



2023 LEGAL SYMPOSIUM

MAY 7-9, 2023 | WASHINGTON, DC



Recent Developments in Trademark Law and Its Effect on Franchising

Implementing the Trademark Modernization Act

- 1. The Trademark Modernization Act*
- 2. Registration Practice: Specimens of Use*
- 3. Registration Practice: Descriptive Marks*



The Trademark Modernization Act

Signed into law on December 27, 2020, the TMA, *inter alia*:

- authorizes shortened 3-month deadlines for responses to most (but not all) office actions, with the option to purchase 3-month extensions (effective Dec. 1, 2022);
- creates a new ex parte reexamination proceeding targeting Section 1(a) registrations of marks not used in commerce at the time the registrants claimed they were or by the deadline for such a claim (effective Dec. 18, 2021);
- creates a new ex parte expungement proceeding primarily targeting Section 44 and Section 66 registrations of marks that have never been used in commerce (effective Dec. 18, 2021).



The Trademark Modernization Act

Signed into law on December 27, 2020, the TMA, *inter alia*:

- creates a new cause of action for the cancellation “at any time” in Board proceedings of registrations covering marks that have never been used in commerce (effective Dec. 18, 2021); and
- codifies the letter of protest procedure (effective Dec. 18, 2021).



Registration Practice: Specimens of Use

- To register or renew a trademark in the United States Patent and Trademark Office, trademark owners must submit specimens of use demonstrating that the mark is being used in commerce.
- Must show use of mark in connection with specific goods/services covered by the application.



Registration Practice: Specimens of Use

Acceptable Specimens for Goods, include but are not limited to:

- Labels, tags, containers/packaging for the goods.
- Point-of-sale displays.
- Image of the mark affixed to the product.



Registration Practice: Specimens of Use

Acceptable Specimens for Services, include but are not limited to:

- Images showing use of the mark in the sale, performance, or rendering of the services.
- Brochures, Billboards, Signs, Leaflets, Newspaper and Magazine Ads.



Registration Practice: Specimens of Use

Acceptable Specimen?

Goods: Soccer balls.



Registration Practice: Specimens of Use

Acceptable Specimen?
Goods: Bed Linen.

The screenshot shows the Macy's website interface. At the top, the Macy's logo is accompanied by the text "EASY RETURNS take it to a store or send by mail! see details". To the right, there is a navigation area with "Ordering Information" and a shopping bag icon showing "0 items". Below this is a horizontal menu with categories: "for the home", "bed & bath", "women", "men", "juniors", "kids", "beauty & fragrance", "shoes", "handbags & accessories", "jewelry & watches", and "sale". A search bar is located below the menu. The main content area is titled "for the home" and "For the Home > Lacoste > Bedding Collections". The Lacoste logo is prominently displayed with a red arrow pointing to it and the word "Mark" next to it. Below the logo, there is a "Items Per Page" dropdown set to "24" and "Page 1 of 1 | 1". The product grid includes:

- Lacoste "Brighton" Comforter Set: \$180.00 - 200.00
- Lacoste "Confetti" Comforter Set: Reg. \$180.00 - 200.00, Sale \$129.99 - 149.99
- Lacoste "Crosdella" Sheets: \$20.00 - 150.00 (with "MORE COLORS AVAILABLE" label)
- Lacoste "Crosdell" Sheets: \$20.00 - 150.00

Registration Practice: Specimens of Use

Acceptable Specimen?

Goods: Computer Software.

The screenshot shows the Cityworks website homepage. At the top, the logo for Cityworks by Azteca Systems is displayed, with the tagline "Empowering GIS for Infrastructure, Assets, Permits, and Licensing". Below the logo is a navigation menu with links for Home, Products, Services, Solutions, Media, Partners, Support, and Contact. The main content area is divided into several sections:

- What's New:** A list of recent news items, including "Cityworks 2010 User Conference Exceeds Expectations" and "Azteca Systems Helps ESRI Launch New Business Partner Program".
- Events:** A list of upcoming events, such as "AWWA ACE10 | Jun 20-24, 2010 | Chicago, IL" and "ESRI International Users Conference | July 12-16, 2010 | San Diego, CA".
- Cityworks User News:** A list of news items about users, including "Made to Order - Dublin Ohio and Leo's Summit Missouri" and "Central Arkansas Water Leverages their GIS with Cityworks".
- Cityworks:** A section describing the software as the only GIS-centric Asset Management System available, highlighting its benefits for organizations managing capital assets and infrastructure.
- Customer Testimonials:** Two testimonials are featured. One from the City of Lake Forest, Illinois, praising the technical support. Another from the City of Biloxi, Mississippi, praising the customer service.
- User Spotlight - City of Long Beach:** A section highlighting how Cityworks has improved customer relations and promoted collaboration among city departments in Long Beach.

At the bottom of the page, there is a "Full Spotlight" link, a contact information section, and a logo for NAGCS (National Association of Geospatial Councils).

Mark

The red arrow points to the Cityworks logo in the footer of the website.

Registration Practice: Specimens of Use

Acceptable Specimen?

Goods: Non-metal dosing caps for bottles; non-metal dispensing caps for containers.

Case: *In re Wholesale & Retail Distribution, Inc.*
Serial No. 86586432 (May 30, 2018) [not precedential]
(Opinion by Judge Angela Lykos).



Registration Practice: Descriptive Marks

Spectrum of Distinctiveness

**Generic
terms**

**Descriptive
marks**

**Suggestive
marks**

**Arbitrary
marks**

**Coined
marks**

Registration Practice: Descriptive Marks

Generic: Footlong for sandwiches; “Tires Tires Tires” for Retail tire store services.

Descriptive: Creamy for Yogurt.

Suggestive: SPEEDI BAKE for frozen dough.

Arbitrary: Apple for computers.

Coined: Exxon, Pepsi.



Registration Practice: Descriptive Marks

Descriptive?

- YOUR CLOUD for data storage and various cloud computing services.



Registration Practice: Descriptive Marks

Descriptive?

- YOURDVD for DVD players.



Registration Practice: Descriptive Marks

Descriptive?

- UN-CURL for preparation for straightening hair.



Registration Practice: Descriptive Marks

Descriptive?

- PURITY for water filtering units.



Registration Practice: Descriptive Marks

Section 2(f) Claim of Acquired Distinctiveness: Unlike Generic Marks, Descriptive Marks can still achieve registration upon a showing of secondary meaning. Applicants can register marks under Section 2(f) in either of the following scenarios:

- Verified statement that the “mark has become distinctive of the goods and/or services through the applicant’s substantially exclusive and continuous use of the mark in commerce that the U.S. Congress may lawfully regulate for at least the five years immediately before the date of this statement.”



Registration Practice: Descriptive Marks

Section 2(f) Claim of Acquired Distinctiveness (Cont'd)

- Ownership of an active prior registration on the Principal Register of the same mark for goods and services that are sufficiently similar to those identified in the Application.
- Evidence that the mark has acquired distinctiveness in the marketplace.



Registration Practice: Descriptive Marks

Supplemental Register: When an applied-for mark has been refused registration on the Principal Register on grounds of descriptiveness, Applicants may seek registration on the Supplemental Register, which is a special register for descriptive marks.



Registration Practice: Descriptive Marks

Benefits of Supplemental Register

- Use of the registration symbol with the registered mark in connection with the registered goods or services.
- The registered mark will be included in the USPTO's database of registered and pending marks, which will allow trademark examining attorneys to use the registration as a bar to confusingly similar marks in applications filed by third parties.



Registration Practice: Descriptive Marks

Benefits of Supplemental Register

- The registered mark can be used as the filing basis for trademark applications in many foreign countries.
- The registered mark can provide public notice of registration which will make it easier for third parties to find the marks in trademark search reports.



Registration Practice: Descriptive Marks

Disclaimer: The USPTO requires Applicants to disclaim descriptive and generic wording in marks, even if the mark as a whole is registrable.

- Example: NIKE FOOTWEAR for “shoes”, the wording FOOTWEAR must be disclaimed even though the mark is still registrable.



Registration Practice: Descriptive Marks

Disclaimer Required?

- TOMMY HILFIGER FOR WOMEN for Cologne.



Registration Practice: Descriptive Marks

Disclaimer Required?

- TIP YOUR HAT for HATS.



Trademark Litigation Update



Trademark Litigation Update

1. Trademarks and the First Amendment
2. Trademarks in the Metaverse
3. A Trademark Prosecution Grab Bag
4. The Extraterritorial Reach of U.S. Trademark Law
5. Accounting of Profits in the Wake of *Romag Fasteners*



Trademarks and the First Amendment

*VIP Products LLC v.
Jack Daniel's
Properties, Inc.*



Trademarks and the First Amendment

Poll: Should Jack Daniels be able to stop this?



Trademarks and the First Amendment

When “artistic expression is at issue,” however, the general likelihood-of-confusion test “fails to account for the full weight of the public’s interest in free expression.” *Gordon*, 909 F.3d at 264 (quoting *Mattel, Inc. v. MCA Records*, 296 F.3d 894, 900 (9th Cir. 2002)). Accordingly, we have held that the Lanham Act only applies to expressive works if the plaintiff establishes one of the two requirements in the test set forth in *Rogers v. Grimaldi*, 875 F.2d 994 (2d Cir. 1989).

See MCA Records, 296 F.3d at 902 (adopting *Rogers* test for use of a trademark in the title of an expressive work); *see also Gordon*, 909 F.3d at 267 (noting that after *MCA Records*, this Court “extended the *Rogers* test beyond a title”). *Rogers* requires the plaintiff to show that the defendant’s use of the mark is either (1) “not artistically relevant to the underlying work” or (2) “explicitly misleads consumers as to the source or content of the work.” *Gordon*, 909 F.3d at 265.



Trademarks and the First Amendment

*VIP Products LLC v.
Jack Daniel's Properties,
Inc.*

Question

Is humorous use of another's trademark as one's own on a commercial product subject to the Lanham Act's likelihood-of-confusion analysis, or instead entitled to heightened First Amendment protection?



Trademarks and the First Amendment

Poll: How should the Supreme Court answer?

Question

Is humorous use of another's trademark as one's own on a commercial product subject to the Lanham Act's likelihood-of-confusion analysis, or instead entitled to heightened First Amendment protection?



Trademarks and the First Amendment

In re Elster



Trademarks and the First Amendment

TSDR

ASSIGN Status

TTAB Status

(Use the "Back" button of the Internet Browser to return to TESS)

Trump too small

Word Mark	TRUMP TOO SMALL
Goods and Services	IC 025. US 022 039. G & S: Shirts; Shirts and short-sleeved shirts; Graphic T-shirts; Long-sleeved shirts; Short-sleeve shirts; Short-sleeved shirts; Short-sleeved or long-sleeved t-shirts; Sweat shirts; T-shirts; Tee shirts; Tee-shirts; Wearable garments and clothing, namely, shirts
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	87749230
Filing Date	January 10, 2018
Current Basis	1B
Original Filing Basis	1B
Owner	(APPLICANT) Elster, Steve INDIVIDUAL UNITED STATES 785/E2 Oak Grove Road, #201 Concord CALIFORNIA 94518
Type of Mark	TRADEMARK
Register	PRINCIPAL
Live/Dead Indicator	LIVE



Trademarks and the Metaverse

*AM General LLC v.
Activision Blizzard, Inc.*



Trademarks and the Metaverse

Poll: Should the owner of the HUMVEE be able to stop this?



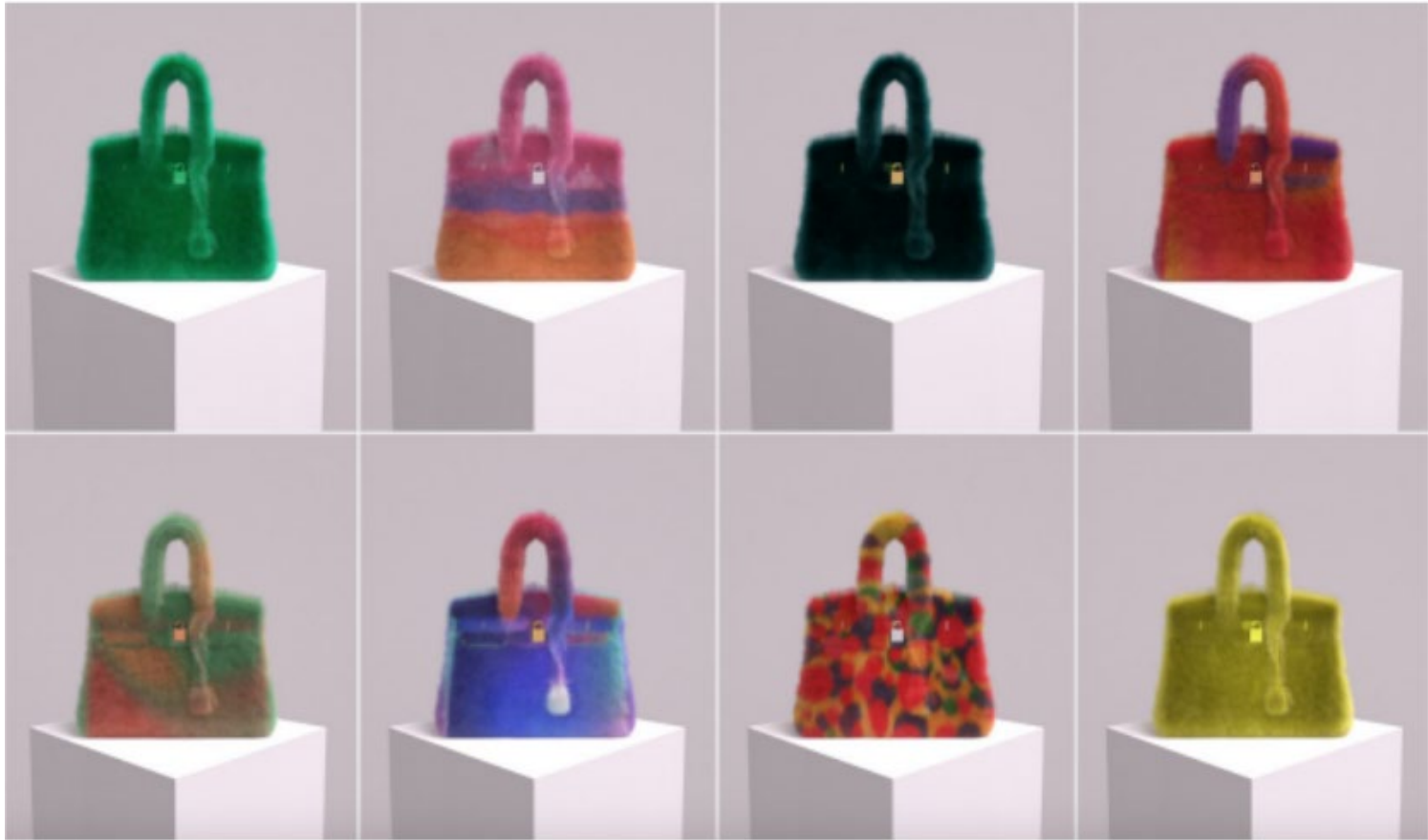
Trademarks and the Metaverse

Poll: What about this?



Trademarks and the Metaverse

Hermes International v. Rothschild



Trademarks and the Metaverse

Rogers might not apply, Rothschild seems to concede, if the NFTs were attached to a digital file of a virtually wearable Birkin handbag, in which case the “MetaBirkins” mark would refer to a non-speech commercial product (albeit not one that is, as yet, considered ordinary or quotidian). But Hermès's only contention on this score is that Rothschild might branch out into virtually wearable “MetaBirkins” because he has sold NFTs of wearable items under another of his project headings, “I Like You You're Weird.” Not only is the fact



Trademarks and the Metaverse

*Yuga Labs, Inc. v.
Ripps et al.*



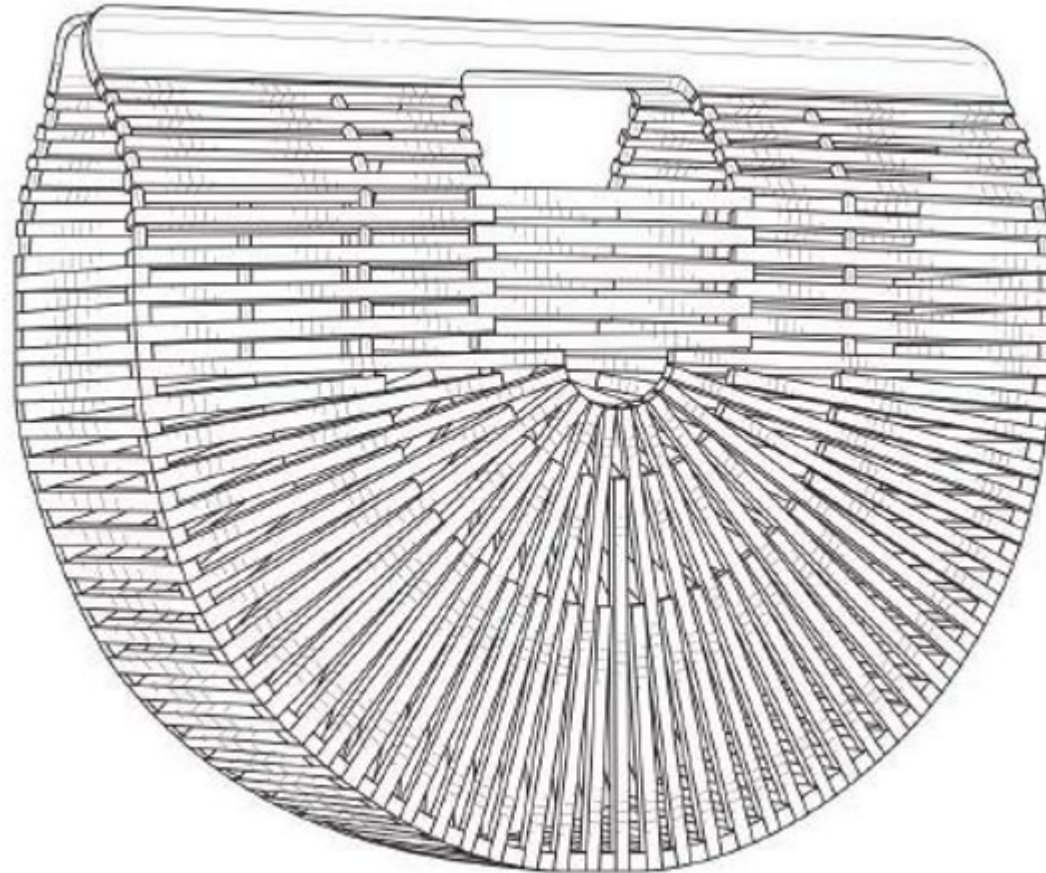
Trademarks in the Metaverse

Nike, Inc. v. StockX LLC



A Trademark Prosecution Grab Bag

In re Larian, LLC



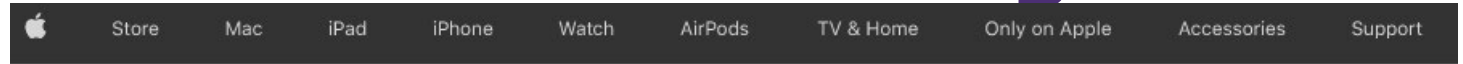
A Trademark Prosecution Grab Bag

Fourth, early in Applicant's launch history, Ms. Larian was quoted stating that the proposed handbag design was a reproduction of a common Japanese bag design and similar statements were made by Applicant itself in its advertising/promotional materials and on its website:

- Archived excerpts from Applicant's own website dated September 23, 2015²⁹ and September 21, 2016,³⁰ each of which describes the Ark bag as “a reproduction of a classic Japanese picnic bag.”
- A photocopy of an actual informational card included with Applicant's goods states that “This CULT GAIA bamboo handbag is a reproduction of a classic Japanese picnic bag.”³¹ Similarly, a YouTube reviewer unboxing her Ark bag on a post dated December 31, 2016 reads her enclosed informational card to the viewer, which contains identical language.³²
- In a Who What Wear Australia post at whowhatwear.com.au, Applicant's founder stated that the design was “a reproduction of a Japanese bag that was popular in the ‘40s[]”.³³
- In an InStyle magazine article, Applicant's founder was quoted stating that her inspiration for the design “came from this vintage bamboo bag [she] found” and the article goes on to describe the founder's efforts to find “the right way to reproduce it.”³⁴



A Trademark Prosecution Grab Bag



Use Memoji on your iPhone or iPad Pro

You can create a Memoji to match your personality and mood, then send it in Messages and FaceTime. And with a compatible iPhone or iPad Pro, you can create an animated Memoji that uses your voice and mirrors your facial expressions.

*Social Technologies
LLC v. Apple Inc.*



The Extraterritorial Reach of US Trademark Law

Hetronic International, Inc. v. Hetronic Germany GmbH

Abitron Austria GmbH v. Hetronic International, Inc.

Question

Does the Lanham Act permit the owner of a U.S.-registered trademark to recover damages for the use of that trademark when the infringement occurred outside the United States and is not likely to cause confusion in the United States?



The Extraterritorial Reach of US Trademark Law

*Meenaxi
Enterprise, Inc.
v. Coca-Cola
Company*



Accounting of Profits in the Wake of *Romag Fasteners*

Romag Fasteners, Inc. v. Fossil, Inc

Question

Does Section 35 of the Lanham Act require a showing of willful infringement for a plaintiff to be awarded an infringer's profits for a violation of Section 43(a)?



Accounting of Profits in the Wake of *Romag Fasteners*

“When a violation of any right of the registrant of a mark registered in the Patent and Trademark Office, a violation under section 1125(a) or (d) of this title, or a willful violation under section 1125(c) of this title, shall have been established . . . , the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant’s profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action.”



International Trademark Issues



International Trademark Issues

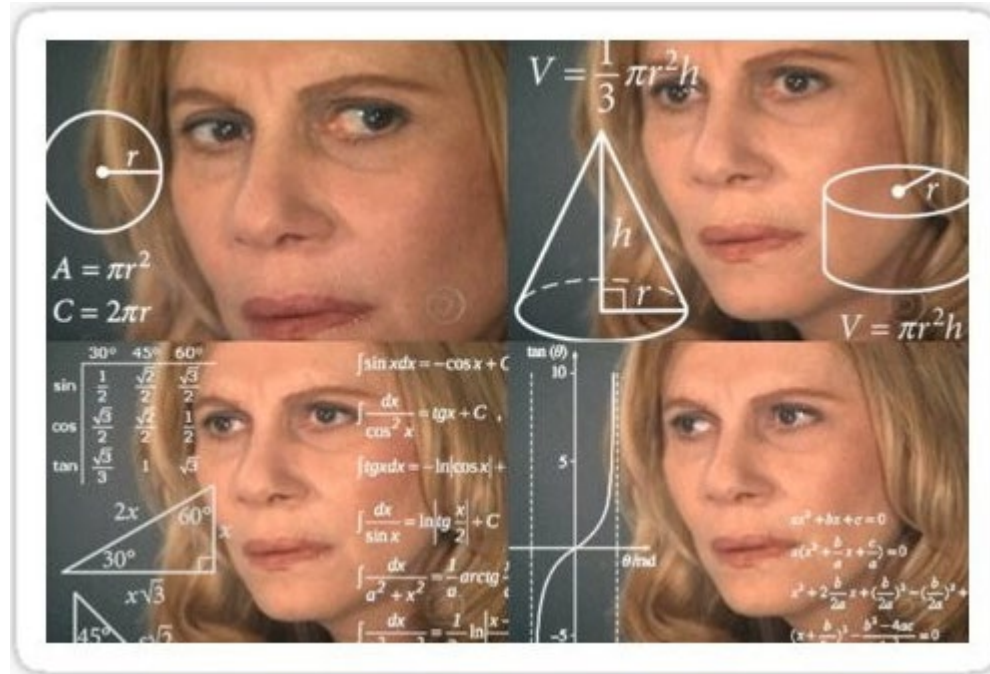
- 1. Pre-filing Considerations*
- 2. Filing Strategies*
- 3. Selected Trademark Law Updates*
- 4. Practical Tips*



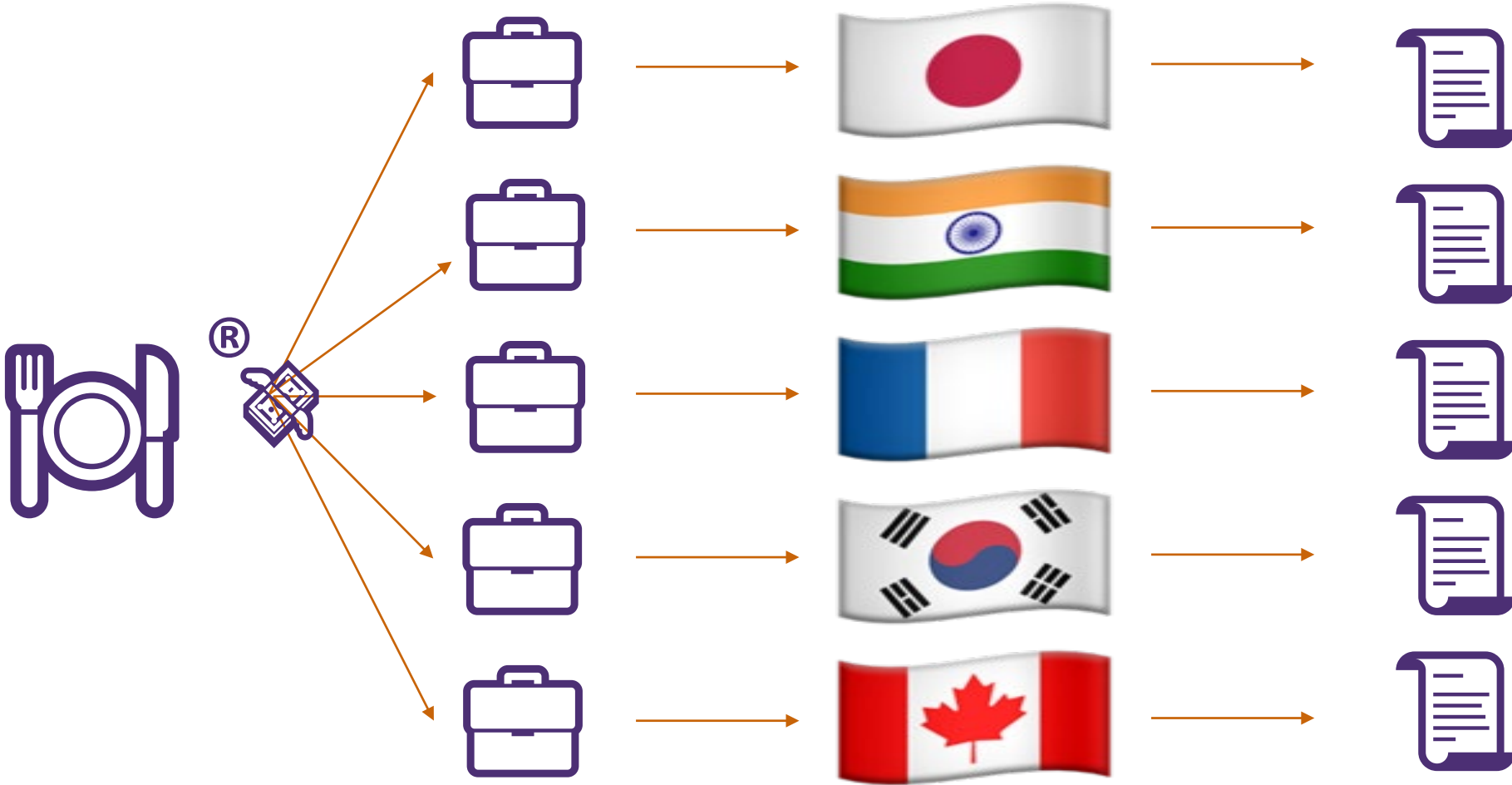
Pre-Filing Considerations



Pre-Filing Considerations



International Filing Strategy: Direct



International Filing Strategy: Madrid



Selected Updates in International Trademark Law



https://commons.wikimedia.org/wiki/File:Dolly_the_Sheep_National_Museum_of_Scotland.jpg



Practical Tips

- An ounce of prevention is worth a pound of cure – don't wait to update your chain of title!



Practical Tips

- Consider consolidation of national European registrations into an EUTM registration
- EUTM trademark clearance: with or without searches of national registries?



EU IPO
EUROPEAN UNION
INTELLECTUAL PROPERTY OFFICE



Practical Tips



Questions?

