

(Trade)Marking Your Territory in the US: A Guide for Non-US Companies

BY [ELIZABETH KURPIS](#)

Trademark rights exist on a country-by-country basis, and the laws in the United States differ in a number of significant ways from other markets. As a result, it is critical that before any non-U.S. company seeks trademark protection in the U.S., it first consider a number of potential obstacles. Use of a company name and its related trademarks in the U.S. is not guaranteed. Although checking with the U.S. Trademark Office database allows one to search registered marks, it is likely only locating identical marks. Further complicating the process, the U.S. recognizes unregistered trademark rights as well, so such a search may not be as comprehensive as is needed to ensure that the company's trademarks are not already in use.

Additional issues that may arise surround the requirement that the mark be in use in the U.S. before registration will be issued. If the mark is not in use at that time, a company's intent to use the mark may be called into question by challenging third parties. In this article, each issue is addressed in turn, which should alleviate some of the mystery surrounding U.S. trademark law when any non-U.S. company is seeking to register a mark in the U.S.

To Register or Not to Register under U.S. Law

Trademark rights in the U.S. are based on use of the mark, which is a significant departure from the laws of most other countries where rights are based on registration. It is not necessary to own a federal trademark registration in order to have some level of protected rights in a mark that is in actual use to advertise and offer services to third parties because the U.S. recognizes unregistered, common-law trademark rights. However, not registering your mark does have some pitfalls. For instance, common law rights are limited to the actual geographic area of use. Therefore, if a company will have only a very small, local presence, federal registration may not be necessary. On the other hand, if a company has more extensive plans to expand regionally, nationally or internationally, it is strongly recommended that registration be obtained. With registration, the owner gains exclusive rights within the U.S. to use the mark registered for the goods and services listed in the registration regardless of the actual area of geographic use.

The Trademark Search

The first step to registering a trademark under U.S. law is to perform a trademark search to determine whether the mark is available for use. Because the U.S. recognizes common law rights to trademarks, it is important to note that approval by a Secretary of State to incorporate or form a company under a particular name does not give the company a right to the corresponding trademark. In other words, this will not be a defense to a claim of trademark infringement. This same logic follows when a company registers a domain name. Doing so will not provide any trademark rights, and can in fact be an infringement on another's trademark rights. Accordingly, it is always strongly advised to perform a full U.S. trademark search on a mark before using it in the U.S. or before preparing and filing a new trademark application with the U.S. Trademark Office. This will ensure that even though there may not be any pending or conflicting applications or issued registrations at the U.S. Trademark Office, the mark will not infringe upon a third party's existing common law rights either.

The Intent Requirement

Under U.S. federal law, a trademark owned by a U.S. company must be in use on all of the goods and must be used to provide all of the services in an application. Proof of such use must be filed and accepted by the U.S. Trademark Office before a registration will issue. However, non-U.S. companies are permitted to register their trademarks without ever having used the mark in the U.S. if registration is sought under Section 44(e) of the Trademark Act, based upon a qualified foreign national or European Community registration or under Section 66(a), based upon an international trademark registration under the Madrid Protocol.

In either case, it is necessary for an applicant to assert, under penalty of criminal perjury, that it is either using the mark or has a bona fide intent to use the mark in the U.S. on all of the goods and to provide all of the services in the application. If the applicant does not have the requisite intent at the time the application is filed, the application and any resulting registration are vulnerable to being canceled or declared void at a later date.

Although non-U.S. companies can register their mark without proving use, they will ultimately be required to use the mark before sometime between the fifth and sixth year after a registration issues. At that time, all registrants must file a Section 8 Affidavit of Continued Use with specimens of use for each class in the registration, and must delete from the registration all individual goods and services that are not currently being offered under the mark in the U.S. However, the buck does not stop there, as the company must refile the affidavit 10 years after the registration has issued and every 10 years thereafter. Again, this is where U.S. trademark law diverges from international law, where it is generally not necessary to prove in registration maintenance documents that the mark is in use.

Another potential issue for non-U.S. registrants concerns potential third-party challenges to registered marks not in use. Under Section 45 of the US Trademark Act, a mark will be deemed “abandoned” when use has been discontinued with the intent not to resume such use. Prima facie evidence of abandonment may be inferred when the mark has not been used for three consecutive years. The level of “use” necessary must be a bona fide intent to use the mark in the “ordinary course of trade” for the specific industry in question, and cannot be a use made merely as an attempt to reserve a right in a mark. The “bona fide intent” required under the Trademark Act must reflect an intention that is firm, though it may be contingent on the outcome of, for example, market research or product testing. However, a third party challenger may call this intent into question by demonstrating that an applicant has no documentary evidence, such as business plans, marketing or promotional activities or evidence of discussions with manufacturers or licensees, to substantiate its allegations of intent.

What any non-U.S. company seeking to register a mark in the U.S. should take away from the points raised herein is two-fold. First, in order to ensure that use of your mark in the U.S. is proper, an extensive trademark search that utilizes resources other than the U.S. Trademark Offices database must be performed. Second, such registrants must also realize that although “use” of a mark may not be required upfront for registration, a bona fide intent to use the mark on all the goods and services in the application must be present the day the application is filed, as claims and defenses based upon these issues are being raised more aggressively in U.S. proceedings. In the end, all applicants should work closely with their U.S. counsel to safeguard against some of the difficulties they may encounter in the differences between the trademark laws in the U.S. and those they have seen internationally and to ensure a smooth transition into the U.S. market.