Intent to Use

It's Not the Thought That Counts

By Edwin Komen

Bona fide intent, the *sine qua non* of non-use trademark applications, was given new meaning by the Trademark Trial and Appeal Board (TTAB; http://1.usa.gov/Tuonas) in a decision released unpublished Feb. 21, 2014, but redesignated as precedent on March 26, 2014. The decision, *Lincoln National Corporation v. Anderson,* Consolidated Opposition Nos. 91192939 and 91194817, TTAB Mailed Feb. 21, 2014, exemplifies an apparent trend of the TTAB requiring greater proof of an applicant's "intent" as a jurisdictional prerequisite for filing an application or face a finding that the application is void *ab initio*. This finding may result from an opposition but, perhaps more significantly, from a cancellation many years following registration. In other words, this is the paradigm of the "ticking time bomb" trademark nightmare with a very long fuse.

The Trademark Law Revision Act of 1988 (TLRA; http://bit.ly/1jDtrUA), effective Nov. 16, 1989 Public Law 100-667, Nov. 16, 1988, 102 Stat. 2925, 100th Cong., introduced the concept, then alien to U.S. trademark law, of "intent to use" as a filing basis under Section 1(b) of the Trademark Act. Prior to that time, only owners of foreign applications were entitled to file without showing use under Section 44(d), and only then entitled to registration in the U.S. under Section 44 (e) following issuance of the foreign registration itself. In order to avoid frivolous applications filed merely to tie up names on the public records, the TLRA also introduced the requirement that such "intent" be "bona fide" to use the mark "in commerce" and "under circumstances showing the good faith of such person." The Section 45 definition of "use in commerce" reinforces the need for an objective manifestation of "intent" by providing, "The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark."

The requirement of a "bona fide intent." however, is not confined to trademark applications filed under Section 1(b). The same requirement is found in Section 44(d)(2) for applications based on foreign trademark filings, and in Section 66(a) as a requirement for extension of U.S. protection to an international registration under the Madrid Protocol. In other words, failure of proof of a bona fide intent can be used as a basis for opposing or cancelling any U.S. trademark application or registration not based on use.

In the *Lincoln National* case, the applicant, Kent G. Anderson, had filed two applications covering 11 International Classes (eight in one application and 11 in the other), namely, International Class 3 (cosmetics), 12 (motor vehicles), 35 (retail services), 36 (financial services), 37 (planning and installation services), 38 (broadcasting), 39 (transportation), 40 (manufacturing cars, aircraft and other items for others), 41 (entertainment including amusement park services), 42 (engineering consulting), 43 (hotels and restaurants) and 45 (law enforcement and legal services). In fact, the description of goods and services wanders over many pages, leading the TTAB to observe this was a "plethora" of goods and services that was "exceedingly long, repetitive and confusing."

The legislative history of the TLRA, as noted by the TTAB, describes, as an objective example casting doubt on "intent," "an excessive number of intent-to-use applications in relation to the number of products the applicant is likely to introduce under the applied-for marks during the pendency of the applications." The TTAB found that multi-class applications were functionally the same for this purpose so that "Our finding that the above-quoted TLRA legislative history supports a finding of no bona fide intent in this case is based on the sheer number and diverse scope of the goods and services identified in applicant's eleven-class application as a whole..." so that Anderson's applications were found void *ab initio*. The TTAB, it should be noted, used the same reasoning to invalidate as void *ab initio* the application that merely included eight International Classes.

Ironically, Anderson's applications were for the mark FUTURE although, as things turned out, his mark had none. The TTAB was wholly unimpressed with Anderson's vague testimony about his "future" intent since it was "highly unlikely that the applicant would be able to introduce these services during the pendency of his intent-to-use application." For example, the applicant testified, when asked, that his prospective customers were "[t]he world. Every person in the world. I'm trying to do that, but that's for the future plan." The TTAB's skepticism likely found support in applicant's discovery testimony that he was an unemployed/self-employed security guard, studied criminal justice at the Bismarck (North Dakota) Community College where he took "some business classes," was not certified or licensed to offer many of the application services, and, moreover stated, "I don't manufacture products, because I never could find the resources to do that." The TTAB, with respect to the services, observed that there was no evidence that the applicant held any of the necessary licenses to perform the described services nor had he ever been employed by a bank or other financial institution.

The applicant also attempted to convince the TTAB that his expectation of licensing the mark to third parties supported his bona fide intent. The TTAB, however, stated, in

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a passage that could apply to many similarly placed applicants: "We find that these assertions by applicant of a generalized intention to license the mark or partner with others at some indefinite time in the future do not suffice as a basis for a finding that applicant had the requisite specific bona fide intent to use the mark in commerce ... at the time he filed the application."

Lincoln National could potentially be viewed as confined to its facts, since the TTAB also sustained the consolidated oppositions based on the likelihood of confusion of Anderson's FUTURE mark with Lincoln's previously registered HELLO FUTURE. However, given the delayed decision to make this case a precedent, we can infer the TTAB's "intent" is to have *Lincoln National* serve as a warning to those who file overly broad and all-encompassing applications based on intent-to-use. Where "intent-to-use" applications are the subject of future TTAB oppositions or cancellations, "intent" will seemingly be held to a high level of scrutiny, especially under circumstances where the sheer number of goods and services seems disproportionate to either the capacity of the applicant to produce or render such goods and services, or the goods and services fall well beyond the historic range of the applicant's business. This would seemingly make many foreign based filings highly vulnerable to "intent" based oppositions or cancellations, since §§44(d), 44(e) and 66 filings are often based on exactly the same broad wording in the foreign registrations originating in countries that permit such expansive filings. This, in turn, suggests that U.S. attorneys acting on behalf of foreign applicants, as well as overly ambitious U.S. applicants, should caution against broadly worded goods and services, unless the applicant can clearly and objectively document the "bona fide intent" necessary to avoid potential challenges and TTAB scrutiny.

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Gilead

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term." *Id.* at 3. The court stated that this extends to obvious variations of a patent. *Id.* at 4. On the other hand, the court observed, there is no prohibition against obtaining many claims on the same invention. Consequently, it has long been possible to obtain multiple patents on obvious variations of the same claims, as long as a terminal disclaimer was filed to limit the scope of the later issuing patent to the term of the patent on which an "obviousness-type double patenting" rejection was based. *Id.*

Turning to the question presented on appeal, the Federal Circuit stated that:

> [I]t is a bedrock principle of our patent system that when a patent expires, the public is free to use not only the same invention claimed in the expired patent but also obvious or patentably indistinct modifications of that invention.

Id.

Therefore, the Federal Circuit concluded that the public should have the right to practice the invention claimed in the '375 patent and all obvious modifications thereof on Feb. 28, 2015 — the day after the '375 patent expires. The Federal Circuit explained:

> The '483 patent does not expire until [Dec.] 27, 2016, and it (we assume for this appeal) covers obvious modifications of the invention claimed in the '375 patent. The '483 patent, therefore, extends the inventors' term of exclusivity on obvious variants of the invention claimed in the '375 patent for an additional twenty-two months past the expiration of the '375 patent. That plainly violates the public's right to use the invention claimed in the '375 patent and all obvious variants of it after the '375 patent expires.

Id.

Gilead argued that because the '483 patent issued first, this patent should serve as the reference on which the double patenting inquiry should be based. Gilead contended that since the '375 patent does not extend the term of exclusivity for the '483 patent, the double patenting bar should be held inapplicable. Moreover, Gilead cited a number of cases to support its contention that the later issued patent is the only patent that can be barred under the double patent doctrine. However, the Federal Circuit noted that all of those cases predated the URAA and therefore concerned "patents for which the expiration date was inextricably intertwined with the issuance date." The Federal Circuit explained: "Thus, the focus on controlling the patent term of later *issued* patents in those cases makes perfect sense: before the URAA, later issued patents *expired* later." *Id.* at 5.

The Federal Circuit explained how the URAA changed the focus:

> [L]ooking to patent issue dates had previously served as a reliable stand-in for the date that really mattered — patent expiration. But as this case illustrates, that tool does not necessarily work properly for patents to which the URAA applies, because there are now instances, like here, in which a patent that issues first does not expire first. Therefore, in light of the principles reflected in our prior case law as explained above, it is the comparison of Gilead's patent expiration dates that should control, not merely the issuance dates.

Id.

Expressing a high regard for the abilities of patent applicants to control the dates when patent applications issue, the Federal Circuit also stated that Gilead's argument of relying only on the issue date could lead to "significant gamesmanship during prosecution" by patent owners:

> [I]f the double patenting inquiry was limited by issuance date, inventors could routinely orchestrate patent term extensions by

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