

Cowan, Liebowitz & Latman

Client Alert

**A Trap for the Unwary Non-U.S. Applicant:
The Trademark Trial and Appeal Board Confirms that an Applicant
Must Have a *Bona Fide* Intention to Use the Applied for Mark**
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by Baila Celedonia, Esq.

In a recent U.S. decision, *Honda Motor Co., Ltd. v. Friedrich Winkelmann*, Opposition No. 91170552 ("*Honda*"), the U.S. Trademark Trial and Appeal Board (the "Board") sustained Honda's opposition to a U.S. application based on a German registration, refusing registration for the mark upon a finding that the applicant did not have a *bona fide* intent to use its V.I.C. mark in U.S. commerce for the goods listed in its application. (See full Board decision attached to the forwarding e-mail)

The *Honda* Decision. Applicant Winkelmann filed a U.S. application under Section 44(e) of the Lanham Act (the U.S. trademark statute) to register the mark V.I.C. for "vehicles for transportation . . ."¹ based upon its German registration.² As required under U.S. practice, applicant claimed a *bona fide* intent to use the mark "in commerce," that is, in commerce in or with the United States. The application was opposed by Honda based upon its U.S. registrations for the mark CIVIC for automobiles.

After discovery, Honda moved for summary judgment on the ground that Winkelmann did not have a *bona fide* intention to use the applied for mark in U.S. commerce for the goods listed. The Board held that mere statements of subjective intent, without more, are not enough. Rather, an applicant should have documentary or other evidence of its plans. The only evidence that Winkelmann produced, beyond his German registration and unsubstantiated assertions, was an untranslated copy of his company's website.

The website showed "use of the mark as 'MTW V.I.C.-PAKET' which appears to be a gift box with a list of items to be used in connection with an automobile." *Winkelmann*, at n. 6. The Board found that applicant provided no evidence "in support of his declarations nor identified those portions of the record before the Board that demonstrate that he *manufactures vehicles in Germany or elsewhere.*" *Winkelmann* at 10, emphasis added. The Board further stated that

"[a]ny intention to use the [V.I.C.] mark may go to promotional services for dealerships, but not to 'vehicles for transportation.'" *Id.* at 11. Based on these findings, the Board sustained Honda's opposition and refused registration of the application.

Legal Background. Unlike in most countries, United States applications not based on actual use of a mark in commerce, that is, intent-to-use ("ITU") applications, require the applicant to have a *bona fide* intention to use the mark in commerce. Applications filed claiming a priority under the Paris Convention or based on a foreign registration or filed under the Madrid Protocol ("foreign-based applications") do not require the filing of a Statement of Use³ in order for a U.S. registration to issue. However, they do require a declaration of the applicant or its agent, declaring that, at the time of filing of the application, the applicant has a *bona fide* intention to use the mark in U.S. commerce, either itself or through a licensee, for all of the goods and services listed in the application.

This is, of course, different from practice in most of the rest of the world.⁴ In the U.S., this declaration is not merely a *pro forma* requirement, but must be given under penalty of perjury. In determining whether the applicant for a foreign-based application "has the requisite *bona fide* intent to use the mark in U.S. commerce, the Board uses the same objective, good-faith analysis that it uses in determining whether an applicant under § 1(b) [ITU applications] has the required *bona fide* intent to use the mark in U.S. commerce." *Winkelmann* at 5-6.

ITU applications were first introduced in 1978.⁵ However, their introduction did not transform the underlying basis of U.S. trademark rights, which continue to arise from use of the mark and not its registration. The ITU system merely allows a potential user of a mark a priority date based on its filing date, thus allowing the applicant time to conduct its marketing research and other activities before bringing its goods under the mark to market.

In addition, in order to maintain a U.S. registration, the Lanham Act continued to require filing by the registrant of a Sec. 8 declaration, which is a Statement of Use given under penalty of perjury, filed by the registrant between the 5th and 6th year after registration. A Madrid extension to the U.S. requires an analogous Declaration of Use under Sec. 71. A Sec. 8 declaration is also required at each renewal.

However, because an ITU applicant would have up to 36 months from allowance of the application to file the Statement of Use, applicants were required to have a *bona fide* intention to use a mark as a prerequisite for filing an ITU application. This was done to prevent the warehousing of marks or allowing large companies to set up defensive application programs. Since owners of registrations arising from foreign-based applications only have to file a Statement of Use between the 5th and 6th year after registration, the *bona fides* requirement was also mandated for all foreign-based applications.

The *Honda* decision is the first dealing with the *bona fides* requirement for foreign-based applications. However, it merely follows a line of cases reiterating that failure to have a *bona fide* intention to use a mark for all of the goods and services listed in the U.S. application, as filed, may be fatal.

Practice Tips.

1. When instructing U.S. counsel to file an application claiming the priority of a client's earlier filed Paris Convention application, or when using a home country registration as the basis for a U.S. application, don't just automatically have the U.S. application cover all of the goods and services in the client's non-U.S. application or registration. For the same reason, when extending an IR to the U.S., avoid the temptation to just tick the box requesting extension of the IR to the U.S.

First, carefully go over the descriptions with your client and omit any goods or services in the U.S. application or the request to extend the IR to the U.S. for which your client does not have a *bona fide* intention to use the mark in U.S. commerce. It is true that when examining the application, the U.S. Trademark Office will not question the applicant's *bona fides*. However, if the application or request for extension is opposed, or if the client later seeks to enforce its resulting registration, the other side will raise the question, putting the entire application or registration at risk.

2. If your client owns a pending U.S. application where there may be an issue concerning the client's *bona fide* intention to use the mark in U.S. commerce for all of the goods and services listed, amend the application to delete the problem goods or services at the earliest time possible during the examination process.

For further information or assistance in prosecuting U.S. applications, please contact Baila H. Celedonia (bhc@c11.com 1-(212) 790-9203) or any of the other CLL trademark attorneys.

Endnotes:

¹ The full description was "vehicles for transportation on land, air or water, namely, motor propelled and self-propelled vehicles for use on land and on water and motor propelled and glider aircraft; parts used in vehicles for transportation on land, air or water, namely, motor propelled and self-propelled vehicles for use on land and on water and motor propelled and glider aircraft" in International Class 12.

² There are three ways to file in the U.S. based on foreign rights: (i) priority and anticipated foreign registration, Sec. 44(d); (ii) home country registration, Sec. 44(e); and extension of an International Registration ("IR") under the Madrid Protocol, Sec. 65.

³ In a Statement of Use, the applicant is required to declare, under penalty of perjury, that the mark is in used in commerce on each and every good or service listed in the Statement. Filing such statement when actual use has

only been made on some of the goods or services is considered a fraud on the Trademark Office and can result in cancellation of the entire registration. *Medinol Ltd. v. Neuro Vasx, Inc.*, 67 U.S.P.Q. 2d (TTAB 2003). However, if the erroneous Statement of Use related only to goods or services in one class in a multi-class application, only the registration for that class will be cancelled. *G&W Labs, Inc. v. G W Pharma Ltd.*, 89 USPO2d 1571 (TTAB 2009)

⁴ The UK and Canada both have proposed use requirements upon application.

⁵ Prior to 1978, all applications other than those based on either a priority claim and anticipated home country registration or a home country registration could only be filed based on use of the mark in U.S. commerce.

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1133 Avenue of the Americas • New York, NY 10036-6799
T (212) 790-9200 • F (212) 575-0671 • law@cll.com

JFK International Airport
Building 14, Suite 11B • Jamaica, NY 11430
T(718) 244-8595 F(718) 917-6353
