



How to Win Your Next Trademark Battle: Lessons Learned in 2023

January 25, 2024

Seyfarth Shaw LLP

"Seyfarth" refers to Seyfarth Shaw LLP (an Illinois limited liability partnership).
©2024 Seyfarth Shaw LLP. All rights reserved. Private and Confidential

Legal Disclaimer

This presentation has been prepared by Seyfarth Shaw LLP for informational purposes only. The material discussed during this webinar should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The content is intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have.

Speakers



Ken Wilton
Partner
Los Angeles Office

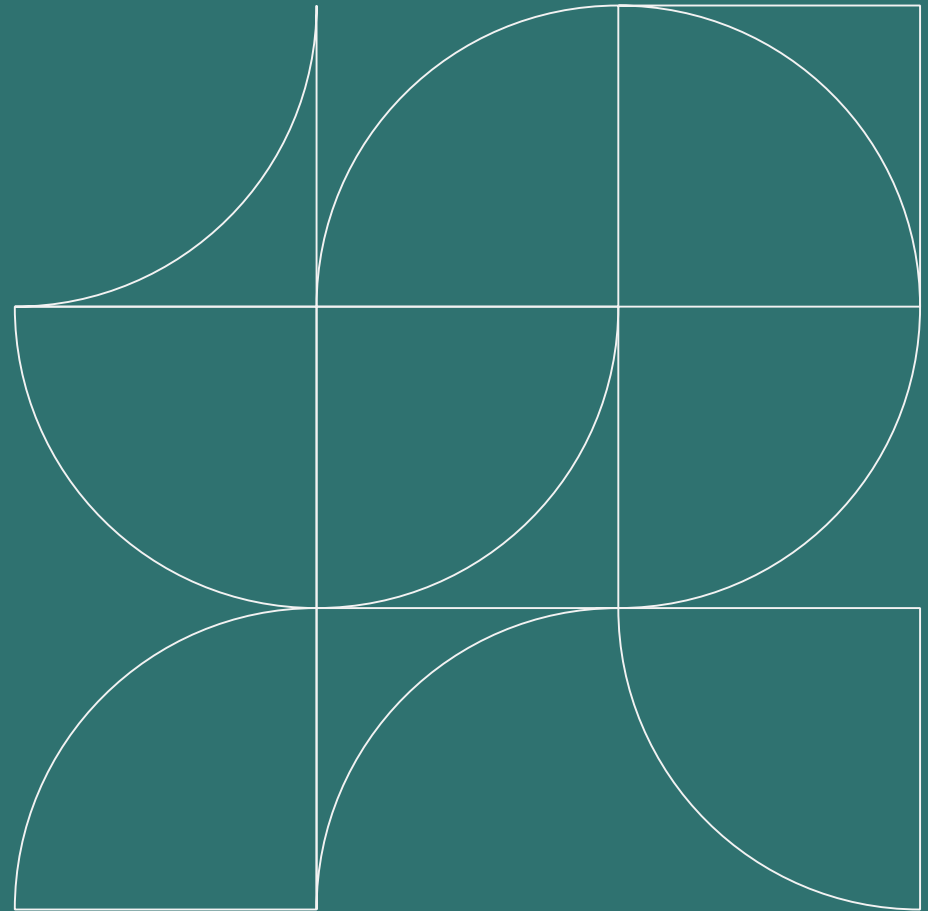


Lauren Leipold
Partner
Atlanta Office

Agenda

- 01** Guidance From The Supreme Court
- 02** Guidance From Appellate and Trial Courts
- 03** Guidance From The TTAB
- 04** USPTO Expungement and Reexamination Guidelines

The Supreme Court



Jack Daniel's Properties, Inc. v. VIP Products LLC 599 U.S. 140 (2023)

- Which standard applies to Lanham Act claims when the alleged infringer asserts a First Amendment defense?
 - *Rogers Test*
 - *Rogers v. Grimaldi*, 875 F.2d 944 (2d Cir. 1989)
 - Two factors:
 - Artistic relevance to the underlying work?
 - Explicitly misleading as to source or content?
 - *Sleekcraft Factors*
 - 8-factor balancing test
 - More stringent than *Rogers*





The Case Below

- District court (Arizona) originally sided with Jack Daniel's: *Rogers* does not apply where another's trademark is used for source identification
- Ninth Circuit disagreed: reversed, remanded, and ordered district court to apply *Rogers*
 - *Rogers* applicable to likelihood of confusion claim
 - Dilution claim fails under parody exception
- District court found Jack Daniel's could not satisfy either prong of *Rogers*; Ninth Circuit affirmed



Where the Law Stands Today

- SCOTUS declined to jettison *Rogers* altogether, but held that it certainly does not apply “when an alleged infringer uses a trademark in the way the Lanham Act most cares about: as a designation of source for the infringer’s own goods”
- Parties briefing summary judgment on remand against a backdrop that is less friendly to *Rogers*
- **Second Circuit**: Party can’t use another’s trademark to “brand its own products”
 - *Vans, Inc. v. MSCHF Product Studio, Inc.* (Dec. 5, 2023)
- **Ninth Circuit**: Expressive use of a mark “not immune from the traditional likelihood-of-confusion inquiry”
 - *Punchbowl, Inc. v. AJ Press, LLC* (Jan. 12, 2024)

Abitron Austria GmbH et al v Hetronic Int'l, Inc.
600 U.S. 412 (2023)





The Case Below

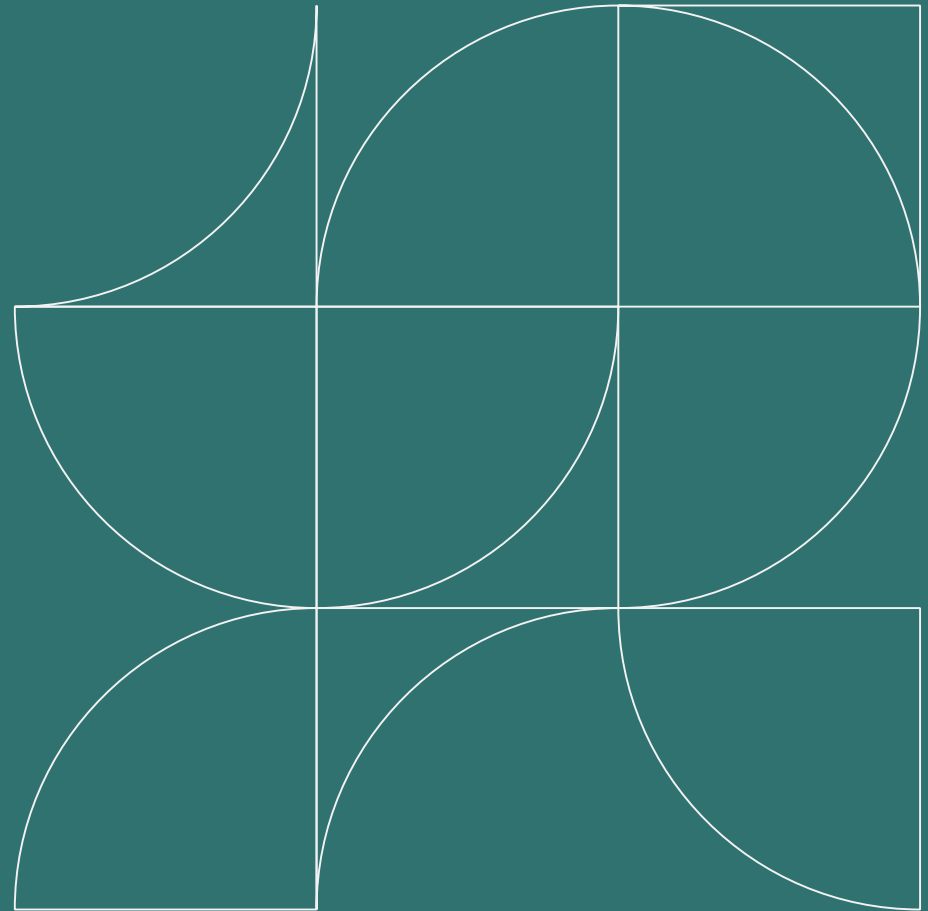
- Former EU distributors and several related companies used non-approved parts in HETRONIC-branded products
- Hetronic sued for:
 - Breach of Contract
 - Trademark Infringement
 - Trade Dress Infringement
- Choice of law / venue provisions: Oklahoma City, OK
- Jury awarded \$115 million in damages / \$96 million related to non-US sales
- Court granted worldwide injunction



Supreme Court Ruling

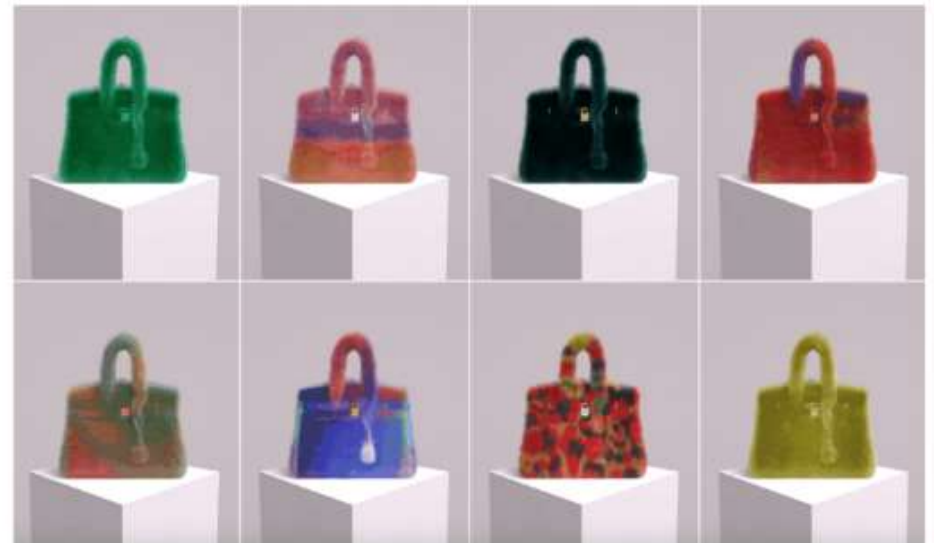
- “§ 1114(1)(a) and § 1125(a)(1) are not extraterritorial”
- Dividing line is “use in commerce”
- 9-0 that Lanham Act does not reach
 - Non-US sales to
 - Non-US buyers for
 - Non-US use
- 5-4 split regarding what Lanham Act does reach
 - Majority: Lanham Act only governs infringing activity that occurred through “use in commerce” in the United States
 - Minority: Lanham Act governs non-US sales *if* causes US confusion
- Reminder that non-US trademark rights are important
- Drafting considerations

Appellate and Trial Courts



Hermès International v. Rothschild, 2023 WL 4145518 (S.D.N.Y. June 23, 2023)

- Application of trademark law in **virtual environments**
- “**Digital speculator**” or **artist** making an absurdist statement on luxury goods?
 - 100 NFTs linking to visual depictions of famed BIRKIN bag
 - Promoted using domain name www.metabirkin.com and social media handles such as @metabirkins
- Documented **actual confusion** based on marketplace norms





How the Case Has Unfolded

- Another application of *Rogers* – but not favoring the defendant!
 - SDNY jury found Rothschild liable for trademark infringement, dilution, and cybersquatting
 - More than \$130,000 in damages and permanent injunction
- On appeal to Second Circuit
 - MSCHF among those to file amicus re: threats to First Amendment
- Is it really necessary to obtain separate registrations for virtual goods?

Spireon, Inc v Flex Ltd.

71 F.4th 1355 (Fed. Cir. 2023)

FLEX, **flex**, and FLEX PULSE

v.

FL FLEX

- Applicant cited 30 FLEX-formative marks (“crowded field”)
- Board discounted:
 - 4 cancelled registrations
 - 3 pending applications
 - 3 unrelated services
 - 15 compound marks (FLEX + words or letters that change meaning)
 - = 5 remaining (3 FLEX marks, LOAD FLEX and VALUE FLEX)



Federal Circuit

- Compound third-party marks matter (15 discounted)
 - The “shared segment” may have “a commonly understood descriptive or suggestive meaning in the field”
- Burden of proof re use of registered marks
 - *Is* on Opposer to prove non-use of *identical* marks for *identical* goods
 - *Could be* on Opposer to prove non-use v. Applicant to prove use when not identical marks / goods (not decided)
- *Olé Mexican Foods, Inc. v. Cerveza Citrus, LLC*,
Opp. No. 91256413 (TTAB Aug. 4, 2023) (Judge Larkin)
 - Clarifying that Applicant has burden to prove use of *non-identical* marks / goods

San Antonio Winery, Inc v Jianxing Micarose Trade Co., 53 F.4th 1136 (9th Cir. 2022)

- A **cautionary tale** about designating a Domestic Representative; or when prosecution meets litigation
- 15 USC § 1051(e)
DESIGNATION OF RESIDENT FOR SERVICE OF PROCESS AND NOTICES:
 - Applicant not domiciled in the United States
 - *may* designate a US resident upon “whom may be served notices or process in proceedings affecting the mark,” but
 - if designate not found, or if none, notices / process may be served on the Director.”
- First impression by appellate court: “proceedings affecting the mark” includes court proceedings
- Remanded, default entered

How to Designate a Domestic Representative

Trademark/Service Mark Application, Principal Register
TEAS Plus Application (Version 8.1)

Tip: If you do not want to appoint an attorney at this time:

1. Return to the first page of this form by clicking on the hyperlinked term, "Instruction," in the Navigation History at the top of this page;
2. Answer "No" to the wizard question asking "Is an attorney filing this application?";
3. Click on the Continue button at the bottom of the Instruction page to resume the form. The Attorney Information page will not appear.

Check here to designate a Domestic Representative. This is applicable only to foreign-domiciled applicant owners/holders with an address outside the United States, and is optional. Once checked, a separate section of the form will appear to enter the Domestic Representative information.

Attorney Information	
* <u>Attorney Name</u>	<input type="text"/>
<u>Individual Attorney Docket/Reference Number</u>	<input type="text"/> <small>NOTE: You must limit your entry here to no more than 12 characters.</small>
* <u>Year of Admission</u>	Select Year ▼
* <u>U.S. State/Commonwealth/Territory</u>	Select State ▼

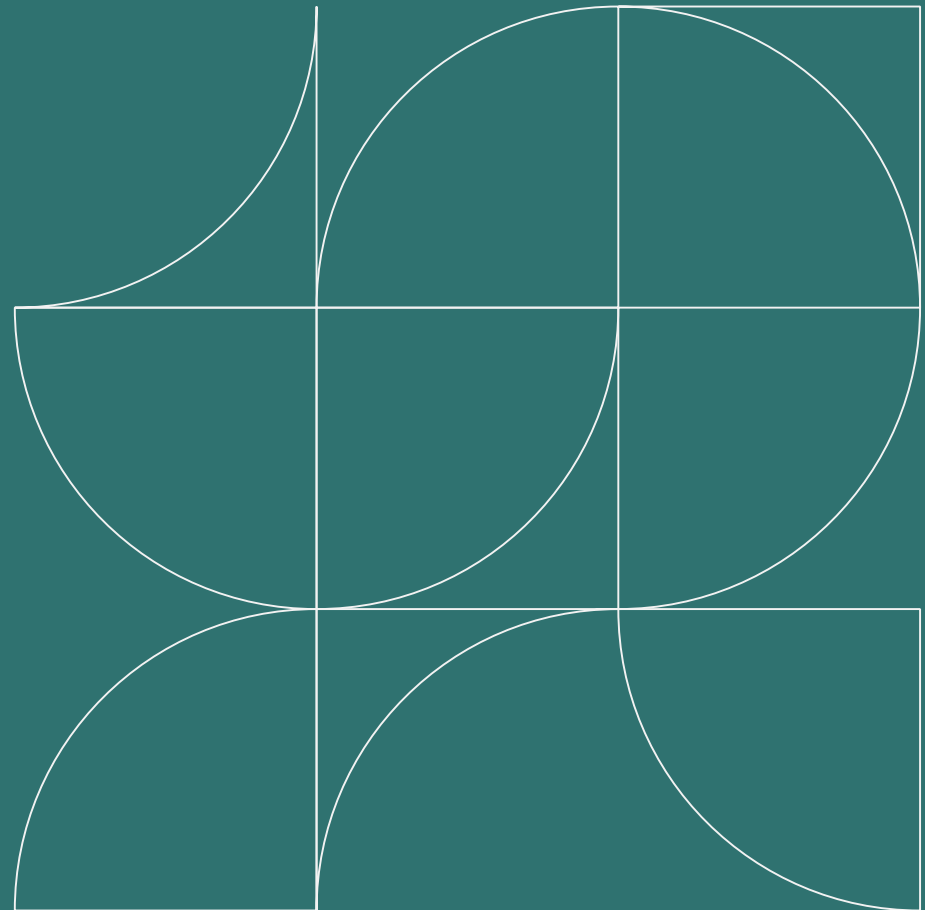
Check here to designate a Domestic Representative. This is applicable only to foreign-domiciled applicant owners/holders with an address outside the United States, and is optional. Once checked, a separate section of the form will appear to enter the Domestic Representative information.



Recent Cases

- *Equibal, Inc. v. 365 Sun LLC*,
2023 WL 2870620 (S.D.N.Y. Apr. 10, 2023)
 - trademark application counsel refused to accept service
 - allowed alternate service on the Director
- *Consulting Rosa LLC v. Minhou Rongxingwang E-commerce Co.*,
2023 WL 5206871 (S.D. Fla. Aug. 14, 2023)
 - allowed alternate service on:
 - Defendant's trademark prosecution counsel or, if that failed,
 - the Director
- Designating a Domestic Representative should be carefully considered.

The Trademark Trial and Appeal Board





Sterling Computers Corp. v. IBM Corp.

TTAB Opp. No. 91273403 (Sept. 8, 2023) (precedential)

- A **cautionary tale** about the importance of the TTAB's ESTTA cover sheet
- IBM applied to extend French registrations of STERLING and IBM STERLING in the U.S. pursuant to Madrid Protocol
- Sterling opposed, citing:
 - Pending **use-based applications** for STERLING and STERLING & Design
 - Common law rights in STERLING COMPUTERS
 - *[Common law rights in the applied-for marks]*

The Cover Sheet: More Than Ministerial

Trademark Trial and Appeal Board Electronic Filing System. <https://esta.uspto.gov>

ESTTA Tracking number: **ESTTA1174834**

Filing date: **11/24/2021**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Notice of Opposition

Notice is hereby given that the following party opposes registration of the indicated application.

Opposer Information

Name	Sterling Computers Corporation
Granted to Date of previous extension	11/28/2021
Address	303 CENTENNIAL DRIVE NORTH SIOUX CITY, SD 57049 UNITED STATES

* * *

U.S. Application/ Registration No.	NONE	Application Date	NONE
Registration Date	NONE		
Word Mark	STERLING COMPUTERS		
Goods/Services	Information technology consulting services, hardware resale services, and hardware maintenance and installation services.		

The Rules

Report to International Bureau = ESTTA Cover Sheet ONLY



37 C.F.R. § 2.104(c): “Oppositions to applications filed under Section 66(a) of the Act are **limited to the goods, services, and grounds set forth in the ESTTA cover sheet.**”

15 U.S.C. § 1141h(c)(3): “...no grounds for refusal...other than those set forth in [the notification to the International Bureau may be transmitted to the International Bureau...”

37 C.F.R. § 2.107(b): “[O]nce filed, **the opposition may not be amended** to add grounds for opposition or goods or services beyond those identified in the notice of opposition... **The grounds for opposition... are limited to those identified in the ESTTA cover sheet regardless of what is contained in any attached statement.**”

Saved by 1(a)

- Sterling amended to include common law rights in STERLING
- Board denied motion to strike based on original assertion of **use-based** applications

Notice of Opposition
Navigation: [Add/Modify](#) - [Related](#) - [Correspondence](#) - [Grounds](#) - [Pleaded Mark\(s\)](#)
ESTTA v.3.18.3
PTO-2120 (Exp. 09/30/2023)
OMB No. 0651-0040 (Exp. 09/30/2023)

Opposer's Pleaded Mark(s)

You have indicated a ground for opposition based on your ownership of a trademark. Enter the trademark or trade name upon which you intend to rely in this proceeding. Enter no more than 49.

If you are alleging prior use of a mark which is the subject of a U.S. registration or application, you may indicate the number and the necessary information will be retrieved from the USPTO database.

Enter the appropriate application Serial or Registration No.

If the asserted mark is not the subject of a U.S. Registration or pending application, enter the mark below. If the mark consists of words or letters only, type the mark in uppercase letters in the space below. If the mark features a design or special characters, attach a JPEG image showing your mark. If the mark is not capable of representation in either words or an image, (i.e., sound marks), enter a concise description of the mark.

Type the mark (or a concise description) below

Upload Mark image
Click Browse button and select a JPEG file with a mark

No file chosen

List the goods and services concerned below: ▾

Nkanginieme v. Appleton

TTAB Opp. No. 91256464 (Mar. 7, 2023)

NNENNA LOVETTE and LOVETTE (clothing and handbags / design of clothing and handbags) v. **LOVETTE** (handbags)



Coulda, Woulda, Shoulda...



Challenge to priority by first-in-time user and filer “amounts to an **impermissible collateral attack** against [Opposer’s] registration”

Applicant “**could have made priority an issue** by filing an opposition against Opposer’s application following its publication, or a petition to cancel Opposer’s registration after it issued”

- 15 U.S.C. § 1052: Registration should be refused if a mark “so resembles a mark **registered** in the Patent and Trademark Office, **or** a mark or trade name previously used...”
- 37 C.F.R. § 2.106(b)(3)(ii): “An attack on the validity of a registration pleaded by an opposer will not be heard unless a counterclaim or separate petition is filed to seek the cancellation of such registration.”

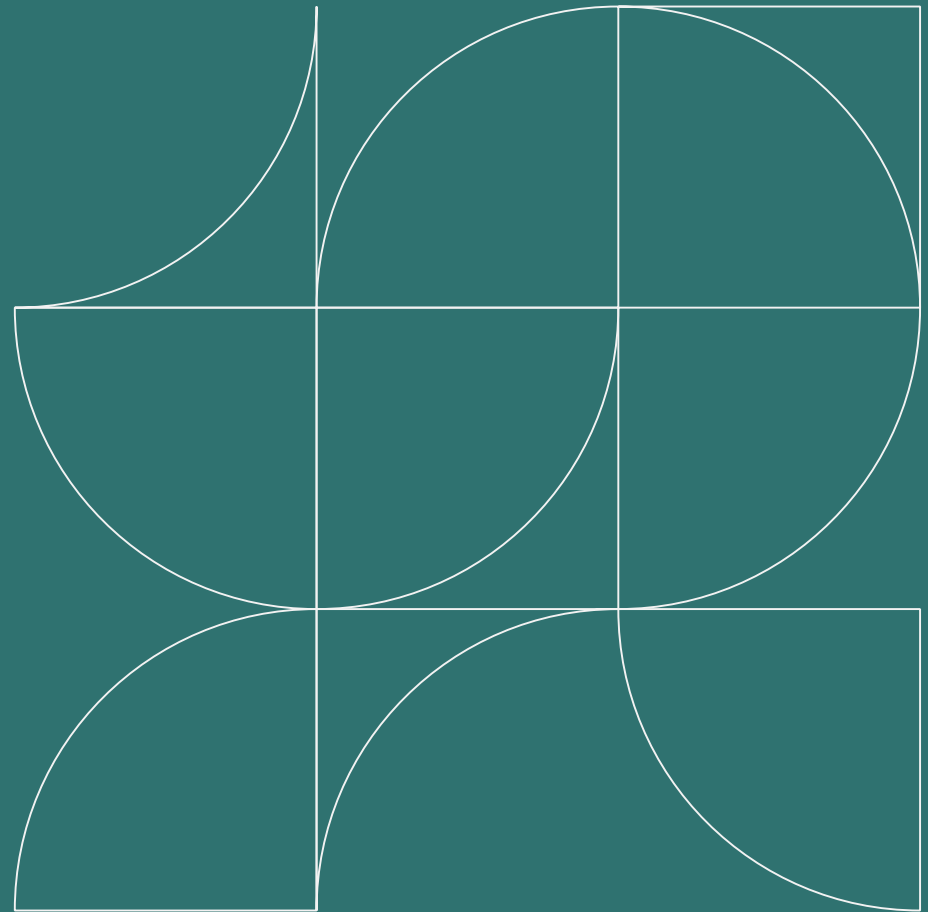


Between a Rock and a Hard Place

- “Had Applicant chosen to file an answer and a counterclaim seeking cancellation of Opposer’s registration, she would have been entitled to allege, in the alternative, that there is no likelihood of confusion between the marks such that the opposition should be dismissed, or that if there is likelihood of confusion that Applicant has actual priority and so Opposer’s registration must fall.”



The USPTO



Expungement and Reexamination Proceedings



- **Expungement** (15 USC § 1066a) (a recap)
 - Marks that have never been used in commerce on some or all identified goods or services.
 - Must be brought between 3 and 10 years after the date of registration.
 - Applies to marks filed under Sections 1, 44, and 66
 - “Any person may file a petition to expunge a registration of a mark on the basis that the mark has never been used in commerce....”
 - TTAB Claim Compared
 - Abandonment requires current nonuse + intent not to resume use.
 - Expungement requires nonuse at any time.



Expungement and Reexamination Proceedings

- **Reexamination** (15 U.S.C. § 1066b) (a recap)
 - Marks that were not in use in commerce on some or all identified goods or services on or before date use was claimed.
 - Must be brought within 5 years after registration.
 - Applies to marks filed under Section 1(a) or 1(b)
 - “Any person may file a petition to reexamine a registration of a mark on the basis that the mark was not in use in commerce . . . on or before the relevant date.”

Current Statistics

(as of Jan. 24, 2024)

- **Expungement**

- Filed: 699
 - Filed by third parties: 671
 - Filed by Director: 25
- Instituted: 125
- Not Instituted: 90

- **Reexamination**

- Filed: 1654
 - Filed by third parties: 827
 - Filed by Director: 827
- Instituted: 574
- Not Instituted: 77





Best Practices

- **“Reasonable” investigation**
 - How do you prove a negative?
 - Third-party investigator not required
- **Sufficient evidentiary support—but not TOO much**
 - TM records, agency filings, litigation pleadings, website printouts, or any other “reasonably accessible source”
 - See 37 C.F.R. § 2.91

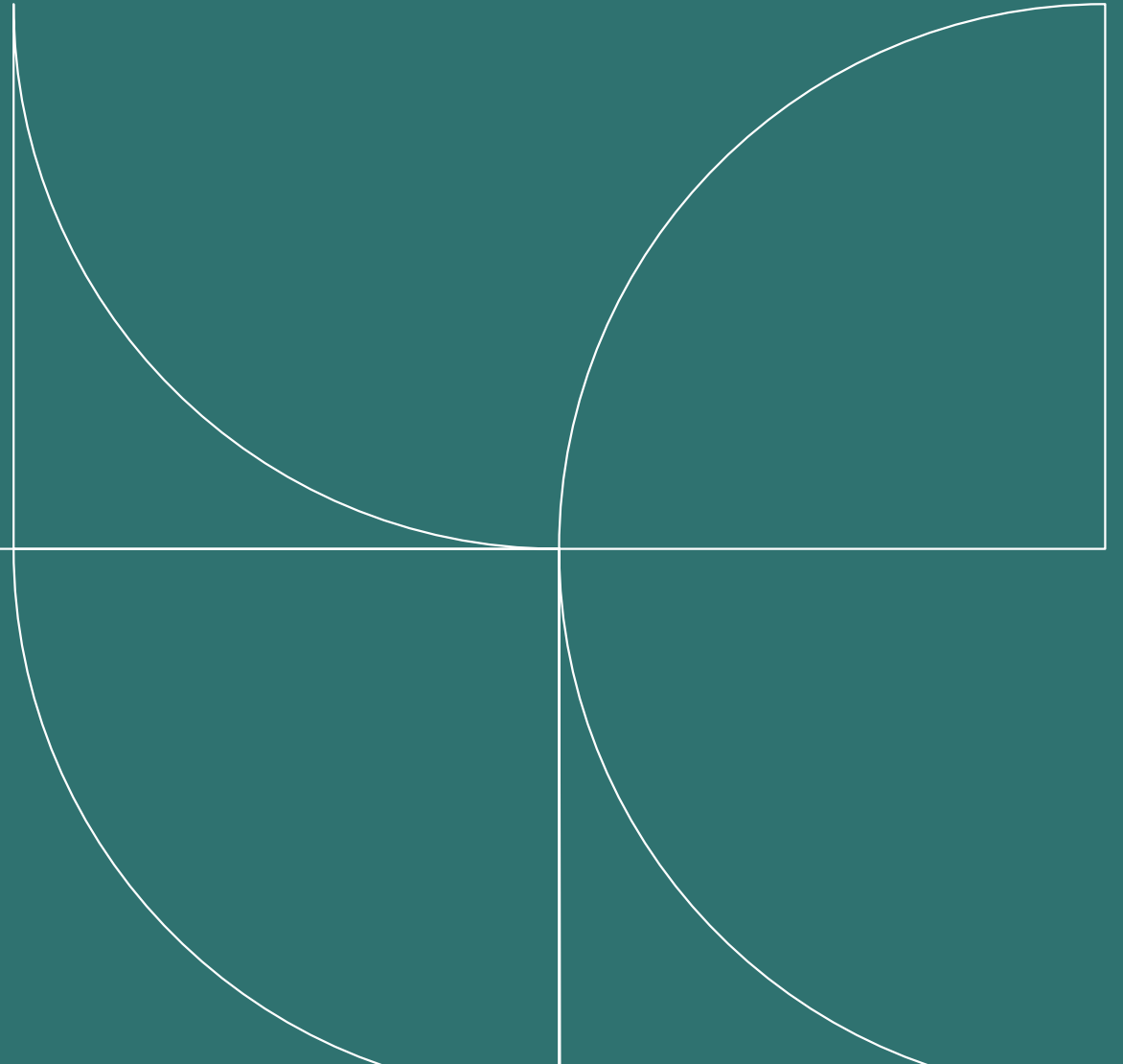
- **Index**

Exhibit No.	Description
A	Screen capture of TSDR page for MECLOMEN Registration (Reg. No. 6306596). https://tsdr.uspto.gov/#caseNumber=90105699&caseType=SERIAL_NO&searchTy... , accessed 3/16/2022
B	MECLOMEN Trademark Application Serial No. 90105699, filed 8/11/2020
C	Specimen, MECLOMEN Trademark Application Serial No. 90105699, filed 8/11/2020
D	Screen capture of Drugs@FDA: FDA-Approved Drugs, Search Results for "meclufenamate sodium," https://www.accessdata.fda.gov/scripts/cder/daf/index.cfm?event=BasicSe... , accessed 3/16/2022
E	Marksman® Brand Protection Services, Investigative Report No. 122648, 2/8/2022
F	Screen capture of Registrant's "Products" page of website, www.galtrx.com/what-we-do/ , accessed 3/16/2022

Questions



CLE CODE



**thank
you**

For more information, please contact us:

Ken Wilton

email: kwilton@seyfarth.com

phone: (310) 201-5271

Lauren Leipold

email: lleipold@seyfarth.com

phone: (404) 885-6737