

YEARBOOK

2022/23

United States

Lewis Roca

 **WTR**

A Global Guide



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Lewis Roca's IP team "never makes mountains out of mole hills, but focuses on the cost-effective realization of patrons' commercial goals." World Trademark Review 2019.

With more than 70 Intellectual Property lawyers, we provide clients comprehensive services, including:

- Intellectual Property prosecution and portfolio management
- Brand and ad clearance
- Intellectual Property litigation
- Trademark enforcement and takedowns
- Patent prosecution
- Licensing and other IP agreements and transactions

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Legal framework

Trademarks are governed by federal and state law. The Lanham Act is a federal statute that governs the registration and enforcement of trademarks used in interstate commerce, or foreign commerce that has a substantial effect on US commerce. Each state has a statute providing for registration and protection of trademarks used in that state. Both federal and state law protect unregistered rights in trademarks that are acquired through use (common law rights). Federal and state trademark laws coexist, and courts generally interpret state trademark laws in a manner consistent with federal law.

The United States is a signatory to several international treaties relating to trademarks, including:

- the Paris Convention;
- the United States–Mexico–Canada Agreement;
- the General Agreement on Tariffs and Trade;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Madrid Protocol; and
- the Singapore Treaty on the Law of Trademarks.

Unregistered marks

Trademark rights are generally acquired through use, not registration. The first to use an inherently distinctive mark in commerce acquires rights to the mark for the associated goods and services in the geographic market in which the mark was first used or has acquired recognition, with two exceptions:

- the first to file a federal intent-to-use application that later results in a registration obtains priority dating back to the date of filing the application; and
- for marks that are not inherently distinctive, the first to acquire secondary meaning in the mark acquires priority.

Use required

To acquire rights in a mark, the applicant must make bona fide use of the mark in the ordinary course of trade, rather than token use to reserve a right in a mark. There is no bright line rule for determining the use to acquire trademark rights. The rule is flexible to account for differences in the kinds of transaction made across different indus-

tries and for different types of goods and services. Use sufficient to support a claim of rights can also be established through prior use as a trade name or other use analogous to trademark use, provided that such use created an association among consumers between the mark and the goods or services to be provided.

Registered marks

Trademarks that are used in interstate commerce, or foreign commerce that affects commerce in the United States, are eligible for federal and state registration. However, these requirements have been construed very broadly, so almost any use of a mark in commerce can qualify for registration.

Types of federal registration

There are two types of federal trademark registration:

- registration on the Principal Register, for marks that are inherently distinctive or have acquired distinctiveness; and
- registration on the Supplemental Register, for marks that are not inherently distinctive but are capable of acquiring distinctiveness and otherwise meet the registration requirements.

Benefits of federal registration

Registration of a mark on the Principal Register:

- satisfies the burden of proof that:
 - the registrant owns the mark;
 - the mark is valid; and
 - the registrant owns the exclusive right to use the registered mark in commerce for the goods or services specified in the registration;
- serves as constructive notice of the registrant's ownership and use of the mark;
- achieves incontestable status after five years, provided that certain formalities are met;
- eliminates certain defences to claims of infringement and dilution;
- can be relied on to prevent importation of infringing goods;
- enables the registrant to file suit for infringement of the mark in federal court;
- may be cited against applications for registration of confusingly similar marks; and
- enables the registrant to use the ® designation.

Registration on the Supplemental Register provides only the last three benefits identified above.



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Michael McCue is a partner in Lewis Roca's IP practice group. He has been recognised as someone who "has handled numerous high-profile disputes" in the *WTR 1000*, which further reports that for clearance, prosecution and enforcement, he "adopts a keen, thoughtful and strategic approach. With a calm, confident demeanour, he is simultaneously assertive and amicable when dealing with opposing parties – a difficult balance to strike, but McCue does it brilliantly". Mr McCue oversees a domestic and international trademark portfolio of more than 5,000 trademarks, including some of the world's most famous brands. He has litigated hundreds of cases in federal courts throughout the United States and before the TTAB.

Applicants for federal registration

To apply for a trademark registration, the applicant must be the owner of the mark (ie, the entity that applies the mark to goods or services that they offer or intend to offer, directly or through a licensee). Applicants may be natural persons, entities, nations, states or other government bodies.

Power of attorney

A power of attorney is not needed to file a trademark application unless the applicant or registrant is already represented by a qualified practitioner and a new practitioner wishes to take action regarding the application or registration. In that case, the new practitioner must file a new power of attorney or revocation of the previous power, signed by the individual applicant or registrant, or someone with legal authority to bind them (eg, a corporate officer).

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Protectable and unprotectable marks

A trademark can be anything capable of distinguishing the source of goods and services from those of another, including words, symbols, slogans, three-dimensional (3D) shapes, colours, sounds, scents, motions and trade dress.

Marks must be inherently distinctive (eg, fanciful, arbitrary or suggestive terms) or have acquired secondary meaning (ie, descriptive terms that have acquired a special significance such that consumers associate the term with a single source).

The following cannot be federally registered:

- marks resembling a mark registered or previously used in the United States by another that are likely to cause confusion or mistake, or to deceive;
- generic, merely descriptive or deceptively misdescriptive terms;
- geographically descriptive or misdescriptive terms;
- marks that, taken as a whole, are functional;
- marks that are primarily merely surnames;
- any flag, coat of arms or other insignia of the United States, any state or municipality, or foreign nation;
- matter protected by statute or convention (eg, the Olympics); and

- the name, portrait or signature of any living individual or deceased US president, without consent.

Laws prohibiting registration of disparaging, immoral or scandalous matter have been held to be unconstitutional and are no longer a bar to federal registration.

Procedures

Federal registration

The applicant must file an application with the USPTO based on:

- use of the mark in commerce;
- intent to use the mark in commerce;
- a registration of the mark in a foreign jurisdiction;
- an application for registration of the mark in a foreign jurisdiction within six months of such a filing; or
- an international registration.

The application must identify:

- the applicant and its address;
- the mark to be registered (including an image if the mark is a logo or design);



Anyone who believes that they would be injured by federal registration of a mark may oppose the application within 30 days of the date of publication.

- the goods or services;
- one or more of the filing bases set forth above; and
- the dates of first use of the mark in commerce anywhere.

The applicant must provide a description of the mark (and, for use-based applications, a specimen) and pay the applicable fee. Foreign-domiciled trademark applicants must appoint an attorney who is licensed to practice law in the United States.

Once an application is filed with the USPTO, it will be assigned to an examiner for review, usually within a few months of filing. The examiner will determine whether the application complies with the formal requirements for applications, including:

- identification of the mark;
- use of the correct class or classes for the goods and services; and
- identification of the filing basis.

The examiner will check the application for substantive deficiencies, including whether the mark:

- is distinctive;
- does not conflict with any prior federal application or registration; and
- has been used in connection with the relevant goods and services.

The examiner will not determine whether the mark:

- conflicts with the rights of any owner of state or common law rights; or
- would constitute trademark infringement or dilution.

If the examiner identifies any basis for refusing registration, they will issue an office action identifying the basis for refusal. Currently, an applicant has six months to respond to an office action. However, under the Trademark Modernization Act of 2020 (TMA), effective December 2022, the timeline for responding to an office action will be three months

from the date of the office action. The three-month deadline can be extended by three months for a fee. Thereafter, the applicant may file a petition to revive an application that was unintentionally abandoned within two months of the notice of abandonment. The examiner may issue additional office actions.

If the examiner does not identify any basis for refusing registration or determines that the applicant has overcome any deficiencies, they will approve the mark for publication.

If the examiner determines that the applicant has not overcome the deficiencies, they will issue a final refusal. The applicant has six months from the date of the final refusal to appeal to the TTAB or the USPTO. The applicant may also file a request for reconsideration with the examiner, although this does not toll the time for appeal. Accordingly, any request for reconsideration should be filed with the appeal.

Opposition

Anyone who believes that they would be injured by federal registration of a mark may oppose the application within 30 days of the date of publication. The opposer may seek an initial 30-day extension (which will be granted for any reason) or a 90-day extension (which will be granted for good cause). An opposer who obtained an initial 30-day extension may seek an additional 60-day extension on showing good cause. An opposer that obtained a 90-day extension (in total) may seek an additional 60-day extension on consent of the applicant or showing extraordinary circumstances. Total extensions cannot exceed 180 days from publication.

The opposition is commenced by filing a notice of opposition. Oppositions can be based on:

- prior conflicting trademark rights;
- descriptiveness;
- lack of distinctiveness;
- deceptive matter; and
- dilution.

The sole issue decided by the TTAB is whether the mark will be registered; it cannot grant an injunction prohibiting the applicant from using the mark or award damages, attorneys' fees or costs.

An opposition proceeding is similar to civil litigation in that the parties are entitled to broad discovery of information or documents relevant to the claims and defences in the case. Unlike with civil litigation, after discovery, the TTAB does not conduct a live trial. Rather, the 'trial' is conducted on paper and may be followed by a hearing. An opposition usually takes 2.7 years before the TTAB. However, using Accelerated Case Resolution, which prohibits extensions of deadlines, the proceeding usually takes 2.1 years.

The party losing the TTAB action may:

- seek reconsideration;
- appeal the decision to the Court of Appeals for the Federal Circuit; or
- seek review of the TTAB decision by a federal district court.

Registration

After publication, the USPTO will grant registration to an unopposed application for a mark that is based on use in commerce, a foreign registration or an extension of protection of an international registration to the United States. The time from filing to registration of a use-based application is approximately six to 10 months if no office actions are issued.

For unopposed applications based on the applicant's intent to use the mark in commerce, the USPTO will issue a notice of allowance approximately two months following publication. The applicant has six months from the date of notice to:

- submit a statement of use and specimen showing the mark in use in commerce; or
- request a six-month extension to file a statement of use.

Five extension requests may be filed. If the applicant submits all extension requests in a timely manner, the applicant will have three years from the notice of allowance to begin using the mark and file an acceptable statement of use. If the applicant does not file a statement of use or extension request within six months of the notice of allowance, the application will be abandoned.

Maintenance

To maintain the registration, the registrant must file documents between the fifth and sixth anniversary of registration attesting the use of the mark in commerce or establishing excusable non-use. The registrant may also file a declaration of incontestability. The registration must be renewed every 10 years after registration. Failure to file maintenance documents will result in cancellation or expiration of the registration. There is a six-month grace period after the deadlines with payment of an additional fee. The USPTO may audit registrations by requiring trademark owners to submit proof of use for at least two additional goods or services per class.

Cancellation

The USPTO will automatically cancel registrations when maintenance documents have not been filed in a timely manner. Moreover, anyone who believes that they will be damaged by an existing registration may seek cancellation by filing a petition to cancel. A cancellation proceeding filed within five years of registration of the mark may be based on any ground that would have initially prevented registration. A cancellation proceeding filed after the fifth anniversary of registration is limited to certain grounds, such as abandonment, fraud or the mark becoming generic.

The TMA established two new types of *ex parte* proceedings for challenging a registration based on non-use of the mark by the registrant: expungement and re-examination proceedings.

In an expungement proceeding, the USPTO will cancel a registration or portion thereof if it finds that the registered mark has never been used in commerce on or in connection with some or all of the goods or services recited in the registration. Before 27 December 2023, an expungement proceeding may be filed for any registration that is at least three years old. Beginning on 27 December 2023, an expungement proceeding may only be filed between the third and 10th anniversary of registration.

In a re-examination proceeding, the USPTO will cancel a registration or portion thereof if the trademark was not in use in commerce on or in connection with some or all of the goods or services listed in the registration on or before:

- the filing date of a use-based application; or
- the later of the date that an amendment to allege use was filed or the date that the deadline to file

a statement of use expired for an intent-to-use application.

The TMA also codified the letter of protest procedure. Third parties may file a letter of protest during prosecution or no later than 30 days after publication to submit evidence that a mark should not be registered. The TMA requires the USPTO to decide on the letter of protest within two months.

Searches

The USPTO database can be searched online for free. Searches can include:

- identical and similar marks;
- applicants;
- owners;
- goods and services; and
- design elements.

The USPTO does not conduct searches on behalf of applicants prior to filing. The USPTO database includes live and dead federal trademark applications and registrations. It does not include state trademark registrations or common law uses. However, commercial providers provide more comprehensive searches.

Enforcement

Trademark enforcement in the United States can be expensive and time consuming. As a result, trademark owners often enforce their trademark rights through informal means, such as cease and desist letters and negotiated settlements. If a trademark owner cannot successfully enforce its rights through informal means, civil action is the primary method for enforcement.

Civil action

A trademark owner can bring a civil action to enforce trademark rights in federal court or state court. There are no specialist trademark or IP courts. If the trademark owner files in state court, the defendant may remove the case to federal court under certain circumstances. The trademark owner can proceed with the action only in courts that can exercise personal jurisdiction over the defendant and where the venue is proper.

Causes of action and defences

The most common causes of action in trademark cases in federal court are:

- trademark infringement (based on use of a mark in commerce that is likely to cause confusion with respect to a federally registered mark);
- unfair competition (based on use of a mark that is likely to cause confusion with respect to a registered or unregistered mark);
- trademark dilution (based on use of a mark that is likely to dilute the distinctiveness of a famous mark by blurring or tarnishment);
- trademark counterfeiting (based on use of a mark that is essentially the same as a federally registered mark on goods covered by the registration); and
- cybersquatting (based on registration, use or trafficking in a domain name containing the trademark of another with the bad-faith intent to profit therefrom).

The trademark owner may be able to assert state and common law causes of action. Affirmative defences include fair use, laches, estoppel and acquiescence.

Injunctive relief

The court has the power to grant temporary, preliminary and permanent injunctions, based on principles of equity, preventing infringement of the mark. A court may also order seizure of counterfeit goods. In addition, the court has authority over the defendant's trademark registration, including the power to order cancellation. The TMA also provides that a trademark owner seeking injunctive relief is entitled to a rebuttable presumption of irreparable harm upon a finding of infringement or a likelihood of success on the merits.

Monetary remedies

A court may award damages for trademark infringement subject to principles of equity. A prevailing trademark owner is not automatically entitled to recovery of damages but can generally recover damages that it actually suffered from the infringement. The court may increase the award to up to three times the actual damages. The trademark owner may also obtain an award of the defendant's profits if the defendant's infringement was wilful. The court may increase or decrease an award of profits if it finds the award inadequate or excessive. In cases involving wilful infringement using a counterfeit mark, unless the court finds extenuating circumstances, it will enter judgment for the greater of three times the infringer's profits or the trademark owner's dam-

ages, together with reasonable attorneys' fees. Alternatively, the court may award statutory damages of up to \$2 million for wilful trademark counterfeiting. Punitive damages are unavailable under federal trademark law. The court may award reasonable attorneys' fees to the prevailing party in exceptional cases. In all cases, the prevailing party may recover certain costs.

Ownership changes and rights transfers

Trademarks may be assigned, licensed or pledged as security. For an assignment of a trademark to be valid, the trademark must be conveyed along with the goodwill it symbolises. The assignment of a mark that is the subject of a federal registration or application must be in writing. Intent-to-use applications to register cannot be assigned before the applicant files a verified statement of use, unless that part of the business connected with the mark is also transferred. The assignment of a federally registered or applied-for mark should be recorded with the USPTO within three months of the date of assignment. Otherwise, it is void against a subsequent purchaser giving value who has no notice of the prior assignment.

Trademarks may be licensed exclusively or non-exclusively. The licensor must exercise quality control over the licensee's use of the trademark. Licensing without quality control is a naked licence that can result in the loss of trademark rights. Merely including a quality control provision in a written licence agreement is insufficient; the licensor must make a bona fide effort to exercise quality control over the licensee. The licensee's use of a licensed mark inures to the benefit of the licensor.

A trademark may be pledged as security for a loan or other indebtedness. To perfect a security interest in a federally registered trademark, the security interest must be recorded with the USPTO. Different rules apply for perfecting a security interest in a state trademark registration or common law mark.


Related rights

In certain circumstances, overlapping rights may also protect a particular trademark. For example, state law

rights of publicity protect the exclusive right to use one's name, voice, signature, likeness or persona for commercial purposes.

A trademark may qualify for protection under the Copyright Act if it contains sufficient original and copyrightable expression. The advantage of copyright protection is that liability is premised on copying and likelihood of confusion need not be proved. Because copyright protection does not extend to titles and short phrases, word marks do not typically qualify for copyright protection. However, logos, 3D marks, sound marks and audio-visual marks can qualify.




Online issues




The general laws prohibiting trademark infringement, unfair competition and dilution apply to the internet. Whether use of another's mark online (eg, in sponsored advertisements) constitutes trademark infringement depends on whether the use creates a likelihood of confusion. Federal law prohibits cybersquatting, which is defined as the registration, use or trafficking in domain names containing the trademark of another with the bad-faith intent to profit therefrom. 




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
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

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Examination/registration		
Representative requires a power of attorney when filing? Legalised/notarised?	Examination for relative grounds for refusal based on earlier rights?	Registrable unconventional marks
No: unless replacing existing counsel. 	Yes 	Yes: 3D shapes; colours; sounds; motions; scents; flavours. 

Unregistered rights		Opposition
Protection for unregistered rights?	Specific/increased protection for well-known marks?	Opposition procedure available? Term from publication?
Yes 	Yes 	Yes: 30 days from publication. Extensions are available. 

Removal from register		
Can a registration be removed for non-use? Term and start date?	Are proceedings available to remove a mark that has become generic?	Are proceedings available to remove a mark that was incorrectly registered?
Yes: registrations are presumed abandoned after three years of non-use. 	Yes 	Yes 

Enforcement		
Specialist IP/trademark court?	Punitive damages available?	Interim injunctions available? Time limit?
Yes: TTAB. 	No 	Yes: no specific time limit. 

Ownership changes	Online issues	
Is registration mandatory for assignment/licensing documents?	National anti-cybersquatting provisions?	National alternative dispute resolution policy (DRP) for local ccTLD available?
No: but if assignment is not recorded within three months, it is void against good-faith purchasers giving value. 	Yes 	Yes: usDRP and usTLD. 