

Small uses, big rewards

David Ehrlich reveals some lesser-known uses of US trade marks that could keep foreign trade mark owners from having their US rights wiped out

US trade mark law requires that foreign owners of US registrations must use the mark in the US to keep the registration alive. To prevent the USPTO from automatically cancelling the registration, the foreign trade mark owner must file a document (an affidavit or declaration) in the USPTO claiming current use in the US during the sixth year after registration (the Section 8 declaration) and with the renewal application at 10 year intervals after registration. While a claim of excusable non-use could work in theory, it is very difficult to establish. Often, the foreign owner uses the mark in its home country and wants to maintain the US registration, if possible, to reserve the mark for a future US launch or to help prevent pirates from confusing people in the US who know the mark. Therefore, foreign owners of US trade mark registrations should be aware of some lesser-known acceptable uses of trade marks in order to effectively preserve their rights.

Steer clear of token use

The foreign trade mark owner should not make a one-time, trivial use in the US near the sixth year or renewal deadline, such as shipping a few units of product to a friend in the US. The USPTO does not look at the use circumstances and will accept a declaration based on that use. However, a private party could attack the use (and the registration) in later litigation. Valid use is defined in Section 45 of the US Trade mark Act as “bona fide use of the mark in the ordinary course of trade, and not made merely to reserve a right in a mark”. A small but commercial use is valid, but a single, contrived token use right before a deadline is clearly invalid.

There are surprisingly few modern cases on whether small uses are valid, and almost none decided since the advent of the internet. Existing case law suggests that each case will be decided based on its own particular facts, considered in light of practices in the industry. This is assuming that the trade mark owner does not admit that the use was made merely to reserve a right in the mark and claims that the small use was commercially justified, both in testimony in any litigation and in internal documents that the adversary can find in discovery in litigation.

To improve the chances of a small use being held valid, if it is ever challenged, it is better if the use begins long before the use deadline, continues indefinitely, or at least for a long period after the deadline, is not trivial in volume, and is otherwise as commercial in character as possible (is profitable, for example). The high cost of litigation in the US also discourages challenges to well-executed small uses, especially if the small use can be justified as a type of common, but limited, commercial use, such as sales in a niche market or test marketing.

Also, merely advertising a product or service in the US (on a website, for example), with no actual sales in the US, is not use in the US for purposes of maintaining a registration. Some foreign trade mark owners also seek to rely on use consisting of third party re-sales of old products in auction sites, such as eBay, but such use is of questionable validity, because there are no current sales by the trade mark owner.

Eleven valid product mark uses

1 E-commerce sales to US customers

Many trade mark owners have e-commerce websites which could be used to make at least some sales to customers located in the US. Foreign trade mark owners should make it easy for US residents to buy through those sites by providing English translations of the sites, providing information on shipping to the US, by accepting payment with typical credit cards owned by Americans, such as MasterCard and

One-minute read



Foreign owners of US trade mark registrations have a problem. They often obtain a US registration without using the mark in the US, based on a home country registration or an international registration. Since the owner must file a document with the USPTO claiming current use in the US during the sixth year after registration, this can result in cancellation of the US registration if certain steps are not taken. So-called token uses just prior to the six-year deadline will not suffice, as they can be challenged and easily exposed in later litigation. Luckily, there are many tricks and tips to help foreign trade mark owners efficiently make the minimum necessary use, including by making full use of the internet.

Visa, and perhaps by doing some very modest US advertising online to draw US customers to the sites.

2 Marks in online catalogues

In certain limited circumstances, catalogues, including online catalogues, are deemed equivalent to point-of-sale displays and are acceptable specimens in the USPTO, according to Section 904.03(h) of the TMEP (the official USPTO trade mark examination manual). The printed catalogue or online catalogue is a sufficient specimen if it (1) includes a picture or a sufficient textual description of the relevant goods; (2) shows the mark sufficiently near the picture or textual description of the goods to associate the mark with the goods; and (3) includes the information necessary to order the goods (for example, an order form or a phone number, mailing address or email address for placing orders).

If the trade mark owner already has a printed catalogue or an e-commerce site that generates some sales in the US, it can create a use and specimen by adding the mark as a style name to one or more listings of products in the catalogue or website, which have no style names, and making some sales US sales, without ever actually placing the mark on the product itself or on packaging or labelling. This can save considerable expense.

3 Sales through single sites or third-party stores

The trade mark owner may be able to persuade a US e-commerce site or real-world store to carry some of its goods. Appropriate specialty or ethnic sites and stores can easily be found through web searches. Regular sales to even one such store or site should be sufficient for a valid use.

A. Specialty product sites and stores

Many specialty e-commerce websites (online stores) and real-world stores in the US focus on particular types of products, such as electronics, gourmet foods, comic books, DVD and Blu-Ray movies, video games, shoes, automobile parts or sporting goods.

B. Ethnic sites and stores

The US is home to immigrants from almost every country. As a result, the US has many online stores and real-world stores that specialise in selling products from foreign countries or regions, such as foods, cosmetics, recorded movies, music CDs, small appliances not readily available elsewhere (such as rice cookers), non-prescription drugs and newspapers and magazines.

Foreign trade mark owners who wish to rely on sales in these stores should take care, as much as possible, to comply with two legal requirements. First, in order to have valid US sales, the products should be properly labelled under US law. For foods and cosmetics, for example, a label should have basic information, such as ingredients in English and contents in English units rather than metric units (fluid ounces rather than millilitres, for example). This can be an extra paper label

attached to existing foreign packaging. Second, the foreign trade mark owner should export the products directly to the US retailer, if possible. Some US retailers buy their products from middlemen, sometimes without the knowledge or consent of the foreign manufacturers. There is a suggestion in US case law that the use in the US must be made directly and intentionally by the trade mark owner in order to be valid, and that unintended incidental or so-called spillover use may not be valid.

4 Sales in US overseas territories

For many reasons, a foreign product not sold in the mainland US might be able to find a market in overseas US territories. For example, producers of Spanish-language books have a natural market for their products in the US territory of Puerto Rico, where Spanish is the main language. Producers of products in Japan who do not think that there is sufficient demand for their products in the US might find a small market for their products among Japanese visitors to Guam or Hawaii and find stores there willing to stock those products. Sales of goods in any US flag territory constitute valid uses (TMEP 901.03).

5 Clinical trial use of drugs and medical devices

Owners of marks for prescription drugs or medical devices can make a valid use in the US by applying the mark to samples of their products used in clinical trials in the US, even before those devices have obtained approval from the Food and Drug Administration and before any actual commercial launch of the products in the US. In addition, even if the trade mark owner is not conducting clinical trials in the US, continued efforts to

develop a product for US markets or prosecuting an application for new drug approval or device approval in the FDA is often a good basis for filing a declaration of excusable non-use in order to maintain a registration (and especially if the product or device is already on sale in a foreign country).

6 Unbranded OEM products

Many foreign manufacturers export unbranded original equipment manufacturer (OEM) products to customers in the US, who then use them as parts in their products, such as OEM car seats sold to car manufacturers. The customers often insist that these products bear no marks. Valid use is still possible in one of two ways: (1) apply the mark to shipping boxes or to shipping pallets for the unbranded goods, and submit a photo of this use as the specimen, or (2) use the mark in an online or printed catalogue directed to OEM customers, along with ordering information displaying the mark next to a photo or description of the product.

7 Goods produced for export in the US

Some foreign trade mark owners have their goods (such as foods) produced and labeled in the US for export to their home country for sale there. US consumers never see the goods. Nevertheless, use on these goods produced for export in the US is a valid use.

The right specimens

A use declaration must be accompanied by a specimen of current use of the mark in the US. Therefore, the actual use must take place and must generate an acceptable specimen. For goods, the USPTO will accept a photo of (1) a label or package bearing the mark, (2) the mark imprinted directly on the product, or (3) the mark on point-of-sale displays. Invoices, catalogues or advertisements are usually not acceptable. For services, invoices to US customers or advertisements in the US are acceptable.

Regular sales to even one such store or site should be sufficient for a valid use

Valid service mark uses

The typical way to use a service mark in the US is for a person physically located in the US to render the service, usually to customers located in the US. However, the three uses below are also acceptable:

1. Services rendered in foreign countries to US customers

In this increasingly inter-connected world, with instantaneous communications, foreign service providers, such as consultants and providers of financial or company information, can easily serve customers in the US. Such use should be sufficient use of the services to maintain a US registration for the services. The definition of use in commerce for services in the US Trade mark Act, Section 45, requires only that the services under the mark be "rendered in commerce". The word commerce means "all commerce which may lawfully be regulated by Congress". There is no requirement that employees of the trade mark owner actually travel to the US in order to render the services.

However, foreign trade mark owners should be careful not to claim in documents filed in the USPTO that they are using a mark in commerce (in the US) if that would constitute an unfavourable admission for other legal purposes.

For example, a foreign financial services or insurance company with a US registration for banking, insurance or brokerage services based on its home country registration should be careful about claiming use for those services in a use declaration if, in fact, it does not have the required federal or state government regulatory approval to render those services in the US. Filing a use declaration for those services could simply be incorrect, which renders the filing invalid, or could even be viewed as an arguable admission that the company is violating US law. Conceivably, also, a claim of use in commerce in a service mark declaration could be used as evidence by the US Internal Revenue Service to collect US tax on the service mark owner for income from its activities connected to the US. Therefore, foreign owners of service marks who do not regularly operate in the US should consult with their attorneys for tax and regulatory matters before they claim use of their marks in the US in USPTO filings.

2. Retail services

In some foreign countries, marks for services of selling products at retail are not considered registrable. In the US, marks for retail services are registrable. For example, an approved identification in the USPTO in Class 35 is "on-line retail services featuring [indicate field or type of goods]", such as "on-line retail services featuring clothing". Similarly, for real-world stores, an approved identification is "retail [indicate type or field] stores", such as "retail clothing stores". Foreign trade mark owners often overlook the possibility of obtaining registration for these online or real-world stores services. Even if the foreign trade mark owners do not have a dedicated store bearing their mark as the main store name in the US, they may still be able to register their mark in the US if they have an online store with some US customers.

Foreign entertainment service providers, such as sports teams and music groups, can also obtain and maintain US service mark registrations for their names or logos for fan club services, even though they do not play or perform in the US, so long as US residents participate in fan activities. The US fans could do so, for example, by subscribing to a worldwide official fan club website - maintained and controlled by the service mark owner - for the team or music group. The specimen of use could be a printout of the fan club web page.

3. Fan club services

When these types of products are made available online, the specimen of use can be a printout of the download screen mentioning the mark or a screen shot of the opening screen or title screen for the product (TMEP 904.03[e]).

8 Electronic downloads of entertainment products

Foreign owners of marks for entertainment works, such as older musical sound recordings and video games, might no longer distribute physical copies of the works in the US, such as game discs or music CDs. However, those games and albums (or single music tracks) may continue to be distributed in the US in either downloadable form (on pay-to-download sites) or for real time play online (in online game play or music sites). In this way, the games and music tracks (or albums) continue to be sold or delivered to US consumers who download or play them online. Video game titles can be registered as trade marks in the US for computer game software or video game software in Class 9. Individual song or album titles will not be registered marks in the US, but the rock group name can be registered in the US for musical sound recordings in Class 9 if the group name appears on more than one album. Making the games and music tracks (or albums) available by these electronic means is a valid use of those marks, if the trade mark owner authorises electronic delivery. An unauthorised posting of the game or album (or music track) on a file-sharing site, by contrast, is not a continuing use attributable to the trade mark owner.

Similarly, other entertainment media no longer sold in print, disc or broadcast form, are often still available online in the US. A Japanese anime television series title could be registered as a service mark for entertainment services in the US when it was broadcast in the US as a television series. Even though that television series is off the air, the same anime series episodes may still be available online in the US as streaming video with the trade mark owner's authorisation.

9 Video game titles in compilation discs or collections

Many foreign companies register model names for cars, trucks and motorcycles in the US, and then, in a few years, discontinue production of that vehicle. Typically, however, the manufacturer will continue to produce parts for that vehicle for many years. If the US registration for that model name covered both the vehicle, such as "automobiles", and "parts thereof" or similar language, the foreign trade mark owner will be able to maintain the registration for parts, even though the registration cannot be maintained for the vehicles themselves, because no new vehicles are manufactured and exported under that mark. It is important, of course, that the manufacturer place the trade mark on the packaging for the part in order to have a suitable specimen.

10 Parts for discontinued vehicles

When these types of products are made available online, the specimen of use can be a printout of the download screen mentioning the mark or a screen shot of the opening screen or title screen for the product (TMEP 904.03[e]).



On managingip.com
Courts address functionality and advice of counsel, May 2011
Don't be afraid of social media, March 2011
How to use your trademark, May 2010

11 **Print-to-order e-commerce websites**

A few US online retailers operate print-to-order online stores, such as www.cafepress.com and www.zazzle.com. These companies keep inventories of unprinted t-shirts, sweat-shirts, drinking mugs, computer mouse pads, refrigerator magnets, clocks and other goods. They also have a large online catalogue of artwork, consisting of logos, graphics and slogans submitted to the company by their owners or creators. When a customer orders one of the products with a particular logo or artwork, the company individually prints and mails the product, such as t-shirts bearing the artwork. The company then pays to the owner or the creator of the artwork pre-arranged money royalties. It is quite easy for a foreign trade mark owner to submit its trade mark or artwork (preferably in logo form, suitable for printing on products) to one of these companies in order to create some use of the mark on products in the US. Some minor US advertising may be needed to alert potential US customers to the availability of the products on the site.

This kind of use is particularly suitable for foreign sports and entertainment names and titles, such as the name of a character in manga (Japanese comic books) or anime or the name of a foreign sports team. The owners of these marks might not have licensees selling goods in the US when the use declaration is due, but will usually have at least some fans in the US who will buy products bearing these marks. No investment by the trade mark owner is needed. Also, the permission to use the marks can be non-exclusive, and will not prevent the trade mark owner from finding a more lucrative licence deal later.

Another advantage of this type of use (and also of use made by conventional licensees for t-shirts and other souvenir-type goods) is that this use permits owners of foreign sports teams to obtain some registration protection for their team names in the US, even though those teams might never play any games in the US. This means that registrations for the team names as marks for sports entertainment services could not be maintained in the US due to lack of use in the US.

The trade mark owner's authorisation to the print-to-order

The trade mark owner should exercise some minimal quality control over the goods – such as ordering one sample of each product

company to use the artwork is, technically, a trade mark licence. US law requires quality control in trade mark licensing. Therefore, the trade mark owner should exercise some minimal quality control over the goods – such as ordering one sample of each product – in order to have a valid licensed trade mark use.



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