

# **U.S. Trademark filing strategies for foreign applicants**

Three common  
mistakes, three  
best practices

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**For brand owners outside the United States, the process of securing trademark protection in the American market presents some important differences. In this informative article, international intellectual property attorney William E. O'Brien explains three common mistakes made before the U.S. Patent and Trademark Office (USPTO) and how to avoid them.**

Planning on clearing marks for use in the United States? Trademark professionals from other jurisdictions should be aware that there are significant differences in how trademark protection is granted and enforced in the U.S.

One major difference between the U.S. and many other countries, especially European countries, lies in how trademark rights are established or created. Most countries around the world have a “first to file” system, where trademark rights are created by registration with a trademark registrar.<sup>1</sup> The U.S. has a “first to use” system, where trademark rights are acquired by demonstrating use of the mark in business or intention of using the mark in the future for business, not by registration.<sup>2</sup> Thus, it is possible to file for trademark protection with the United States Patent and Trademark Office (USPTO), only to have an unregistered trademark owner successfully challenge the registration on the grounds that it had prior use of the mark in common law. This fundamental difference can lead to mistakes by foreign applicants when launching their marks in the U.S.

Below are three mistakes commonly made when filing trademark applications in the U.S. – and some best practices for avoiding them.

## **Mistake 1: not searching thoroughly**

The first common mistake is failing to conduct an adequately thorough trademark search. Some applicants settle for a “knock-out” search to identify potential conflicts with previously registered marks. However, while an initial knock-out search can be an effective step to cost-effectively narrow down a list of potential marks, it is not designed to determine trademark availability for use and registration because it does not include common law trademark uses. As noted, many valid trademarks in the U.S. exist in common law without ever appearing on the federal trademark register.

**Best Practice:** Owners of trademarks intended to be used in the U.S. need to conduct full availability searches to identify marks beyond those shown in federal applications and registrations. Searches should include common law use of unregistered marks and state trademark registrations, plus additional common law sources, including business names, domain names, and publications.

<sup>1</sup> A majority of jurisdictions have a first-to-file versus a first-to-use system, including: France, Germany, China, Japan, India, and Brazil.

<sup>2</sup> *Hydro-Dynamics, Inc. v. George Putnam & Co.*, 811 F.2d 1470, 1473; 1 U.S.P.Q.2d 1772 (Fed. Cir. 1987).

The benefit of identifying potential barriers to trademark use and registration justifies the nominal cost of a full availability search. This expense is minimal compared to the cost of litigation and potential damages resulting from an unintended infringement. If search findings require further clarification, a trademark in-use investigation can help to assess all issues pertaining to trademark use, including trade and distribution channels, first use and geographic scope.

## **Mistake 2: too broad designation of goods and services**

Another common mistake made when filing applications in the U.S. is the “overly broad” designation of goods and services. The term “overly broad” in this context means filing for registration of a mark in connection with goods and/or services that the trademark owner is not actually producing or providing. Under the European trademark system, an applicant may list as many items that may be related to its actual product in an attempt to cover as many alternatives as possible. For example, under the European system an applicant who produces “beer” may submit a designation of its goods as “alcoholic beverages, namely, beer, wine, schnapps, gin, vodka, etc.” In the U.S. this designation would be deemed fraudulent if the applicant did not produce those items, invalidating the entire registration.

Under U.S. federal trademark law, registration of a mark may be sought for marks that are in use in commerce with

goods and services. Also, pursuant to Sections 44(d), Section 44(e), or Section 66(a) of the United States Federal Trademark Act, an applicant must verify at the time of filing that he or she has a bona fide intent to use the mark in commerce. The bona fide intent must be to use the mark in the U.S. on all the goods listed in the application.

The case of *Sandro Andy, S.A. v. Light, Inc. et al.*<sup>3</sup> illustrates the danger associated with seeking the registration of mark with an overly broad designation of goods. In this case, the plaintiff registered the term SANDRO in connection with 250 items in its French registration that was registered under §66(a) of the Lanham Act. In reality, however, the plaintiff was using the mark only in connection with certain apparel items.

The defendant asserted that the U.S. registration had been obtained by fraud as the plaintiff did not have a bona fide intent to use the mark in the U.S. on all 250 goods listed. In *Sandro*, the court determined that there was not adequate evidence to void the registration ab initio and allowed the plaintiff to “cull from the list the unused goods and classes.” However, the court did emphasize that the registration could be voided ab initio where the applicant/registrant failed to produce evidence of a bona fide intent to use the mark in commerce for any of the listed goods.

**Best Practice:** When applying for trademark registration in the U.S., the application should seek registration for only those goods on which the mark appears or will appear, or in connection with the services that are actually provided or will be provided.

<sup>3</sup> No. 1:2012cv02392 - Document 34 (S.D.N.Y. 2012).





### **Mistake 3: failing to give proper proof of use**

Perhaps the most common source of mistakes stems from misconceptions about what constitutes “use” of a mark in commerce in the U.S.

Except for registrations under the aforementioned Sections 44(d), Section 44(e), and Section 66(a), all applications require proof of use of the mark in commerce. A trademark or service mark application for registration under §1(a) of the Trademark Act must include one specimen for each class, showing use of the mark in commerce on or in connection with the goods, or in the sale or advertising of the services.<sup>4</sup> All registrations – even those under sections 44(e) and 66(a) – require that proof of use of the mark in commerce be submitted after five years on the register.

**Best Practice:** Typically, the best specimen for goods is a photograph of the goods depicting the mark exactly as the mark appears in the application. If the mark is in typed form, a picture of the goods with the word is acceptable, except that the

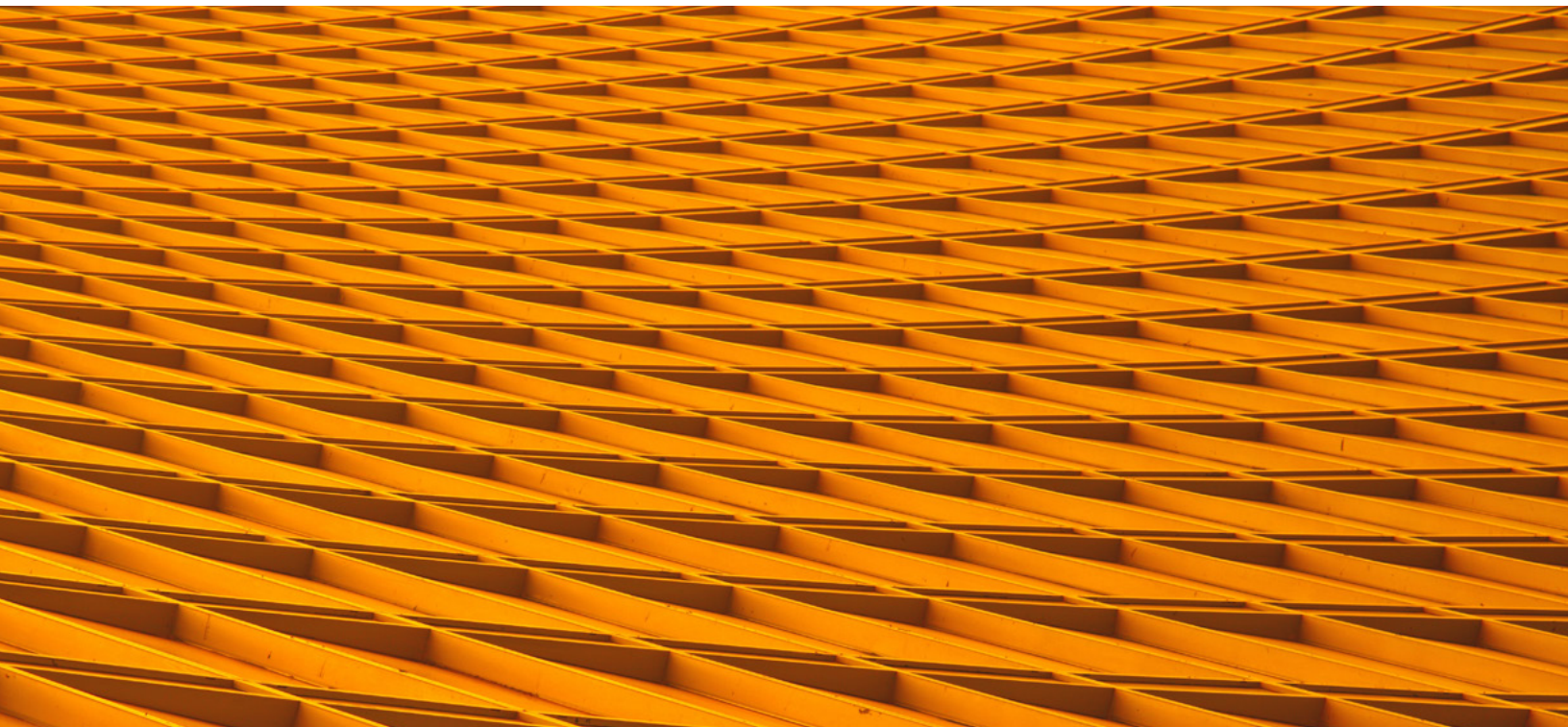
mark/word should be set off from the other terminology that is surrounding the mark, if any, by using a different font or color.

When submitting a specimen of use for a service mark, the general rule is that the mark must appear with a description of the services being claimed in the application. For example: “ABC Company, a product importing business.”

### **Reducing risk with knowledge**

While the pitfalls discussed here are common, the good news is that they are easy to avoid when you understand the differences between the U.S. trademark rules and those of other jurisdictions. Making sure to perform a thorough trademark search prior to filing, accurately reflecting the scope of the mark’s use on the application, and providing clear proof of use in commerce will go a long way toward minimizing the risk of running into barriers when clearing and filing marks in the U.S.

<sup>4</sup> Trademark Manual of Examining Procedure §904.



## About the expert

Attorney William E. O'Brien advises established and fast-growing European and U.S. businesses on a range of intellectual property matters, including trademark, copyright, licensing, and trade secrets. His practice includes counseling clients on the adoption, prosecution and enforcement of intellectual property rights in EU and U.S. federal and state courts and tribunals. Mr. O'Brien's 25-year career in intellectual property law started as a research fellow at the Max Planck Institute in Munich, Germany. After completing his master thesis in comparative trademark law at the Institute, he worked as a trademark examining attorney at the U.S. Patent and Trademark Office and as general counsel for corporations and major U.S. law firms. In addition to his international practice, Mr. O'Brien lectures and publishes on IP law topics.

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