# Foreign Marks Vulnerable in US

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"Cancellable? Unenforceable? Why?" This is likely to be the reaction of most foreign owners of U.S. trademark applications and registrations, and of many of their U.S. counsel, when challenged by claims that the owner lacked documentary, or other objective evidence, of a bona fide intent to use a mark in U.S. commerce at the time its application was filed.

Foreign trademark owners frequently apply to register marks under Section 44(d) and (e) or Section 66 of the Trademark Act, relying upon a home-country registration or application and not upon actual use of a mark in the U.S. However, under both Sections 44 and 66, a foreign applicant must state that it has a bona fide intention to use its mark in U.S. commerce *at the time the application is filed*. Recent decisions require mark owners to support assertions of such intent with documentation. Foreign owners are likely to be particularly vulnerable to attacks upon bona fide intent because foreign applications and registrations that are the basis of Section 44 and 66 filings typically include long lists of goods or services regarding which the mark has never been used anywhere. If challenged, foreign owners may find it very difficult to produce documentation showing the required intent at the time of filing, rendering their applications and registrations vulnerable.

All applications filed with a claim of bona fide intent are void ab initio, and any registration vulnerable to cancellation, when the applicant or registrant lacks such intent. Decisions in 2012 followed earlier decisions cancelling Section 1(b) intent-touse registrations in holding that registrations under Sections 44(e) and 66(a) are subject to cancellation for non-use and for lack of bona fide intent to use. *Saddlesprings, Inc. v. Mad Croc Brands, Inc.*, 104 U.S.P.Q. 2d 1948 (T.T.A.B. 2012), and *Sandro Andy S.A. v. Light, Inc.*, Civil Action No. 12 Civ. 2392 (HB) (S.D.N.Y., Dec. 27, 2012).

In *Sandro Andy*, the court cited *Saddlesprings* for the holding that "the holder of the international registration shall have the same rights and remedies as the owner of a registration on the Principal Register" and those rights are subject to cancellation "even if the international registration remains valid and subsisting." The district court found that the U.S. registration was cancellable in part for all goods regarding which the registrant admitted having no bona fide intention to use the mark in U.S. commerce at the time the application was filed, and ordered the registrant to delete from its registration all such goods. The court invited a future motion challenging the entire registration for the remaining goods were the registrant unable to come forward with evidence of such intent.

In a future motion challenging the remaining goods the petitioner in *Sandro Andy* can readily establish a prima facie case of lack of bona fide intent through discovery responses. *Spirits International B.V. v. S.S. Taris Zeytin*, 99 U.S.P.Q. 2d 1545 (T.T.A.B. 2011). In *Spirits*, the applicant stated that it had no documents regarding intended use, no promotional or marketing materials, and no marketing plans. These discovery responses shifted the burden to applicant to explain its failure to provide documentary support for its alleged intent. The applicant failed and the Trademark Trial and Appeal Board sustained the opposition.

In *L'Oreal S.A. v. Marcon*, 102 U.S.P.Q. 2d 1434 (T.T.A.B. 2012), the board found that the evidence of intent must be objective and sustained the opposition because the applicant lacked objective evidence of taking active steps toward use of its mark in the U.S., which "outweigh[ed] any subjective (or even sworn) intent to use the mark."

On June 12, the board granted a motion for summary judgment refusing registration, finding that an applicant failed to rebut an opposer's prima facie case, made through the applicant's discovery responses, because the applicant produced no documents, or other evidence, of bona fide intent to use its mark when it filed its U.S. application. *Diageo North America, Inc. v. Captain Russell Corp.* (Opposition No. 91203745).

These decisions involving refusal and total or partial cancellation for lack of a bona fide intent have significant implications. The implications are potentially much greater for non-U.S. owners of Section 44(e) and 66(a) applications and registrations than for those under

Section 1(b). The district court found that Section 1(b) applicants expect to use a mark in U.S. commerce before obtaining registration and are more likely to possess documentation evidencing the required intention. However, applicants under Sections 44(e) and 66(a) typically recite a very long list of goods and services, for which there is no use anywhere and likely no intended use and, therefore, are unlikely to have documentation evidencing an intent to use a mark, much less an intent to use a mark in U.S. commerce at the time applications are filed. Query: If by chance there is documentation showing intent, but no statement as to the geographic scope of such intent, will it suffice as evidence of intent to use a mark in U.S. commerce?

Inadequate evidence of the required intent could result in refusals or cancellation of Section 44(e) or 66(a) registrations because it did not exist at the time the application was filed, even though the owner later possessed such evidence or began using the mark in the U.S. Inability to produce documentary evidence of intended U.S. use before filing could also mean that trademark rights of foreign nationals might be much more circumscribed than many now believe. If refused or cancelled, a Section 44(e), 44(d) or 66(a) application or registration will lose its constructive use priority filing date and the owner will be required to rely on the date of its first actual use in U.S. commerce in any dispute involving priority.

For Section 44(e) and 66(a) registrations, and applications already filed, remedial actions are likely limited to locating and preserving any documentary evidence of bona fide intent. For such applications yet to be filed, there is clear learning from these recent decisions: locate - or create - and then retain documentary evidence of a bona fide intention to use a mark in U.S. commerce before filing a U.S. application.

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