

# PATTISHALL

*insights*

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## PREPARE NOW FOR RANDOM TRADEMARK REGISTRATION AUDITS

*By Janet A. Marvel*

The U.S. Patent and Trademark Office is commencing random audits of trademark registrations in which Declarations of Use have been filed to verify that the registered mark is in use on all the goods and services in the registration. All applicants and registrants, particularly those foreign companies who have filed under the Madrid Protocol or a corresponding home country registration, need to be prepared. If you do not properly respond to the audit request, you could lose your registration, in part or in whole.

Between the fifth and six year after a mark is registered, the registrant must file a Declaration of Use attesting, under oath, that the registered mark is in use in U.S. commerce on all the goods or services in the registration. The registrant must also submit a specimen label, product photo, or the like, showing use of the mark on one product or service in each class in the registration. The registrant must delete any goods and services for which the registered mark is no longer in use.

The USPTO piloted an audit of Declarations of Use a few years ago. It randomly selected 500 registrations for which registrants had submitted Declarations of Use and accompanying specimens of use. The Office requested in those cases that the registrants submit additional specimens for certain goods and services in the registrations. The Office found that in **over half of the cases selected** the registrants did not or could not show the additional proof of use. Based on this pilot program, the USPTO determined that audits would help maintain the accuracy and integrity of the federal trademark register by removing “deadwood” (*i.e.* abandoned) goods and services.

The pilot audit is now a permanent program. The USPTO will now randomly audit Declarations of Use for:

Single class registrations with four or more goods or services in the class, for example:

- umbrellas, duffels, wallets, backpacks, briefcases, suitcases, and handbags in Class 18

Multi-class registrations in which at least two classes have two or more goods or services, for example:

- notebooks, stickers, paper napkins, erasers and pens in Class 16
- umbrellas in Class 18
- mugs, cups, and bottle openers in Class 21
- t-shirts in Class 25

For each audited registration, the USPTO will issue an Office Action after examining the registrant's Declaration of Use. The Office Action will require the registrant to submit specimens of use for two additional products or services in each class, as appropriate.

“ CHECK FOR USE AND ASSEMBLE SPECIMENS SHOWING THE MARK AS USED ON EACH ITEM IN YOUR REGISTRATION BEFORE YOU FILE THE DECLARATION OF USE. ”

The registrant must then either submit additional specimens of use or delete any audited goods or services for which it is not using the registered mark in U.S. commerce. If the registrant deletes any goods or services, the USPTO will, as appropriate, issue another Office Action requiring specimens of use for everything else in the registration. The registrant has six months to respond to each Office Action. If they do not respond, their registration will be cancelled. If they respond, but do not provide proper specimens of use for some of the goods/services, those goods/services will be deleted from their registration.

Applicants and registrants should do two things to make sure they are ready for audits:

## 1. WHEN YOU FILE A DECLARATION OF USE, GATHER EVIDENCE OF USE FOR EVERY PRODUCT OR SERVICE IN YOUR APPLICATION.

You now need to be even more careful when filing a Declaration of Use. Check for use and assemble specimens showing the mark as used on each item in your registration before you file the Declaration of Use. And when you file, delete the goods for which you are not using the registered mark in the U.S. That way, you will be prepared to defend your registration if it is selected for a random audit.

## 2. MAKE SURE YOU HAVE A *BONA FIDE* INTENT TO USE YOUR MARK ON ALL OF THE GOODS OR SERVICES IN YOUR APPLICATION.

You must have a *bona fide* intention to use your mark in order to get a valid registration. That is true even if the U.S. application is based on a home country registration or the Madrid Protocol. You should keep documentary evidence of your plans and steps to use the mark for the specified products in the U.S., such as business plans, marketing plans, or correspondence with potential distributors or manufacturers.

Foreign companies' trademark applications are often drafted to cover long lists of goods and services, as this approach is dictated by local practice outside the U.S.. Sometimes, the applicant does not have a *bona fide* intent to use the mark on everything in the application, or at least a provable *bona fide* intent. For example, a recent application included wimples, mustache wax, agates, unwrought silver, albs, ascots, chasubles, animal harnesses, wet suits for waterskiing, and horse blinkers. Such unusual and diverse product lines invite questions regarding *bona fide* intent to use.

Madrid and treaty-based applications and resulting registrations, with long lists of goods, could be a driving factor for the audit program. However, even if you are a domestic applicant, you should take care to include only those goods you actually intend, as of the time of filing, in your application, and you should document your intent. ■

SECOND CIRCUIT VICTORY

- **Robert W. Sacoff, Robert M. Newbury and Seth I. Appel**  
In *Donnay USA v. Donnay Int'l, et al.*, a trademark license and unfair competition dispute, the plaintiff sued our clients in the Supreme Court of New York for \$190,000,000. We had removed and successfully moved to dismiss plaintiff's earlier case. We also removed the new case to federal court and it was dismissed on our motion by the U.S. District Court for the Eastern District of New York in September, 2016. The dismissal was affirmed by the Second Circuit Court of Appeals on August 24, 2017, six days after the oral argument by Bob Sacoff. Bob was later interviewed by Aspen Publishing about the case for *The Almanac of the Federal Judiciary*. Bob Newbury and Seth Appel also represented defendants in the litigation.

NOTEWORTHY

**The Best Lawyers in America®**

**David C. Hilliard and Robert M. Newbury** have been recognized in the fields of Litigation – Intellectual Property, and Trademark Law for 2018.

**Who's Who Legal: Trademarks 2017**

"**Robert Sacoff** boasts over three decades of experience in US courts and before the Trademark Trial and Appeal Board (TTAB). Peers speak highly of his work in this area and of his knowledge of international trademark law."

APPOINTMENTS

- **Seth I. Appel**  
Seth has been appointed to serve as National Chapter Coordinator of the Copyright Society of the USA.
- **Phillip Barendolts**  
 Phil has been re-appointed to the Continuing Legal Education Board of the ABA Intellectual Property Law Section.

- **Ashly Boesche**  
Ashly has been elected President of the Chicago-Kent Alumni Board.
- **Paul A. Borovay**  
 Paul has been appointed co-chair of the Midwest Chapter of the Copyright Society of the USA.

- **Bradley L. Cohn**  
 Bradley has been re-appointed to INTA's Government Officials Training Committee.

- **David C. Hilliard**  
David has been elected Chair of the Newberry Library, an independent research library in Chicago that has been specializing in the humanities and serving the public since 1887.

- **Jonathan S. Jennings**  
Jonathan has been re-elected to the Board of Directors for the Public Interest Law Initiative (PILI).

- **Belinda J. Scrimenti**  
Belinda has been appointed Chair of the Trademark Subcommittee of the DC Bar Intellectual Property Community.

PRESENTATIONS

- **Ashly Boesche**  
 Ashly will serve as facilitator for the Intellectual Property Awareness Summit on November 6, which is presented by the Center for Understanding Intellectual Property. Ashly will also speak at an Intellectual Property Law Association of Chicago Women in IP Committee Event on November 1.

- **Janet A. Marvel**  
Janet presented in a Strafford Live Webinar on "Functionality in Trademark Prosecution and Litigation" on October 10. On November 3, Janet will be a panelist on "Trademark, Copyright, First Amendment & Right of Publicity" at the 61st Annual John Marshall Law School Intellectual Property Law Conference.

PUBLICATIONS

- **Seth I. Appel**  
 Seth's article, "Copyrights in the Fashion Industry – Tips for Protecting Designs," appeared in the Fall 2017 issue of *The Lexis Practice Advisor Journal*.

- **Jonathan S. Jennings**  
 Jonathan authored an article discussing how to avoid selecting deceptive trademarks that was published in the September edition of the Pharmaceutical Trade Marks Group's publication *Law Lore & Practice*.



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