (or the services first rendered) under the mark *in a type of commerce that may be lawfully regulated by U.S. Congress*

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**Dates of First Use**  
**Special Considerations**

- Declaration states dates are "at least as early as"
- trademark owners can always assert earlier dates of first use (e.g., in litigation, etc.)
- Must be able to support with evidence

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**Dates of First Use**  
Special Considerations

- Typically, date provided *per class*
- Date of First Use in Commerce: date when mark was in use on *all* goods/services in the class
- May provide Dates of First Use for *each* good/service listed in a class

21 A.K.DENTONS

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**5. Acquired Distinctiveness**

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**Acquired Distinctiveness**  
Proof Requirements

- Marks deemed merely descriptive cannot be registered on the Principal Register without "acquired distinctiveness"
- "proof of substantially exclusive and continuous use" for five years *may* be sufficient evidence of acquired distinctiveness
- "substantially": allows for inconsequential third party use and infringing use (that is well policed)

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**Acquired Distinctiveness**  
Proof Requirements

- For more descriptive marks, additional evidence may be required
- Examples of marks that often require additional evidence:
  - Product design
  - Overall color of a product
  - Sounds for goods that make the sound in their normal course of operation
- Evidentiary Burden:
  - Evidence that the purchasing public identifies the mark with the *source* of the product (rather than a characteristic of the product)

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**Acquired Distinctiveness**  
Proof Requirements

Types of Evidence

- Length of use
- Advertising expenditures
- Sales figures
- Affidavits/Declarations asserting recognition of the mark as source indicator (weight varies based on identity of declarant)
- Survey evidence, market research, and consumer reaction studies
- Applicant is first/only user
- Family of marks

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**6. Non-Use & Misuse**

36 A.K.DENTONS

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**Non-Use and Abandonment**

- Abandonment presumed after 3 consecutive years of non-use in the US
- Subject to cancellation by interested third party



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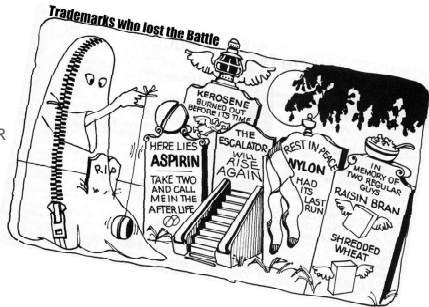
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**Misuse: Genericide**

- ZIPPER
- ASPIRIN
- KEROSENE
- NYLON
- ESCALATOR
- YOYO



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**Misuse: Genericide**

**Campaigns to Prevent Genericide**



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**Misuse: Genericide**  
Campaigns to Prevent Genericide

- Velcro © brand video:  
<https://www.youtube.com/watch?v=rRi8LptvFZY&rel=0>

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**7. Trademark Registration & Maintenance Requirements**

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**Section 8: Declaration of Use**

- Timing
  - Between the 5th and 6th anniversary of registration
  - Every 10th anniversary of registration (with renewal)
- Declaration + Specimens
  - Same specimen and use requirements as SOU/AAU or actual use application

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**Section 15: Declaration of Incontestability**

- Can be filed at any time after the 5th anniversary of registration
- Requirements
  - Filed by owner of registration
  - Specify goods/services to which Declaration applies
  - Declaration that mark is (1) currently in use in commerce and (2) has been in continuous use in commerce for at least 5 years
  - No adverse decision or pending proceeding involving rights in the mark
- Benefits
  - Limits the grounds on which third parties can challenge the registration

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**Section 9: Renewal Application**

- Timing: every 10th anniversary from registration
- Each must be accompanied by a Section 8 Declaration of Use (and fees)

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**Maintenance Filings**  
**Special Considerations for 44(e) and 66(a) Registrations**

- Registrations issued without proof of use
- Review broad listings of goods/services
- Confirm use or narrow to actual use when filing Section 8 Declaration

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## 8. USPTO Audits

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### USPTO Audits

- Implemented March 2017
- Random audits of Declarations of Use filings
- About 10% of Declarations of Use to be audited each year
- Office Action requires specimens for two additional goods/services
- No response = cancellation of the registration *in its entirety*
- If you delete goods/services in response, second Office Action requires specimen for each remaining good/service

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### USPTO Audits Pilot Results

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
Section 1(a)	27%	17%
Section 44(e)	56%	7%
Section 66(a)	61%	18%
Combined Section 1(a) and 44(e)	63%	13%

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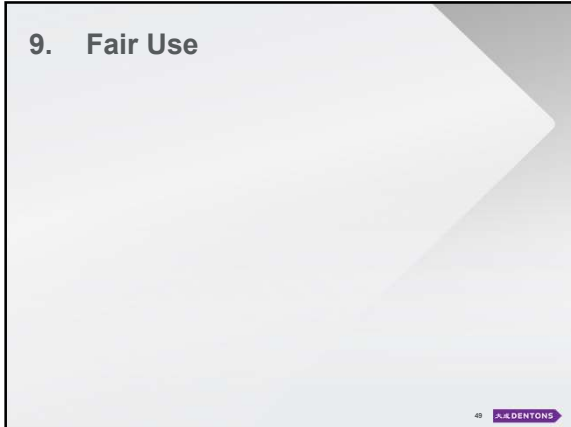
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**9. Fair Use**



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**Use-Based Defenses to Infringement**  
**Fair Use**

- Generally; use of another's trademark that does not cause confusion
- Descriptive Fair Use: use of another's trademark *fairly and in good faith* to describe the **user's** goods or services
  - Ex. Use of "apple" to sell apples
- Nominative Fair Use: use of another's trademark to refer to the **trademark owner's** actual goods and services
  - Ex. comparative advertising or non-commercial use in reporting/media

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**Use-Based Defenses to Infringement**  
**Descriptive Fair Use**

Descriptive Fair Use Defense:

- Not as a trademark
- Fair and in good faith
- Only to **describe** the defendant's goods (not as an indicator of source)

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**Nominative Fair Use**  
Circuit Split

	Second Circuit	Third Circuit	Fifth Circuit	Ninth Circuit
Affirmative Defense	No	Yes	No	No
Factors	<i>New Kids</i> or <i>Century 21</i> (3 factors)	<i>Century 21</i> (3 factors)	<i>New Kids</i> (2 factors*)	<i>New Kids</i> (3 factors)
Who has burden of proof for nominative factors?	Plaintiff	Defendant	Plaintiff	Plaintiff
Relationship to likelihood of confusion ("LOC") test	Augments LOC test	Considered <i>after</i> LOC is shown	Augments LOC test	Replaces LOC test

\*no requirement to show that good/service is "readily identifiable without use of trademark"

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**Nominative Fair Use**

*New Kids on the Block v. News America Publishing, Inc.* (9th Cir. 1992)

- Goods/services are not readily identifiable without the trademark
- Only so much of the mark as is reasonably necessary to identify the product or service is used
- Use does not suggest sponsorship/endorsement by the trademark owner

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**Nominative Fair Use**

*Pebble Beach Co. v. Tour 18 I Ltd.* (5th Cir. 1998)

- Only so much of the mark as is reasonably necessary to identify the product or service is used
- Use does not suggest sponsorship/endorsement by the trademark owner

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**Nominative Fair Use**

*Century 21 Real Estate Corp. v. Lendingtree, Inc.*  
(3rd Cir. 2005)

2 step approach:

- Plaintiff must prove likelihood of confusion
  - Not all likelihood of confusion factors (called *Lapp* factors in the 3rd Circuit) are applicable in nominative fair use cases
  - Do not consider: (1) similarity of marks or (2) strength of plaintiff's mark
- Defendant must show that the nominative use "is nonetheless fair"

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**Nominative Fair Use**

*Century 21 Real Estate Corp. v. Lendingtree, Inc.*  
(3rd Cir. 2005)-- cont.

- Factors for determining fair use:
  - Use of plaintiff's mark is necessary to describe both plaintiff's goods/services and defendant's goods/services
  - Only so much of the mark as is reasonably necessary to identify the product or service is used
  - Defendant's use reflects the true and accurate relationship between plaintiff and defendant's goods/services
- True affirmative defense

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**Nominative Fair Use**

*International Information Systems Security Certification Consortium, Inc. v. Security University, LLC*  
(2d Cir. 2016)

- Deemed the *New Kids* (9th Cir.) and *Century 21* (3rd Cir.) factors to be essentially identical
- Requires courts to consider the *New Kids/Century 21* factors along with the likelihood of confusion factors in determining whether the use is confusing
- Courts may deem certain likelihood of confusion factors *inapplicable* in a given context
- Nominative fair use is NOT an affirmative defense

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### 10. Recent Cases: Use and TM Enforcement

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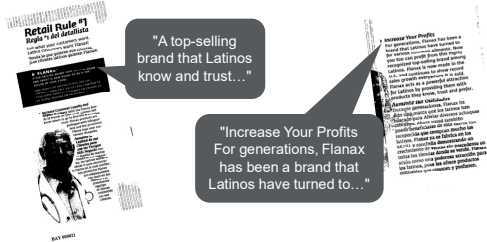
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#### **Belmora LLC v. Bayer Consumer Care Ag (4th Cir. 2016) (cert. denied)**

- Use in the U.S. by *plaintiff* not required for Lanham Act unfair competition claim or for TTAB petition for cancellation (Section 14(3): misrepresentation of source)



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#### **Trader Joe's Co. v. Hallatt, 835 F. 3d 960 (9th Cir. 2016)**

- Use in the U.S. by *defendant* not required to assert Lanham Act claim
- Extraterritorial application of Lanham Act



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# Thank you



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