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Serving the USPTO Director in Actions Involving Non-US Companies: A Little-Known Provision of the Lanham Act

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There is a little-known provision of the Lanham Act (the US Trademark Act) that packs a potentially big punch. 15 USC § 1051(e) provides that if a non-U.S. entity registers for a trademark in the United States without designating a United States resident for service of “notices or process in proceedings affecting the mark” (a “Domestic Representative”), or if the Domestic Representative cannot be found, then service, *including of court pleadings commencing and related to a lawsuit*, can be accomplished on the non-U.S. entity by serving the Director of the United States Patent and Trademark Office (USPTO). The practical effect of this provision is that certain non-U.S. entities who apply for trademarks in the United States could find themselves a party to U.S. litigation if the non-U.S. entity is never directly served with court papers.

Recent Decisions Apply Section 1051(e) to Court Proceedings

Two recent cases suggest that Section 1051(e) may not be little-known much longer. In *San Antonio Winery, Inc. v. Jiaxing Micarose Trade Co., Ltd.*, 53 F.4th 1136 (9th Cir. 2022), the plaintiff sued a foreign trademark applicant and served the court papers on the USPTO Director, after which the USPTO sent the papers to the

foreign applicant. After the foreign applicant failed to appear in court, the plaintiff sought a default judgment. The district court rejected that application, holding that Section 1051(e) only applies in USPTO administrative proceedings, not court cases. *Id.* at 1139-40. On appeal, the Ninth Circuit vacated the district court’s decision. It found that the plain meaning of “proceeding” includes court cases because court cases can “affect” a trademark. This includes, among other things, determining whether someone has the right to register a mark, cancel a registered mark, or restore canceled registrations. *Id.* at 1141. The Ninth Circuit also relied on Section 1051(e)’s references to service of notices or “process,” which it held applied to service of process in a court case. *Id.*

The Ninth Circuit also held that Section 1051(e) does not conflict with the Hague Service Convention, which provides procedures for service on non-U.S. defendants in countries that are signatories to the Convention. *Id.* at 1143. The appeals court reasoned that the Convention applies only if “the method of service at issue ‘require[s] the transmittal of documents abroad.’” *Id.* Because Section 1051(e) involves domestic service on the USPTO Director, it “falls outside the scope of the Convention.” *Id.* at 1143-44. Following the Ninth Circuit’s decision, the district court entered the default judgment sought by the plaintiff. Case No. 20-cv-9663-GW, ECF No. 57 (C.D. Cal. Nov. 28, 2022).

Soon after the Ninth Circuit’s decision, a federal court in New York followed the same approach. In *Equibal, Inc. v. 365 Sun LLC*, 2023 U.S. Dist. LEXIS 62759 (S.D.N.Y. Apr. 10, 2023), two Brazilian entities that had applied for U.S. trademarks had listed U.S. attorneys as their counsel in their applications. But the attorneys were no longer in contact with the Brazilian entities or authorized to accept service on the entities’ behalf. *Id.* at *18-19. Neither entity had designated a Domestic Representative. Under those circumstances, the New York court found that Section 1051(e) applies in court proceedings and concluded that service via the USPTO Director was proper.

The New York court held that service on the USPTO Director satisfied Federal Rule of Civil Procedure 4(f), which provides that individuals or entities outside the

United States can be served: (1) by means set forth in an international agreement, such as the Hague Convention or the Inter-American Convention; (2) if there is no applicable international agreement, by means calculated to give reasonable notice; or (3) by means not prohibited by an international agreement that a U.S. court may order. Fed. R. Civ. P. 4(f). The New York court found that the third option was satisfied. Like the Ninth Circuit, the New York court concluded that neither the Hague Convention nor the Inter-American Convention (to which Brazil is a signatory) bars service on the USPTO Director. The New York court found that service on the USPTO Director also satisfied due process because the Brazilian entities were “explicitly warn[ed]” by Section 1051(e) that if they availed themselves of U.S. trademark protection, they could be served via the USPTO Director if they failed to designate a Domestic Representative or their Representative could not be found. 2023 U.S. Dist. LEXIS 62759, at *22. The court concluded by finding that service on the USPTO Director was warranted in the case before it in light of the difficulty of service through other means. *Id.* at *22-24.

Points for Plaintiffs

Section 1051(e) is a potentially useful tool for Lanham Act plaintiffs seeking to sue non-U.S. entities in connection with marks those entities apply to register in the United States. If accepted in the particular judicial Circuit, service through Section 1051(e) could allow plaintiffs to avoid procedures like those set forth in the Hague Convention, which can often be cumbersome and expensive.¹ The statute, as interpreted by the Ninth Circuit and New York court, may also permit service via Federal Rule of Civil Procedure 4(f) on entities in countries that are not signatories to the Hague Convention, such as Algeria, Ghana, Kenya, Laos, Lebanon, Nigeria, Uganda, and Yemen.

It is worth noting, however, that the New York court was inclined to permit service in part because the plaintiff had made efforts to serve the Brazilian entities directly, and then sought leave to serve the USPTO Director when those efforts failed. Plaintiffs who rely solely on serving the USPTO Director, but do not attempt to serve via other means, may find courts to be less receptive to the application of Section 1051(e).

In addition, Lanham Act plaintiffs should remain aware that, simply because service of process could be made through the USPTO Director, that in and of itself does

not subject the foreign trademark applicant to personal jurisdiction in a federal district court. The cases interpreting Section 1051(e) were based on the defendants’ United States use of allegedly infringing marks that they had also applied to register.

Points for Non-U.S. Entities

Non-U.S. entities should consider designating a Domestic Representative when they apply to register a trademark in the United States. This should be a fairly easy thing to do, as all foreign-domiciled trademark applicants, registrants, and parties to proceedings must be represented by a U.S. attorney, 37 C.F.R. § 2.11(a), and attorneys may, and quite often are, appointed as foreign entities’ Domestic Representatives. This said, designees may retire, pass away, or have a change in contact information. Non-U.S. entities should find a trusted agent they can designate as Domestic Representative and share that agent’s details with their trademark attorneys. That way, they ensure domestic representation for the long-term and can keep tabs on that agent so that they can update their Domestic Representative if the need arises. Non-U.S. entities may want to consider using a corporate agent as a Domestic Representative to ensure continuity and predictability, with the caveat that the non-U.S. entity needs to ensure that the corporate agent has up-to-date contact information for the non-U.S. entity.

Non-U.S. entities should also take care to make sure that the USPTO has the most up-to-date contact information for the non-U.S. entity, in the event that service does go through the USPTO director. In the Ninth Circuit case, the USPTO mailed the court documents to the non-U.S. entity at the address the entity had included in its trademark application. If that address is out of date, the non-U.S. entity may never receive the court papers even if the USPTO sends them promptly.

Conclusion

Section 1051(e) is an important provision of the Lanham Act that, as recently interpreted by the Second and Ninth Circuit Courts of Appeal, can have a potentially significant impact on both non-U.S. entities registering trademarks in the United States and Lanham Act plaintiffs seeking to sue those entities. Trademark registrants and litigants should pay close attention to both the statute and decisions interpreting that statute.

1. See Webinar Recording: “Overseas Discovery: Overview of Discovery Tools and the Powerful Section 1782 Statute” at <https://www.seyfarth.com/>

[news-insights/overseas-discovery-overview-of-discovery-tools-and-the-powerful-section-1782-statute.html](https://www.seyfarth.com/news-insights/overseas-discovery-overview-of-discovery-tools-and-the-powerful-section-1782-statute.html).

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