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PROVING YOUR *BONA FIDES*—ESTABLISHING BONA FIDE INTENT TO USE UNDER THE U.S. TRADEMARK (LANHAM) ACT

By *Sandra Edelman**

I. INTRODUCTION

The subject of fraud in the procurement of a U.S. trademark registration has attracted close attention in recent years from lawyers, their clients, and trademark publications. As a result of the decision of the U.S. Trademark Trial and Appeal Board in *Medinol Ltd v. Neuro Vasx, Inc.*,¹ many trademark registration applicants have become more careful in their scrutiny of their Statements of Use in order to verify that their marks are in fact in use on or in connection with each product or service identified in their intent-to-use applications. The conventional wisdom since *Medinol* has been to avoid “laundry list” intent-to-use applications that identify numerous—sometimes dozens—of goods and services, and thereby lay a potential trap for the applicants in later Statements of Use submissions if each item in the list is inadequately investigated.

Another reason to avoid such “laundry list” intent-to-use applications has received less attention: the need to demonstrate, if challenged, that an applicant had a “bona fide” intention to use the mark on each and every good or service identified in the application at the time the intent-to-use application was filed, in detailed compliance with Section 1(b) of the U.S. Trademark (Lanham) Act.²

This article will focus on the Lanham Act’s bona fide intent-to-use requirement, beginning in Part II with an overview of the legislative history of the bona fide intent-to-use standard from the

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1. 67 U.S.P.Q.2d 1205 (T.T.A.B. 2003). The fraud issue adjudicated in *Medinol* is now pending appeal in the Court of Appeals for the Federal Circuit in *Bose Corp. v. Hexawave, Inc.*, Case No. 2008-1448.

2. 15 U.S.C. § 1051(b).

1988 legislation that adopted it. In Part III, the article will examine the various procedural contexts in which the issue may arise. Part IV will address important evidentiary considerations when challenging an applicant's bona fide intent to use in opposition proceedings, either on a motion for summary judgment or at final hearing. In Part V, the article will discuss the extent to which the absence of documentary evidence will suffice to establish a lack of bona fide intent to use a mark. Part VI will identify various factors the U.S. Trademark Trial and Appeal Board has relied upon in finding the presence or absence of a bona fide intent to use. Finally, Part VII will address two scenarios implicating bona fide intent-to-use issues that have not received much attention: (a) applicants seeking to register numerous "legacy" brand names believed to be abandoned; and (b) applications to register trademarks in connection with multiple products in order to shield confidential marketing plans.

II. LEGISLATIVE HISTORY OF THE BONA FIDE INTENT-TO-USE STANDARD

The Trademark Law Revision Act of 1988³ effected a dramatic change in the Lanham Act by permitting the filing of trademark registration applications based on an intent to use a mark in commerce.⁴ By adding an intent-to-use filing basis to the longstanding use-in-commerce filing requirement, the U.S. Congress hoped to achieve many goals: it wished to bring the decades-old Lanham Act up to date with current U.S. business practices and commercial realities;⁵ to conform U.S. law with international trademark practice;⁶ to reduce economic uncertainty for businesses;⁷ to eliminate the Lanham Act's disparate treatment of foreign applicants, who were permitted to secure U.S. registrations without proving any use in commerce;⁸ and to eliminate the "token use" artifice that U.S. case law had developed in order to lessen the burden of commencing use of a mark in commerce prior to securing a right to its registration.⁹

3. Pub. L. No. 100-667, 102 Stat. 3935 (Nov. 16, 1988).

4. 15 U.S.C. § 1051.

5. S. Rep. No. 100-515, at 5-6 (1988).

6. *Id.* at 5.

7. *Id.* at 5-6.

8. *Id.* at 5.

9. H.R. Rep. No. 100-1028, at 8-9 (1988) ("By permitting applicants to seek protection of their marks through an 'intent to use' system, there should be no need for 'token use' of a mark simply to provide a basis for an application. The use of the term 'bona fide' is meant to

Recognizing that an intent-to-use filing basis could be abused by applicants seeking to “monopolize a vast number of potential marks on the basis of a mere statement of intent to use the mark in the future,”¹⁰ Congress also required that the intent to use upon filing must be “bona fide.”¹¹ In addition, after an intent-to-use applicant received a Notice of Allowance from the U.S. Patent and Trademark Office, the applicant would have to continue re-verifying its bona fide intent to use its mark every six months for up to 36 from the Notice of Allowance issue date until the mark was put into actual use in commerce.¹²

What did Congress mean by the phrase “bona fide” intent to use? The legislation does not include a statutory definition of “bona fide,” or place a limit on the number of applications an intent-to-use applicant could file contemporaneously, because it wanted to preserve the “flexibility which is vital to the proper operation of the trademark registration system.”¹³ In addition, Congress concluded that a numerical limit would be difficult to enforce, monitor and apply fairly to a wide range of business circumstances.¹⁴ However, the statutory language and legislative history provide significant guidance as to what circumstances constitute a “bona fide” intent to use. Section 1(b) of the Lanham Act introduces a “good faith” standard by specifying that an application may be filed based on a bona fide intention to use a mark in commerce “under circumstances showing the good faith of such person.”¹⁵ Various pronouncements in the legislative history amplify this statutory language. According to Congress, the intent to use must be “in the ordinary course of trade” and not merely to reserve a right in a mark, and the bona fide intent to use must be present for all goods or services recited in the application.¹⁶ The U.S. Senate Judiciary Committee stated that bona fide means “an intention that is firm, though it may be contingent on the outcome

eliminate such ‘token use’ and to require, based on an objective view of the circumstances, a good faith intention to eventually use the mark in a real and legitimate commercial sense.”).

10. S. Rep. No. 100-515, at 6 (1988) (Congress also stated that it wanted to avoid the trafficking in trademarks).

11. *Id.*

12. 15 U.S.C. § 1051(d)(1)-(2).

13. S. Rep. No. 100-515, at 24 (1988).

14. *Id.* at 25.

15. 15 U.S.C. § 1051(b)(1). Section 45 of the Lanham Act, 15 U.S.C. § 1127, also defines “use in commerce” as the “bona fide use of a mark in the ordinary course of trade.” While this section further elaborates on when a mark shall be deemed in use in commerce, it does not define the term “bona fide.”

16. S. Rep. No. 100-515, at 25 (1988).

of an event (that is, market research or product testing).”¹⁷ Further, according to the Senate Report, “The goods must be identified with sufficient specificity to confirm the bona fide nature of the applicant’s intent and to permit those searching the trademark records of the U.S. Patent and Trademark Office to determine the existence of the conflict.”¹⁸

The Senate Report made it clear that the bona fide intent to use of the applicant is to be measured by “objective,” rather than subjective factors.¹⁹ Objective factors include “real life facts measured by the actions of the applicant, not by the applicant’s later arguments about [its] subjective state of mind.”²⁰ As Professor McCarthy explains, the intent has to be more than a hope or a wish.²¹ Furthermore, while the intent can be contingent, the contingency must be an external one, such as the result of a test market, and not uncertainty caused by unresolved internal decision making.²²

The legislative history does more than amplify the meaning of “bona fide” and what type of evidence would establish bona fide intent to use. The Senate Report helpfully provides many specific examples of circumstances that “may cast doubt on the bona fide nature of the intent or even disprove it entirely,”²³ such as filing:

- numerous intent-to-use applications to register the same mark for many more new products than are contemplated;
- numerous intent-to-use applications for a variety of trademarks intended for a single new product;
- numerous intent-to-use applications incorporating descriptive terms relating to a new contemplated product;
- numerous intent-to-use applications to replace prior intent-to-use applications that have lapsed;

17. *Id.* at 24.

18. *Id.* at 23.

19. *Id.*

20. *Intel Corp. v. Emeny*, No. 91123312, 2007 WL 1520948, at n. 7 (T.T.A.B. May 15, 2007); *see also Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994) (“[A]pplicant’s mere statement of subjective intention, without more, would be insufficient to establish applicant’s bona fide intention to use the mark in commerce.”).

21. J. Thomas McCarthy, 1 McCarthy on Trademarks and Unfair Competition § 19:14, at 19-40 (4th ed. 2007) (“Congress did not intend the issue to be resolved simply by an officer of the applicant later testifying, ‘yes, indeed, at the time we filed that application, I did truly intend to use the mark at some time in the future.’”).

22. *Id.*; *see also Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1505 (T.T.A.B. 1993) (quoting language from the legislative history that a bona fide intent “means an intention that is firm, even though it may be contingent upon the outcome of a future event such as market research or product testing.”).

23. S. Rep. No. 100-515, at 23 (1988).

- an excessive number of intent-to-use applications to register marks that were not ultimately used;
- applications unreasonably lacking in specificity in describing the goods.

Other examples include:

- an excessive number of intent-to-use applications in relation to the number of products the applicant is likely to introduce;
- maintaining additional applications where another mark has already been selected for the intended product without good cause;
- the absence of concrete steps to commence use of the mark in commerce since the filing of a previous statement of continuing intent to use.²⁴

The House Report emphasized that the business or industry context of an intent-to-use applicant should be taken into account in evaluating whether the intent to use is bona fide: “obviously what is real and legitimate will vary depending on the practices of the industry involved, and should be determined based on the standards of that particular industry.”²⁵ Elaborating further on the importance of considering industry context, the House Report offered an example of legitimate circumstances that might prevent a company from putting a mark into use, such as a pharmaceutical company that is unable to use a mark because of delays in the federal regulatory approval procedure.²⁶

III. PROCEDURAL CONTEXTS IN WHICH INTENT-TO-USE ISSUES ARISE

A. *Ex Parte Examination Process*

The issue of an applicant’s bona fide intent to use a mark may arise in a number of procedural contexts, beginning with the filing of an application for registration. In accordance with Section 1(b) of the Lanham Act, the application must include a verified statement of the applicant’s bona fide intention to use the mark in commerce.²⁷ This verified statement must also be included in

24. *Id.* at 23-24.

25. H.R. Rep. No. 100-1028, at 9 (1988).

26. H.R. Rep. No. 100-1028, at 10 (1988). This observation was made in reference to a House version of the bill, different from what was ultimately enacted, in which the applicant had to demonstrate exceptional circumstances for seeking additional time to submit proof of actual use in commerce.

27. Trademark Manual of Examining Procedure (TMEP) § 1101 (5th ed. 2007).

applications filed under Sections 44 and 66(a) of the Lanham Act.²⁸ If the verified statement is omitted from the initial application filing, it can be submitted later in response to an Office Action, provided that the statement alleges that the applicant had a bona fide intention to use the mark in commerce since the filing date of the application.²⁹

According to the U.S. Trademark Manual of Examining Procedure, the U.S. Patent and Trademark Office (USPTO) will not generally evaluate the good faith of an applicant during the *ex parte* examination process.³⁰ The USPTO relies on the applicant's sworn statement as sufficient evidence of good faith in the *ex parte* process, although it reserves the right to make an inquiry on the issue if "evidence of record clearly indicates that the applicant does not have a bona fide intention to use the mark in commerce."³¹

Further along in the *ex parte* examination process, when submitting an extension of time to file a Statement of Use, the applicant must also file a verified statement of the applicant's continued bona fide intention to use the mark in commerce.³² Section 2.89(d) of the U.S. Trademark Rules of Practice sets forth the requirement of showing "good cause" for extensions of time to file a Statement of Use that must be submitted after the first six-month extension has been obtained.³³ The good cause showing must recite the applicant's efforts to put the mark into use "in connection with each product or service" and may include "product or service research, market research, manufacturing activities, promotional activities, steps to acquire distributors, steps to obtain government approval or other similar activities."³⁴ Alternatively, the applicant "must submit a satisfactory explanation for the failure to make efforts to use the mark in commerce."³⁵ The language of Section 2.89(d) would suggest that an applicant should provide a detailed explanation and substantiation for its continued bona fide intent to use. In actual practice, however, very terse explanations are commonly accepted by the USPTO, and are

28. 15 U.S.C. §§ 1126(d)(2), 1141(a) (2007); TMEP §§ 1008, 1904.01(c); Lane Ltd. v. Jackson Int'l Trading Co., 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994); see also Honda Motor Co. v. Friedrich Winkelmann, Opp. No. 91170552 (T.T.A.B. Apr. 8, 2009) (confirming applicability of bona fide intent to use requirement to applicants for registration under Section 44(e) of the Lanham Act based on a prior registration in a foreign jurisdiction).

29. TMEP § 1101.

30. *Id.*

31. *Id.*

32. *Id.*

33. 37 C.F.R. § 2.89; TMEP 1108.02(f).

34. *Id.*

35. *Id.*

indeed facilitated by the online TEAS (Trademark Electronic Application System) form for filing these extensions of time.³⁶ Indeed, the form has “check boxes” with pre-printed brief explanations derived from Section 2.89(d), such as “market research” or “promotional activities.”³⁷

B. Opposition Proceedings and Motions to Amend

An attack on an applicant’s bona fide intention to use a mark in commerce can be raised as a ground for an opposition to registration in *inter partes* proceedings before the U.S. Trademark Trial and Appeal Board.³⁸ If a lack of bona fide intent to use is found, the application will be deemed invalid.³⁹ Frequently, however, an opposer will not have a sufficient factual basis for asserting such a ground until discovery is obtained that reveals the apparent lack of a bona fide intent to use. Accordingly, the issue frequently arises in the context of a motion to amend a Notice of Opposition in order to add the ground of lack of bona fide intent to use.

The need to amend a Notice of Opposition to include the ground of lack of bona fide intent to use has led to many disputes over whether the movant has met the requirements of Rule 15 of the Federal Rules of Civil Procedure, which is applicable to *inter partes* proceedings before the U.S. Trademark Trial and Appeal Board.⁴⁰ Rule 15 provides two bases relied on by parties seeking to amend their Notices of Opposition. First, Rule 15(a)(2) provides that after the period of time in which an amendment can be made as a matter of course, without consent, under Rule 15(a)(1), “a party may amend its pleading only with the opposing party’s consent or the court’s leave. The court should freely give leave when justice so requires.”⁴¹ Second, Rule 15(b)(2) provides, “When an issue not raised by the pleadings is tried by the parties’ express

36. SOU Extension Request Form-Version 4.4:01/10/2009.

37. *Id.* TMEP § 1108.02(f) indicates that a “mere assertion” of ongoing efforts is not enough; the efforts must be specified.” However, the section continues: “the office will not require a detailed explanation or evidence in a showing of good cause.” *Id.* Thus, it appears that the applicant’s showing must be specific, but not detailed or substantial by evidence.

38. *See Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q.2d 1351, 1352 (T.T.A.B. 1994); *Speedway Superamerica LLC v. Renegade Tobacco Inc.*, No. 91124822, 2004 WL 2075108, at *1 (T.T.A.B. Sept. 2, 2004); *Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1505, at *2 (T.T.A.B. 1993).

39. *See Intel Corp. v. Emeny*, 2007 WL 1520948, at *4 (T.T.A.B. May 15, 2007); *see also Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1193 (D. Nev. 2003).

40. *See, e.g., Commodore Elec. Ltd.*, 26 U.S.P.Q.2d at 1504.

41. Fed. R. Civ. P. 15(a)(2).

or implied consent” a party may move to amend the pleadings “to conform them to the evidence and to raise an unpleaded issue.”⁴²

Under either Rule 15 basis for an amendment, contested motions to amend are not unusual. Under Rule 15(a)(2), adversaries frequently withhold consent to amend, asserting the insufficiency of the claim, delay and/or prejudice. Thus, the party seeking to add the ground of lack of bona fide intent to use often has to file a motion for leave to amend. Contested motions are also not unusual under Rule 15(b)(2), because the parties often disagree whether an unpled issue was in fact tried by express or implied consent.

The U.S. Trademark Trial and Appeal Board’s decision in *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha* focused on the Rule 15(a)(2) basis for amending a Notice of Opposition to add a ground based on lack of bona fide intent to use.⁴³ The opposer in this case learned through discovery that the applicant did not have a single document to substantiate a bona fide intention to use the applicant’s mark at issue on many of the goods identified in the application.⁴⁴ In response to the opposer’s motion pursuant to Rule 15(a)(2), the applicant argued that it would be prejudiced because the opposer had not sought to amend within a reasonable time after learning the facts giving rise to the claim.⁴⁵ Specifically, the applicant contended that it had answered discovery requests in July 1992 that would have provided relevant knowledge on the bona fide intent-to-use issue, but the opposer did not file its motion until three and a half months later.⁴⁶ The applicant further challenged the sufficiency of the factual allegations based solely on a lack of documents establishing a bona fide intent to use.⁴⁷

The Board granted the motion to amend, noting that consistent with the language of Rule 15(a)(2), “amendments to pleadings should be allowed with great liberality at any stage of the proceeding where necessary to bring about a furtherance of justice unless it is shown that entry of the amendment would violate settled law or be prejudicial to the rights of any opposing parties.”⁴⁸ The Board found that in light of the prior pendency of the opposer’s motion for summary judgment on its originally-pleaded claim, the later filing of the motion to amend could not be

42. Fed. R. Civ. P. 15(b)(2).

43. 26 U.S.P.Q.2d at 1504.

44. *Id.*

45. *Id.*

46. *Id.*

47. *Id.*

48. *Id.* at 1505.

considered dilatory.⁴⁹ In addition, the Board held that because, in certain circumstances, the absence of documents to support a bona fide intent to use could be sufficient to prove the lack of such bona fide intent, “[a]n allegation to such effect, therefore, states a claim upon which relief can be granted.”⁵⁰

In *Wet Seal, Inc. v. FD Management, Inc.*,⁵¹ the U.S. Trademark Trial and Appeal Board ruled on a motion pursuant to Rule 15(b)(2) to amend a Notice of Opposition to conform the pleading to the evidence. The opposer raised the issue in a brief on final hearing. The Board held that the issue of bona fide intention to use was tried by the parties “with the applicant’s implied consent,” and thus deemed the pleadings amended to conform to the evidence.⁵² According to the Board, the applicant did not object to the opposer’s cross-examination on the subject during a discovery deposition, raised no objection to evidence concerning the issue in its responsive brief on final hearing, and in fact addressed the issue on the merits in its own brief.⁵³

Interestingly, in *Imedica Corp. v. Medica Health Plans*,⁵⁴ the U.S. Trademark Trial and Appeal Board granted a motion to amend under Rule 15(b)(2) even though it had previously denied a motion to amend under Rule 15(a).⁵⁵ In August of 2005, the Board had denied the opposer’s contested motion to amend under Rule 15(a), but deferred consideration of the motion to the extent that it sought relief under Rule 15(b).⁵⁶ Three months later, in November 2005, at a testimonial deposition, the applicant’s counsel questioned its own witness about the applicant’s bona fide intent to use the mark at issue, and based on this line of questioning, which occurred after the Board’s prior order deferring consideration of a Rule 15(b) motion, the Board found that the issue had been tried by the implied consent of the parties.⁵⁷

49. *Id.*

50. *Id.* at 1507.

51. 82 U.S.P.Q.2d 1629 (T.T.A.B. 2007).

52. *Id.* at 1632.

53. *Id.*; see also *Blair Corp. v. Fassinger*, Opp. No. 91166414 (T.T.A.B. Oct. 17, 2008) (Notice of Opposition deemed amended under Rule 15(b) to add claim of lack of bona fide intent to use where the issue was raised by opposer in deposition questions, to which applicant did not object, and applicant addressed the issue in her brief on final hearing).

54. No. 92043288, 2007 WL 1697344 (T.T.A.B. June 7, 2007).

55. *Id.* at *3.

56. *Id.*; see *Imedica Corp. v. Medica Health Plans*, No. 92043288 (T.T.A.B. Order filed Aug. 10, 2005).

57. *Id.*

C. The Standing Issue

The issue of bona fide intent to use in *inter partes* proceedings arose in an interesting context in *British-American Tobacco Co. v. Philip Morris USA, Inc.*,⁵⁸ a cancellation proceeding before the U.S. Trademark Trial and Appeal Board. In that case, the petitioner was the owner of two applications that had been refused registration on the basis of the registrations now sought to be cancelled.⁵⁹ The registrant challenged the petitioner's standing to bring the proceeding based on a lack of bona fide intent to use the mark of the applications pleaded by the petitioner as the basis for the claims for cancellation.⁶⁰ The Board held that standing is a threshold inquiry that must be determined before considering the substantive grounds for cancellation, and if the petitioner lacked a bona fide intent to use the mark that was the subject of the refused applications, it would lack standing to bring the case for cancellation.⁶¹

D. The Bona Fide Intent-to-Use Issue in Federal Court Litigation

While the issue of bona fide intent to use does not arise very often in trademark infringement cases in the U.S. federal courts, the issue did occupy center stage in *Caesars World, Inc. v. Milanian*,⁶² which involved a dispute between the well-known operators of the Caesars Palace casino in Las Vegas and the individual defendant Milanian over rights to the mark COLOSSEUM for entertainment services. On April 10, 2001, the plaintiffs publicly announced plans to build a new theater at Caesars Palace to be called THE COLOSSEUM.⁶³ Less than two weeks later, Milanian filed an intent-to-use application to register the mark THE COLOSSEUM for "business management of resort hotel, casinos, and theme parks for others and product merchandising services."⁶⁴ For multiple reasons, the trial court held that Milanian's application was not filed based on a bona fide intent to use the mark, and thus was void *ab initio*, conferring absolutely no priority of rights over the plaintiffs.⁶⁵

58. No. 92026549, 2004 WL 1942063 (T.T.A.B. Aug. 4, 2004).

59. *Id.* at *1.

60. *Id.* at *6.

61. *Id.* at *7.

62. 247 F. Supp. 2d 1171 (D. Nev. 2003).

63. *Id.* at 1180.

64. *Id.* at 1184.

65. *Id.* at 1193.

In particular, the trial court found no evidence that Milanian had any meaningful experience in the casino or resort hotel business, and yet he had filed many different intent-to-use registration applications for trademarks embodying a particular theme he anticipated would be chosen for a casino or resort hotel, all with the intention of assigning these marks to other companies. In addition, the trial court found that the descriptions of services in some of these intent-to-use applications were deliberately misrepresented as business management or consulting services, because Milanian knew he would never be able to show proof of use of the marks on an actual hotel or casino.⁶⁶ The court therefore concluded that Milanian was “trafficking in trademarks, i.e., reserving what he perceived to be desirable names with the intent to sell or license them to others,” which was nothing more than a pretext to reserve rights in a series of names.⁶⁷

IV. EVIDENTIARY ISSUES

A. Burden of Proof

The burden of proof to prevail on a claim of lack of bona fide intent to use in an opposition proceeding is fairly straightforward. As the U.S. Trademark Trial and Appeal Board stated in *Intel Corp. v. Emeny*,⁶⁸ “[O]pposer has the burden of proof of establishing, by a preponderance of the evidence [the] claim of a lack by applicant of the requisite bona fide intention to use its mark on or in connection with the services recited in the involved application.”⁶⁹ The Board further elaborated on how the evidence would be weighed and the extent to which the burden would be shifted to the applicant:

We look at the evidence relied upon by the opposer and then determine whether or not opposer has made a persuasive argument on behalf of its position herein. If we determine that opposer has established a *prima facie* case that applicant’s application is invalid for lack of the requisite bona fide intention to use its mark, the burden then shifts to applicant to come forward with evidence to refute such a case. While the burden to produce evidence shifts, the burden of persuasion by

66. *Id.* at 1181-84.

67. *Id.* at 1192.

68. No. 91123312, 2007 WL 1520948 (T.T.A.B. May 15, 2007).

69. *Id.* at *4.

a preponderance of the evidence remains with the party asserting a lack of a bona fide intention to use.⁷⁰

The burden of proof is not easy to satisfy, particularly where an opposer makes its argument based on the absence of evidence or relies on deposition testimony that is not necessarily crystal clear. For example, in *Collagenex Pharmaceuticals, Inc. v. Four Star Partners*,⁷¹ the applicant had identified over 730 goods in its application.⁷² As the U.S. Trademark Trial and Appeal Board observed, “Basically, it appears that Applicant merely listed each and every good contained in International Classes 3 and 5.”⁷³ The opposer did not adduce any evidence showing the applicant’s lack of bona fide intention to use, relying instead on legislative history about the bona fide intent-to-use requirement, the fact of the large listing of goods and the applicant’s failure to provide objective evidence of intent to use with respect to each and every good.⁷⁴ The Board denied relief on the claim (while sustaining the opposition on likelihood of confusion grounds) because “opposer has offered absolutely no evidence to prove either wrongful intent by applicant in filing the application or an absence of any evidence in applicant’s possession regarding its intent; nor has it presented a persuasive argument with respect thereto.”⁷⁵ Having presented “only argument” not evidence, the Board concluded that the opposer had not met its burden of proof.⁷⁶

Incomplete or ambiguous deposition testimony caused a claim for lack of bona fide intent to use to fail in two U.S. Trademark Trial and Appeal Board decisions. In the first, *Wet Seal, Inc. v. FD Management, Inc.*, the opposer relied on the deposition testimony of a marketing executive about the applicant’s plans to use the mark at issue on a variety of different fragrance, hair care, skin care and cosmetic products in Class 3.⁷⁷ The deponent gave vague answers about certain product plans, but never conceded that the applicant did not intend to sell specific products listed in the application.⁷⁸

70. *Id.*

71. No. 91150890, 2003 WL 22273118 (T.T.A.B. Sept. 24, 2003).

72. *Id.* at *6.

73. *Id.*

74. *Id.*

75. *Id.*

76. *Id.* at *7; see also *Honda Motor Co. v. Friedrich Winkelmann*, Opp. No. 91170552 (T.T.A.B. Apr. 8, 2009) (granting Opposer’s motion for summary judgment on the issue of lack of bona fide intent to use, the Board observed that “Applicant’s declarations of outside counsel merely state opinions and do not provide specific facts in support of his position.”)

77. 82 U.S.P.Q.2d 1629, 1642 (T.T.A.B. 2007).

78. *Id.* at 1643.

Denying the opposer's claim, the Board held that the opposer had never established that the deponent was the "sole person in the company responsible for making the decisions regarding the marketing plans for those products or the only person to have knowledge about those plans."⁷⁹ In addition, the Board focused on the opposer's failure to ask adequate follow-up questions at the deposition that would clarify whether the applicant in fact had no plans to market a product or simply had not taken actual steps to introduce the products at the time of the deposition.⁸⁰ The Board also pointed to evidence that the applicant had the capacity to market some of the challenged products, because it had produced them in the past under different marks.⁸¹ As the Board observed, these factors would tend to "affirmatively rebut any claim by opposer regarding applicant's intent."⁸² Accordingly, the Board concluded that "the evidence falls far short of demonstrating by a preponderance of the evidence that applicant lacked a bona fide intention to use the mark in connection with any of the identified products."⁸³

Similarly, in the second decision, *Imedica Corp. v. Medica Health Plans*, the Board found that deposition testimony did not clearly establish a lack of bona fide intent to use.⁸⁴ The fact that the applicant did not have "current plans to use the mark" did not mean that the applicant had "no plans to use the mark."⁸⁵ Moreover, the applicant's explanation that it had placed its plans on hold until the trademark conflict was resolved provided a reasonable explanation as to why use of the mark had not commenced.⁸⁶ Again, the Board held that the opposer's proof had not met the preponderance of the evidence standard.⁸⁷

A motion for summary judgment on the issue of lack of bona fide intent to use can make it even more difficult to satisfy the burden of proof obligation due to the procedural requirements of Rule 56 of the Federal Rules of Civil Procedure. As the U.S. Trademark Trial and Appeal Board held in *Burroughs Wellcome*

79. *Id.*

80. *Id.* ("For example, it is unclear what Mr. Rolleston meant by his statement that applicant planned to 'make new product types,' or by his statement that he had not decided 'to do a shampoo or not to do a shampoo.'")

81. *Id.* ("On the other hand, it is clear from Mr. Rolleston's testimony that applicant had the capacity to market and/or manufacture shampoos.")

82. *Id.*

83. *Id.*

84. No. 92043288, 2007 WL 1697344, at *16 (T.T.A.B. June 7, 2007).

85. *Id.* (emphasis added).

86. *Id.*

87. *Id.*

Co. v. Nutrience, Inc.,⁸⁸ summary judgment on the issue of whether the applicant had and continues to have a bona fide intention to use its mark is not warranted where material facts are genuinely in dispute, noting that “as a general rule, the factual question of intent is particularly unsuited to disposition on summary judgment.”⁸⁹ Moreover, even if the opposer comes forward with evidence establishing a *prima facie* case for its claim, the applicant can try to rebut the opposer’s *prima facie* case by offering additional evidence bearing upon its intent to use, and all inferences favorable to the applicant will be drawn in applicant’s favor.⁹⁰ In the *Burroughs Wellcome* case, there was deposition testimony that the applicant “presently had no documents” to prove intent to use, but the Board found that it could draw an inference favorable to the applicant on the ground that the applicant did not say it never had any documents.⁹¹

B. Timing Issues: Evidence of Bona Fide Intent to Use After the Application Filing Date

The U.S. Trademark Trial and Appeal Board’s decision in *Lane Ltd. v. Jackson International Trading Co.* addressed the interesting question of whether the evidence supporting an applicant’s bona fide intent to use must precede the application filing date.⁹² The applicant in *Lane* had filed an application on January 23, 1992, to register a ship design mark based on a bona fide intent to use the mark in connection with tobacco and related products.⁹³ The opposer asserted several grounds of opposition,

88. No. 92334, 1996 T.T.A.B. LEXIS 499 (T.T.A.B. Apr. 11, 1996).

89. *Id.* at 7; see also *Vignette Corp. v. Marino*, No. 91158854, 2005 WL 1801611 (T.T.A.B. July 26, 2005) (genuine issue of fact precludes summary judgment where applicant’s declaration recited activities undertaken to commercialize the use of its mark); *Pfizer Inc. v. Hamerschlag*, No. 118181, 2001 WL 1182865 (T.T.A.B. Sept. 27, 2001) (issue of fact regarding applicant’s bona fide intent to use in light of deposition testimony and affidavit that set forth a “modest and informal business plan” for use of applicant’s mark); *Pixel Instruments Corp. v. Sweven Corp.*, No. 97136, 1999 T.T.A.B. LEXIS 715 (T.T.A.B. Dec. 30, 1999) (factual issue of intent is “particularly unsuited” to disposition on summary judgment).

90. See, e.g., *Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993).

91. *Burroughs Wellcome Co.*, 1996 T.T.A.B. LEXIS 499, at *6; see also *Commodore Elec.*, 26 U.S.P.Q.2d at 1507 (“The evidence submitted by applicant . . . is inferentially some evidence that applicant . . . had the capacity . . . to produce or otherwise market the numerous goods in International Class 9.”); but see *Lane Ltd. v. Jackson Int’l Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994) (finding that no genuine issue of material fact existed and summary judgment was merited).

92. *Lane*, 33 U.S.P.Q.2d at 1351, 1355.

93. *Id.* at 1351-52 (applicant also included a § 44 filing basis).

including a lack of bona fide intent to use, and moved for summary judgment on this ground.⁹⁴ In response to the motion, the applicant relied in part on correspondence dated between October and December 1992, in which it had offered to license the mark to various companies in the United States.⁹⁵

The opposer argued that evidence of licensing solicitations occurring many months after the application filing date should be disregarded, because it did not demonstrate a bona fide intent to use as of the time the application was filed.⁹⁶ The Board disagreed, holding that the licensing correspondence was “sufficiently contemporaneous to the application filing date” to corroborate the applicant’s declared bona fide intent to use.⁹⁷ As the Board explained, neither the statute nor Board precedent “expressly imposes any specific requirement as to the contemporaneousness of an applicant’s documentary evidence corroborating its claim of bona fide intention. Rather, the focus is on the entirety of the circumstances, as revealed by the evidence of record.”⁹⁸ Similarly, in *Pixel Instruments Corp. v. Sweven Corp.*,⁹⁹ in denying the opposer’s motion for summary judgment, the Board held that evidence of the applicant’s creation of an advertising brochure and graphic design efforts two months after its filing date was sufficiently contemporaneous to the filing date to corroborate the applicant’s stated bona fide intent to use.¹⁰⁰

On the other hand, in *Boston Red Sox Baseball Club v. Sherman*,¹⁰¹ the applicant attempted to rely on Internet searches and investigations that were conducted two years after the filing date of his application, and after the Notice of Opposition was amended to assert a claim of lack of a bona fide intent to use.¹⁰² The Board held that this constituted insufficient evidence of intent

94. *Id.* at 1352.

95. *Id.* at 1353.

96. *Id.* at 1354 (“Opposer contends that this nine-month lapse of time between filing of the application and the undertaking of the correspondence negates any evidentiary value.”)

97. *Id.* at 1355.

98. *Id.* (relying instead on evidence pertaining to the “formulation and implementation of its business plan and licensing program”).

99. No. 97136, 1999 T.T.A.B. LEXIS 715 (T.T.A.B. Dec. 30, 1999).

100. *Id.* at 6 (granting summary judgment in favor of applicant); *see also* *Nautica Apparel, Inc. v. Crain*, No. 113893, 2001 WL 1182881, at *2 (T.T.A.B. Sept. 21, 2001) (focusing on the time period after the application was filed and before the suit was filed); *see generally* *Speedway Superamerica LLC v. Renegade Tobacco Inc.*, No. 91124822, 2004 WL 2075108, at *7 (T.T.A.B. Sept. 2, 2004) (focusing on evidence from immediately before and after the filing date).

101. 88 U.S.P.Q.2d 1581 (T.T.A.B. 2008).

102. *Id.* at 1587.

to use, as it was “not even remotely contemporaneous with the filing of the application.”¹⁰³

V. ABSENCE OF DOCUMENTARY EVIDENCE TO PROVE BONA FIDE INTENT TO USE

In *Commodore Electronics Ltd. v. CBM Kabushiki Kaisha*, one of the early reported decisions on the issue of lack of bona fide intent to use, the U.S. Trademark Trial and Appeal Board addressed the question of “whether the absence of any documents evidencing the applicant’s claimed intention to use its mark may be sufficient to constitute objective proof of a lack of a bona fide intention to use.”¹⁰⁴ The answer? It might.

The opposer in *Commodore* moved to amend its Notice of Opposition, and then sought summary judgment on the ground of lack of a bona fide intent to use based on the argument that the applicant did not produce a single document in discovery to establish a bona fide intention with respect to any of the goods in its application.¹⁰⁵ The applicant countered that the lack of documents is not “tantamount to failure to have a bona fide intention to use” and that its “capability” of producing the goods listed in the application as well as its conduct in defending the opposition proceeding demonstrated its bona fide intention to use the mark.¹⁰⁶

The Board conceded that it was a “close question,” and then held,

[A]bsent other facts which adequately explain or outweigh the failure of an applicant to have any documents supportive of or bearing upon its claimed intent to use its mark in commerce, the absence of any documentary evidence on the part of the applicant regarding such intent is sufficient to prove that the applicant lacks a bona fide intention to use its mark in commerce as required by Section 1(b).¹⁰⁷

Since the *Commodore* decision, opposers have zeroed in on the failure of applicants to produce documents in response to discovery requests as demonstrating a lack of bona fide intent to use. However, the U.S. Trademark Trial and Appeal Board definitely left the door open for the applicant to present “other facts” that

103. *Id.*

104. 26 U.S.P.Q.2d 1503, 1506 (T.T.A.B. 1993).

105. *Id.* at 1504.

106. *Id.* at 1504-05.

107. *Id.* at 1507.

“adequately explain or outweigh” the failure to have documentary support, and particularly when the issue is raised by an opposer in a summary judgment motion, it is not that difficult for an applicant to overcome the lack of documentary support.

For example, in *Discovery Communications, Inc. v. Cooper*,¹⁰⁸ the opposer moved for summary judgment on the issue of the applicant’s lack of bona fide intent to use its mark in commerce, stating that “in response to opposer’s discovery requests, applicant provided not a scintilla of evidence of intended use, produced not a single document, identified not a single event, and made not a single statement of any step taken with a view to establishing use.”¹⁰⁹ The Board denied the motion, holding that the applicant’s affidavit in opposition to the motion raised a genuine issue of material fact because it described an informal market analysis undertaken by the applicant and the steps taken by the applicant’s trademark counsel to clear the mark and defend the opposition.¹¹⁰

Similarly, in *Pfizer v. Hamerslag*,¹¹¹ deposition testimony and an affidavit reciting a “modest and informal business plan” for intended use of the applicant’s mark was sufficient to raise a genuine issue of material fact in the context of the opposer’s motion for summary judgment, notwithstanding the absence of any documentary evidence of the applicant’s business plans.¹¹²

Even outside of the summary judgment context, on final hearing, the absence of documentary evidence will not necessarily result in a successful ground of opposition based on lack of bona fide intent to use. In *Imedica Corp. v. Medica Health Plans*, the Board denied relief on the ground of lack of a bona fide intent to use, notwithstanding the absence of any documents produced by the applicant on the issue.¹¹³ According to the Board, it was “reasonable” for the applicant not to have any documents due to the uncertainty of its business plans in light of the opposition proceeding.¹¹⁴

108. No. 109154, 2000 T.T.A.B. LEXIS 185 (T.T.A.B. Mar. 29, 2000).

109. *Id.* at *4.

110. *Id.* at *5.

111. No. 118181, 2001 WL 1182865 (T.T.A.B. Sept. 27, 2001).

112. *Id.* at 2; *see also* *Vignette Corp. v. Marino*, No. 91158854, 2005 WL 1801611, at **2-3 (T.T.A.B. July 26, 2005) (notwithstanding applicant’s lack of documents in response to opposer’s discovery requests, a motion for summary judgment was denied based on applicant’s declaration describing activities he had undertaken to commercialize his mark in connection with video post-production services).

113. No. 92043288, 2007 WL 1697344, at *3 (T.T.A.B. June 7, 2007).

114. *Id.* at *16; *see also* *Blair Corp. v. Fassinger*, Opp. No. 91166414 (T.T.A.B. Oct. 17, 2008) (notwithstanding the absence of documentary evidence, the Board credited the testimony of the individual applicant that she was trying to secure a book publishing deal

Similarly, the absence of documents was not sufficient for the opposer to prove a lack of bona fide intent to use on final hearing in *Speedway Superamerica LLC v. Renegade Tobacco, Inc.*,¹¹⁵ where the applicant had testified and answered discovery responses about the existence of a trademark availability search and graphic packaging work.¹¹⁶

In another case on final hearing, *Kellogg Co. v. The Earthgrains Co.*,¹¹⁷ the Board rejected the opposer's contention that the applicant had failed to produce documentary evidence to establish a bona fide intent to use, because the Board determined that the applicant in fact had provided objective proof of an intent to use.¹¹⁸ The applicant had not prepared any advertising or promotional material or any sales or budget projections, had not conducted market research, and had not entered into any licensing agreements.¹¹⁹ Nevertheless, the applicant stated in response to an interrogatory that it had prepared labels for use during test marketing and had used the mark on packaging during a test market, but the opposer never asked the applicant to produce these materials.¹²⁰

The cases described above show that the Board can be quite liberal in accepting testimony or a sworn declaration by an applicant about informal, minimal activities that can overcome the absence of documentary evidence establishing a bona fide intent to use a mark, particularly on summary judgment, but also on final hearing.

However, in *Intel Corp. v. Emeny*,¹²¹ the applicant was unable to rebut the *prima facie* case presented by the opposer based on the applicant's failure to produce any documentary evidence in support of its intent to use.¹²² The applicant admitted that he never conducted any specific planning to use or develop the mark at issue, nor did he cite any evidence or testimony that would

and would then proceed with efforts to sell merchandise—*i.e.*, the goods in her application—based on the character in the book).

115. No. 91124822, 2004 WL 2075108, at *7 (T.T.A.B. June 10, 2004).

116. *Id.*

117. No. 91110121, 2003 WL 22273096 (T.T.A.B. Sept. 30, 2003).

118. *Id.* at *2.

119. *Id.*

120. *Id.*

121. No. 91123312, 2007 WL 1520948 (T.T.A.B. May 15, 2007).

122. *Id.* at *7 (“In spite of several discovery requests that called for applicant’s marketing plans, discussions, or business plans for the IDEAS INSIDE mark, none were divulged. Applicant further admitted that he has never conducted any specific planning for the use of the IDEAS INSIDE mark and has not promoted or sold any goods or services using the mark.”).

otherwise support his claimed intent to use.¹²³ Accordingly, the U.S. Trademark Trial and Appeal Board held that the applicant's "failure to produce any objective evidence of an intent to use" was a sufficient basis for ruling in Intel's favor.¹²⁴

A similar result was obtained in *Boston Red Sox Baseball Club*, where the applicant had no documents concerning trademark searches and investigations, no specimens, labels, tags or packaging, no documents relating to advertising or promotion, and no other non-documentary evidence substantiating his claimed intent to use the mark at issue.¹²⁵

VI. FACTORS INDICATING THE PRESENCE OR ABSENCE OF A BONA FIDE INTENT TO USE

Putting aside the question of whether evidence of intent to use is in documentary form, the body of case law adjudicating the issue of a bona fide intent to use sheds light as to what types of affirmative activities and explanations for the absence of active plans will be deemed sufficient proof of a bona fide intent to use, either on a summary judgment motion or at a trial on final hearing. The affirmative activities that have been deemed indicative of the *presence* of a bona fide intent to use include:

- conducting a trademark availability search;¹²⁶
- performing preparatory graphic design work or labeling on sales material for a product;¹²⁷
- using a mark in international jurisdictions;¹²⁸

123. *Id.*

124. *Id.*

125. 88 U.S.P.Q.2d 1581, 1587 (T.T.A.B. 2008); *see also* L.C. Licensing, Inc. v. Berman, 86 U.S.P.Q.2d 1883 (T.T.A.B. 2008) (applicant's discovery responses and testimony offered "no facts which explain or outweigh the failure of applicant, when he filed the application, to have documents which support his claimed intent to use" the mark in question).

126. *Speedway Superamerica LLC v. Renegade Tobacco Inc.*, No. 91124822, 2004 WL 2075108, at *7 (T.T.A.B. Sept. 2, 2004); *Discovery Comm., Inc. v. Coope*, No. 109154, 2000 T.T.A.B. LEXIS 185, at *4 (T.T.A.B. Mar. 29, 2000).

127. *Speedway*, 2004 WL 2075108, at *7; *Kellogg Co. v. The Earthgrains Co.*, No. 91110121, 2003 WL 22273096, at *2 (T.T.A.B. Sept. 30, 2003); *Pixel Instruments Corp. v. Sweven Corp.*, No. 97136 1999 T.T.A.B. LEXIS 715, at *6 (T.T.A.B. Dec. 30, 1999).

128. *Paddington & Co. v. Lead Co.*, No. 91150248, 2004 WL 624759, at *2 (T.T.A.B. Mar. 19, 2004); *Exxon Mobil Corp. v. Dataworx*, No. 91120519, 2004 WL 256174, at *2 (T.T.A.B. Feb. 9, 2004). *But see* *Honda Motor Co. v. Friedrich Winkelmann*, Opp. No. 91170552, at n.5 (T.T.A.B. Apr. 8, 2008) (applicant's evidence of foreign registration and applications did not relate to the particular product at issue in the opposition and thus did not provide evidence of intent to use in the United States).

- using a mark in test marketing;¹²⁹
- testimony regarding informal, unwritten business plans or market research;¹³⁰
- obtaining necessary regulatory permits;¹³¹
- obtaining a correlative domain name for the mark or setting up a website;¹³²
- making contacts with individuals who might help develop a business;¹³³
- correspondence mentioning the planned use of the mark;¹³⁴
- attempts to find licensees, including ones outside of the U.S.;¹³⁵
- obtaining commercial space in which to perform the services.¹³⁶

Explanations accepted for a *lack* of activity include:

- deferring business plans in light of a pending trademark dispute and defending a trademark challenge;¹³⁷
- a capacity to market or manufacture the goods or to perform the services at issue;¹³⁸
- having a credible marketing reason for deferring a product introduction.¹³⁹

The factual circumstances that have been deemed indicative of a *lack* of a bona fide intent to use include:

129. *Kellogg*, 2003 WL 22273096, at *2.

130. *Discovery Comm., Inc. v. Cooper*, 2000 T.T.A.B. LEXIS 185, at *4.

131. *Nautica*, 2001 WL 1182881, at *2; *Vignette Corp. v. Marino*, No. 91158854, 2005 WL 1801611, at *2 (T.T.A.B. 2005).

132. *Nautica*, 2001 WL 1182881, at *2.

133. *Id.*

134. *Lane Ltd. v. Jackson Int'l Trading Co.*, 33 U.S.P.Q.2d 1351, 1355 (T.T.A.B. 1994).

135. *Id.*

136. *Vignette*, 2005 WL 1801611, at *2.

137. *Imedica Corp. v. Medica Health Plans*, No. 92043288, 2007 WL 1697344, at *16 (T.T.A.B. June 7, 2007); *Paddington & Co. v. Lead Co.*, No. 91150248, 2004 WL 624759, at *2 (T.T.A.B. Mar. 19, 2004); *Discovery Comm., Inc. v. Cooper*, No. 109154, 2000 T.T.A.B. LEXIS 185, at *4 (T.T.A.B. Mar. 29, 2000).

138. *Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993); *Wet Seal, Inc. v. FD Mgmt., Inc.*, 82 U.S.P.Q.2d 1629, 1643 (T.T.A.B. 2007); *Paddington*, 2004 WL 624759, at *2; *Vignette*, 2005 WL 1801611 at *2; *see also Lane*, 33 U.S.P.Q.2d at 1355; *Nautica Apparel*, 2001 WL 1182881, at *2.

139. *Speedway*, 2004 WL 2075108, at *7.

- an unrealistically broad listing of goods and services;¹⁴⁰
- a defensive intent to prevent others from using the mark;¹⁴¹
- the filing of numerous intent-to-use applications without ever using them or subsequently abandoning them;¹⁴²
- the absence of any steps or planning to use the mark;¹⁴³
- lack of industry-relevant experience;¹⁴⁴
- misrepresentation of goods or services in order to reserve a mark;¹⁴⁵
- trafficking in trademarks as a business model.¹⁴⁶

VII. CHALLENGING BONA FIDE INTENT TO USE IN TWO HYPOTHETICAL SCENARIOS

While the case law interpreting the statutory bona fide intent to use requirement has addressed a wide variety of factual circumstances, there do not appear to be reported decisions on two scenarios that raise issues about whether an applicant's intent to use is in fact bona fide: first, companies that file multiple applications for formerly well-known brand names now believed to be abandoned; and second, companies that file a single application with multiple product/service listings in order to shield confidential marketing plans for a particular product/service in the list.

A. Multiple Filings to Register Allegedly Abandoned Brands

Because it is so expensive and difficult to create goodwill and reputation for a newly-created brand name, in recent years a number of companies have sought to capitalize on the lingering renown of older brand names and slogans believed to be abandoned due to lack of use and/or the dissolution of the company

140. *Intel Corp. v. Emeny*, No. 91123312, 2007 WL 1520948, at *6 (T.T.A.B. May 15, 2007); *Collagenex Pharms., Inc. v. Four Star Partners*, No. 91150890, 2003 WL 22273118, at *6 (T.T.A.B. Sept. 24, 2003).

141. *Intel*, 2007 WL 1520948, at *6; *Caesars World, Inc. v. Milanian*, 247 F. Supp. 2d 1171, 1182 (D. Nev. 2003).

142. *Intel*, 2007 WL 1520948, at *6; *Caesars World*, 247 F. Supp. 2d at 1182.

143. *Intel*, 2007 WL 1520948, at *7; *Boston Red Sox Baseball Club v. Sherman*, 88 U.S.P.Q.2d 1581, 1587 (T.T.A.B. 2008).

144. *Boston Red Sox*, 88 U.S.P.Q.2d at 1587.

145. *Caesars World*, 247 F. Supp. 2d at 1182.

146. *Id.*

that formerly sold the branded product.¹⁴⁷ In this business model, the applicant may file many different applications for marks believed to be abandoned in many different product/service categories, sometimes without any relevant industry experience, capitalization or documented business plans or ability to actually introduce the product/service. The initial plan is to see which of the many applications do not get opposed (perhaps because there is no company still in existence with a commercial interest in the mark), and which applications encounter protest or opposition because the marks are in fact in limited use in some way not detected by the applicant. The applicant may figure that once it determines which of these formerly well-known marks is capable of achieving a registration, it will find a licensee with the wherewithal to exploit the mark and actually market the product/service. In this scenario, is there a bona fide intent to use the mark in fact?

An opposer would have good arguments that a bona fide intent to use does not exist, because: (1) the applicant will have made numerous simultaneous intent-to-use filings to register marks not ultimately used, a factor that can suggest lack of bona fide intent;¹⁴⁸ (2) the applicant could be said to have evidenced an intent to “reserve a right in a mark” without any real marketing plans;¹⁴⁹ (3) the contingency determining whether the mark will be used may not be one related to product testing or market research, but may in fact be tied to whether registration is achievable; (4) the applicant may have no documentation other than the application itself to demonstrate an intent to use, and may be unable to provide any evidence of concrete plans to use the mark, creating at least a presumption of the lack of a bona fide intent to use;¹⁵⁰ (5) the applicant may lack the capacity or ability to market or manufacture the goods;¹⁵¹ and (6) the applicant could be considered to be “trafficking” in trademarks as a business model, particularly if the applicant has a history of abandoning most of

147. See, e.g., Rob Walker, *Can A Dead Brand Live Again?*, N.Y. Times, Mar. 18, 2008, available at http://www.nytimes.com/2008/05/18/magazine/18rebranding-t.html?_r=3&emc=eta1&oref=slogin.

148. See *supra* note 24 and accompanying text; see also *Intel Corp. v. Emeny*, No. 91123312, 2007 WL 1520948, at *6 (T.T.A.B. May 15, 2007) (“[F]iling at ITU for many products raises serious doubts as to the applicant’s intention to use the mark for each of the products”).

149. *Id.* (“[T]here is no evidence of record that applicant has advanced any business plans.”)

150. See *Commodore Elec. Ltd. v. CBM Kabushiki Kaisha*, 26 U.S.P.Q.2d 1503, 1507 (T.T.A.B. 1993).

151. Cf. *Commodore Elec.*, 26 U.S.P.Q.2d at 1507; *Wet Seal, Inc. v. FD Mgmt., Inc.*, 82 U.S.P.Q.2d 1629, 1643 (T.T.A.B. 2007).

the applications in exchange for a pay-off from an interested opposer.

The applicant would have some arguments that a bona fide intent to use exists, particularly if it has successfully launched other previously-abandoned brands, so that it can at least claim experience in marketing this type of “legacy” brand. Moreover, if it has some documentation of a business plan to find a licensee, then it might be able to overcome a challenge on this basis. At the very least, an opposer in this circumstance should consider an attack on the ground of a lack of bona fide intent to use and seek the necessary discovery to lay the required foundation. For the same reason, an applicant in this type of business should expect that it will need to prove a genuine business plan and an ability to market the products for which the applications have been filed, that are reasonably contemporaneous with the filing of the application for registration.

B. Multiple Product Listings in Order to Shield Confidential Marketing Plans

It is not unusual for a company to file registration applications for more than one potential trademark that might be used in connection with a new product launch, because it wants to conduct market research to see which brand consumers like best. Or, for example, in the pharmaceutical context, a company may need to secure regulatory approval as well, and therefore must be prepared to have “back up” marks in case the first choice is rejected by the U.S. Food and Drug Administration. This practice should not present a problem under the bona fide intent-to-use standards, because these contingencies—marketing appeal or regulatory approval—fit comfortably within the circumstances under which an intent-to-use registration application can be filed.¹⁵²

However, in another scenario, a company might include multiple products in the description of goods for a particular mark, not because it has a genuine intent to use the mark on all of those goods, but because it wants to shield from competitors its actual marketing plans for a new product introduction. For example, a pharmaceutical company might list multiple disease indications (almost a standard list for every filing) when in fact it is developing a particular drug product under that proposed mark for a specific disease treatment. Alternatively, a cosmetic company may be working on a brand new product technology, but again, does not want its competitors to know, and so it includes multiple

152. See *supra* note 26 and accompanying text.

other “distraction” products in the application. In each of these instances, the company may be prepared to delete the other products when it comes time to file a Statement of Use, and thus believes it is protected against later challenges. That may be so, but subsequent deletions should not insulate these companies from an attack on the ground of lack of a bona fide intent to use with respect to the other non-intended products at the time the application was filed.

In the pharmaceutical context, the company may be able to argue that a compound is under research and investigation for many possible indications, and that some drug compounds end up having unexpected treatment benefits.¹⁵³ Under these circumstances, it may be able to justify the inclusion of multiple product indications in the application. However, what if the product listing for a particular indication is farfetched, or the company is unable to prove by contemporaneous documentation that a particular treatment indication was contemplated or reasonably anticipated? In that case, the application might be vulnerable to attack on the ground of lack of a bona fide intent to use.

Sometimes the nature of the mark itself makes it likely that there was a lack of an intent to use the mark on all of the many products listed in an application. For example, a three-dimensional product configuration mark might be unsuitable (or even unusable) in connection with each of the products identified in the application; or because of certain descriptive aspects of a mark, it is highly unlikely that the company really intended to use the mark on many of the goods listed in the application that the descriptive aspects of the mark does not in fact describe. In these circumstances, a company might have a difficult time, if challenged, proving that it had a bona fide intent to use the mark on all of the goods listed in the application.¹⁵⁴

Accordingly, any company contemplating this type of “camouflage” strategy for product listings in a registration

153. See, e.g., Malcolm Browne, *Ideas & Trends; FDA May Issue a Hair-Raising Decision*, N.Y. Times, Mar. 22, 1987 (discussing FDA approval for ROGAINE baldness treatment, which had originally been patented by Upjohn as a potential treatment for high blood pressure); John Russell, *One drug, many uses. Good idea?*, Indystar.com, June 29, 2008, <http://www.indystar.com/apps/pbcs.dll/article?AID=/20080629/LOCAL/806290378/1003/BUSINESS>; Jim Edwards, *What Lilly Learned From Steak n Shake: A Q&A on Cymbalta*, BNET Pharma Insights, April 25, 2008, http://industry.bnet.com/pharma/100018_5/what-lillylearned-from-steak-n-shake-a-qa-on-cymbalta/trackback/.

154. In some instances, the opposer and applicant in an opposition proceeding might be competitors in the same industry that both engage in this sort of practice. In that case, the opposer might be reluctant to raise the issue, and create “bad” law for itself; however, an applicant cannot count on the identity of a future opposer or that such mutual self-interest will always deter a challenge to its bona fide intent to use.

application should think carefully about whether it will be able to document and prove an intent to use for each of the “distracting” products, and eliminate before filing anything that will not survive a plausibility challenge.

VIII. CONCLUSION

The bona fide intent to use filing basis for U.S. trademark registration applications provides a great benefit to applicants who wish to acquire filing date priority and constructive use rights in the United States, for marks still in the planning process. However, the case law that has developed in the past 15 years demonstrates that it is not unusual in an opposition proceeding for an opposer to challenge the *bona fides* of an applicant’s claimed bona fide intent to use.

Accordingly, registration applicants should be very careful about including too many products or services in their intent-to-use based applications, and should maintain some minimal level of contemporaneous documentation and provable business rationale for the products or services listed in the application. While the U.S. Trademark Trial and Appeal Board has credited informal business plans and research relied upon by applicants who operate smaller or start-up businesses as showing bona fide intent to use, more sophisticated and established companies may need to have more detailed and well-documented business plans. An opposer seeking to challenge an applicant’s lack of a bona fide intent to use must be careful and thorough in its written discovery requests and discovery deposition questions to ensure that the applicant does not have the “wiggle room” to rely on vague or undocumented business plans, particularly on a motion for summary judgment. In all cases, the U.S. Trademark Trial and Appeal Board is likely to look askance on transparent efforts to exploit the goodwill of others or to “traffic” in trademarks, and will be more likely in these circumstances to find a lack of the requisite bona fide intent to use.
