



Max Vern

# Requirement of Use in the USA

Max Vern from Amster, Rothstein & Ebenstein LLP explores the practical aspects of Use Requirements in American trademark practice.

**T**he issue of use is probably one of the most common problems faced by trademark owners in connection with protection and maintenance of trademark rights in the United States. Yet, it repeatedly proves itself as one of the most confusing.

While the absolute majority of countries worldwide require use in order to insulate trademark registrations from possible non-use invalidation, very few countries, besides the U.S., maintain the requirement of use for the purpose of application and/or registration as well as continued maintenance of the mark – these are Canada (until enactment of the new Law) and the Philippines.

Notwithstanding the fact that U.S. is a common law “first to use” jurisdiction, a federal registration affords its owner a number of significant advantages – from ability to enforce rights nationwide, to access to federal court system, to the right to sue for infringement, to the option of mark’s recordation with the U.S. Customs.

Foreign rights holders, as well as their counsel, are oftentimes perplexed by a plethora of the U.S. law and practice requirements. Ultimately, registrants rely on the expertise of their U.S. counsel, as naught but experience is the source of answers to constantly arising challenges.

## Application and registration bases

The federal registration of trademarks with the United States Patent and Trademark Office (“USPTO”) is governed by the Trademark Act of 1946 (“Trademark Act”). The Trademark Act prescribes four possible bases for trademark

application, three of which can serve as registration basis.

An application can be filed on one or more of the following:

1. Use of the mark in the U.S. in commerce under §1(a) of the Trademark Act, on or in connection with goods and services listed in the application;
2. Intent to use the mark in the U.S. in commerce under §1(b) of the Trademark Act;
3. Foreign registration of the mark in applicant’s country of origin under §44(e) of the Trademark Act;
4. Extension of protection of a Madrid Protocol International Registration (“IR”) to the United States under §66(a) of the Trademark Act.

All but the “intent-to-use” may be used for mark’s registration. The “intent-to-use” basis must be perfected to use upon a mark’s launch in the U.S. in commerce, in connection with the listed goods and services. Equally, a foreign application from which a claim of priority under §44(d) of the Trademark Act is stemming, may serve (along with the intent-to-use) solely as the U.S. application filing but not registration basis.

U.S. applicants are allowed to register the mark with the USPTO only on use in commerce basis. However, foreign applicants for a national U.S. application based on foreign registration or an IR extension are not required to establish use as a precondition to mark’s registration. Still, in both latter scenarios, foreign applicants must include in application forms a statement that they have a *bona fide* intention to use the mark in commerce, so that the use issue goes as a red thread through all aspects of trademark application, ownership and maintenance in the United States.

## Use for maintenance and/or renewal

Even though foreign trademark owners may forego the use requirement at the time of a mark’s registration, still they must establish use in commerce or excusable non-use by filing an appropriate Declaration at the times prescribed by the Trademark Act.

All maintenance-related filings with the USPTO are made electronically, and paper-based forms are rapidly going the way of the dodo. In addition, e-filings enjoy lower official fees.

Regardless of a mark’s original registration basis, the registrant must file a Declaration of Use under Section 8 (or, for IR extensions, under its equivalent – Section 71)

## Résumé

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Max is a Partner and Head of the International Department at Amster, Rothstein & Ebenstein LLP, one of the nation’s leading intellectual property law firms, focused on a full-service IP practice. He works with global brand owners, from start-ups to established companies, to secure and enforce their intellectual property in the U.S. and around the world. He focuses on all facets of domestic and international trademark portfolio protection and management. Max’s background, extensive international experience and multilingual capabilities facilitate communications and thorough understanding of IP owners’ needs and requirements. He is the winner of 2016 Corporate LiveWire Global Awards in the category “Protecting Global Trademark Portfolios”, and is listed in *WTR1000* and *Euromoney Investor Expert Guides* as a “Leading Trademark Practitioner”.



of the Trademark Act between the 5th and 6th years after a mark's registration date or the date of issuance of the certificate of extension of protection for an IR.

Equally, a Declaration of Use under Sections 8 or 71, as applicable, must be filed within the one-year period preceding the expiration of each successive 10 years period following a mark's registration date, at the time of renewal, or the issuance of the certificate of extension of protection same.

For the IR extensions, while all actions impacting the IR (assignment, renewal, etc.) are taken through the WIPO, maintenance of U.S. extensions, such as filing of Declarations of Use, is done exclusively with the USPTO.

All Declaration of Use deadlines are subject to an automatic six months grace period, with payment of the official late filing fees.

A Declaration of Use must state that the mark is presently in use in the U.S. in commerce, state the goods and services listed in the registration in such present use in commerce, and be accompanied by specimens of mark's use.

The goods and services not in use must be deleted, except where the registrant asserts excusable non-use in connection with all or some of such listed items.

A Declaration of Excusable Non-Use is the only exception to the use requirement, but the registrant must meet a stringent set of

requirements and establish to the Office's satisfaction that the non-use was due to special circumstances not under the registrant's control, and not due to an intention to abandon the mark.

### Declaration of Continuous Use (Incontestability)

In addition to the Declaration of Use filing, the registrant may be eligible to file a Declaration of Incontestability under Section 15 of the Trademark Act if the mark has been used in the United States continuously for five years after the mark's registration date or the date of issuance of the certificate of extension of protection.

The "window" for filing the Section 15 Declaration is one year after the period of five years of continuous use. While this Declaration can be filed at any time, it is often combined with the 5th-6th years Declaration of Use filing, provided conditions for both Declarations have been met.

The only other condition unique to the Section 15 Declaration is that there may be no final decision adverse to the registration and registrant's claim of ownership, nor there may be a pending proceeding against the registration before the USPTO or a court.

All other requirements to the Section 15 Declaration are effectively identical to those of Sections 8 and 71 Declarations of Use, as discussed further below.

The registration that has become "incontestable" serves as conclusive evidence of the registered mark's validity and the registrant's ownership of the mark, and of the exclusive right to use the registered mark in commerce. Filing of the Section 15 Declaration is not mandatory. Yet, for its advantages, if the registrant can meet the prescribed requirements, it is recommended to file this Declaration whenever practical.

### Meeting mark's use thresholds

#### Use in commerce

The definition of "use in commerce" is *bona fide* use in the ordinary course of trade, and not made merely to reserve a right in the mark.

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Such use must be of the type that can be regulated by the U.S. Congress.

Use must be in the United States and not abroad, namely actual sales of distribution of goods or provision of services on the U.S. soil. Offering goods to U.S. consumers abroad does not constitute use since the Congress cannot regulate such activity and is not “use in commerce”. But, web-sales to U.S. consumers with delivery of goods to their U.S. address may meet the use in commerce requirement.

#### Genuine use

Use may not be token (such as an isolated sale solely in order to meet the use requirement) but must be genuine, as part of registrant’s daily business activity.

#### Use by the registrant

Use must be by the mark’s registered owner who must be the declarant in the Declaration of Use. If use is by a third party, there must be certain relationship between the user and the registrant, e.g. a license agreement, in order for such activity to constitute use and inure to the registrant’s benefit.

#### Use in the form as registered

A mark’s use must be in the form as registered. It is common for registrants to periodically update or refresh a mark’s rendition, e.g. change font, letter size, juxtaposition of elements in a composite mark, etc. However, a statutory condition is that the specimens of use must show the mark “essentially the same” as shown in the registration. The USPTO would consider whether there was material alteration of the mark and the test is whether its old and new forms create essentially the same commercial impression.

#### Current use

Use of the mark must be current at the time of filing an appropriate Declaration and not beforehand, nor before the period when such Declaration may be filed. Use in the past that ceased by the time of filing the Declaration would not meet the use requirement.

#### Use on listed goods and services

Use must be on or in connection with the specifically listed goods and services. If multiple items are listed but the mark is in use only in connection with some of them, the items not in use must be deleted from the registration. Use in connection with goods or services not listed in the registration does not constitute use for the purposes of Declaration of Use filing.

Foreign registrants of marks secured on the basis of foreign registration or as an IR extension should be particularly diligent when filing a Declaration of Use. Such marks, based on the country of origin registrations, oftentimes encompass a “laundry list” of goods and services. A common error by such registrant would be to

fail correctly identifying mark’s use (or non-use) in the U.S. on each of the listed items, resulting in mark’s vulnerability.

While there is no need to prove use on each and every listed item when filing the Declaration (only one specimen of use per Class is required), the USPTO may request additional specimens of use, effectively imposing a higher duty of care in ascertaining the extent of mark’s use in commerce.

#### Specimens of use

In support of the Declaration of Use (just as in the Statement of Use for an intent-to-use application), the registrant must submit specimens of use, showing mark’s use in commerce.

A specimen exemplifies mark’s use and supports the facts stated in the Declaration

Since all USPTO forms are now available for online completion and filing, a preferred form of the specimen is a photograph thereof in the .jpg or .pdf format.

Optimal specimens for traditional marks are photographs of tags, labels, or containers and packaging, showing the mark as used in commerce. Printed media provided as a part of the product, such as assembly or operation manual, may be also acceptable.

For services, the most commonly used specimens are photographs of promotional material, e.g. pamphlets, brochures, printed or online media advertising, etc.

Also acceptable are “point of sale” displays, such as posters or displays used at commercial venues, exhibitions, trade shows, etc. where the goods and services are offered to prospective customers and/or where sales contracts are signed in the course of business.

Catalogues, whether in print or web-based, may be acceptable as long as they identify the mark, show listed goods or services to which the mark is applied, and the means to purchase them, e.g. the web-store “buy” button or telephone numbers for phone call orders.

Specimens that do not show actual use of the mark in connection with the listed goods and services are not accepted. For example, mark’s drawings and draft packaging are not acceptable specimens, and neither is advertising material for goods. Also, material used to conduct business, such as invoices, shipping documents, and warranties are not specimens of use in commerce.

Considering the fact that trademarks today are indispensable assets, creating a sizable share of corporate value, no company looking to safeguard its long-term future in the U.S. marketplace can afford to ignore the issue of trademark protection. Accordingly, the only correct approach for the registrants and their counsel is to master the use-related questions, becoming intimately cognizant of the U.S. law and practice.

