

IN ASSOCIATION WITH

FINNEGAN

# 21st century trade mark strategies

*Managing IP*, in association with **Finnegan Henderson Farabow Garrett & Dunner**, hosted a discussion on trade mark strategies with lawyers, in-house counsel and members of OHIM and the TTAB

## James Nurton: What kinds of trends are you seeing internationally in the way that people are pursuing trade mark strategies?

**Brett Heavner:** The trend that I am seeing primarily involves clients thinking more carefully about how they set up their trade mark registration portfolios based particularly on how they are using the mark in each country. Clients are trying to move away from a one-size-fits-all trade mark filing strategy and instead thinking more carefully about how they would want to formulate their European applications versus their US applications.

I think in the past people tended to rush in and try to develop one type of description of goods and services that they would employ worldwide. We are seeing less of that now because people are realizing that there are a lot more intricacies involved. In the United States, trade mark use is frequently required before you actually get your registration. And trade mark use is something that is an issue that comes up throughout the US application process as well as in the life of the US registration. Differing national views on trade mark use may require an approach that is different from one country to another. For example, unlike the United States, in Europe you can really put off proof of trade mark use until you are in the enforcement phase of protecting your trade mark.

So when you are filing a European Community trade mark application, there is the desire to formulate your description as broadly as possible whereas there is a disincentive to do that in the United States. I think that makes dealing with the Paris Convention or the Madrid Protocol a bit trickier because, for example, if you are a US company and you want to take advantage of the Madrid Protocol you are at a bit of a disadvantage because your home country applications require a very specific and narrow description of goods and services based on how you are using the mark.

On the other hand, if I am counselling a foreign client that has a home country with a very broad approach to the description of goods and services, there is a concern with using the Madrid Protocol inbound into the United States because you don't want to have the resulting US registration attacked either for failure to use the mark on all the goods that are listed in the home country application, or for not having a *bona fide* intention to use the mark on all the listed home country goods and services. Even if the foreign applicants are filing in the US under the Madrid Protocol or the Paris Convention, there is still a requirement that they check the box in the United States declaring that they have a *bona fide* intention to use the mark on all the list of goods and services.

## JN: Do you see that as being a real challenge for brand owners - first in noting that difference and then adapting the strategies to take account of the differences?

**Elisabeth Escobar:** I wouldn't say that's a new development for Marriott. In the US you really don't have a choice: you must be fairly specific although you want to be as broad as possible within the constraints of the PTO's requirements because of the need to show use in connection with any goods or services that you articulate. Outside the US certainly you want to get as broad protection as possible. But even in countries that allow an applicant to file for the entire class heading, you need to balance that goal with whatever your search may have turned up especially in countries that examine for relative rights. You need to be careful that you don't

## One-minute read



Brand strategies are becoming more complex and challenging as globalization increases. In this roundtable held at the end of April, three brand owners, two lawyers in private practice, a judge at the TTAB and OHIM's director of IP policy discussed a range of issues including international trade mark prosecution and portfolio management strategies, classification, the differences between trade mark offices and consistency of examination. Judge Rogers answered questions about the new rules of procedure at the TTAB and addressed concerns over the latest trends in case law on what constitutes fraud at the USPTO. Vincent O'Reilly of OHIM provided information about the now-optional national searches for CTM applications and the issue of what constitutes genuine use of a CTM in the Community. The participants compared notes on how they and their clients are changing their strategies in the light of the latest developments and novel challenges in trade mark law.

## ROUNDTABLE PARTICIPANTS

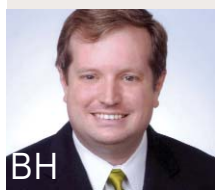


### Philip Davison

Philip Davison is trade mark counsel for Yum! Brands.

### Elisabeth Escobar

Elisabeth Escobar is senior counsel for intellectual property with Marriott.



### Brett Heavner

Brett Heavner is a partner of Finnegan Henderson Farabow Garrett & Dunner in Washington, DC.



### Tom Kingsbury

Tom Kingsbury is senior IP counsel with Bridgestone Americas Holding.



### Linda McLeod

Linda McLeod is an attorney in Finnegan Henderson Farabow Garrett & Dunner's Washington, DC office.



### Vincent O'Reilly

Vincent O'Reilly is director of IP policy at OHIM.



### Judge Gerard Rogers

Judge Gerard Rogers is an administrative trade mark judge with the TTAB at the USPTO.



### James Nurton

James Nurton is managing editor of Managing IP magazine.

craft your ID so broadly – even though you may be able to – that you bump up against somebody else's rights and thereby jeopardize or at least slow down your own application.

**Tom Kingsbury:** Previously I managed the worldwide trade mark portfolio for Maytag Corporation and I remember when the Madrid Protocol was first enacted we had similar concerns about having to restrict the international applica-

tions to the ID of the US registration. Something we looked into was finding a foreign entity that we might have in another country and actually filing the initial application in their name and then going out into the Madrid Protocol from the foreign entity instead of going from the US out to other countries. We never actually did it but we considered filing the application in the UK first and then proceeding with the Madrid Protocol application throughout the world out of that office instead of going from the US headquarters into the Madrid Protocol.

#### **JN: Were there particular reasons why you didn't do it?**

**TK:** It was ownership and taxation issues really. We were just looking for some way to take advantage of the Madrid Protocol and at the end we just decided that it wasn't worth pursuing so we never did any Madrid filing.

**Philip Davison:** In my prior life I was trade mark counsel for Gateway, Inc, the computer company, and I know there were some people within our industry such as Sun Microsystems who were considering the same thing. I don't think they ever did anything about that but they certainly were considering it and for the same reason that you can get the broader protection outside and then theoretically narrow it when you come into the US. We don't do that here at Yum! Brands as we don't have any Madrid filings because of ownership issues.

**BH:** I have had several clients that considered having a foreign subsidiary file Madrid Protocol applications and ultimately opted not to do it primarily because they wanted to have uniform ownership on record throughout the world rather than having a portfolio owned by a US company and then a separate portfolio owned by one of their international companies. The feeling was that enforcement would be much easier if everything was owned by one company and they didn't have to prove the relationship between the companies. The benefit of using Madrid was not so great as to outweigh the risk factor in enforcement.

**EE:** That's definitely true for Marriott. The lack of consolidated ownership can even impact your registration practice. It's not uncommon to get objections from various trade mark offices that can be overcome by showing that the same entity has registrations in other jurisdictions for the refused mark. This argument may not be available if the registrations are owned by different entities. It might be possible to explain to the trade mark office that the registrants are related entities, but sometimes that is not sufficient, so you undercut one of the arguments that you have in prosecution by splitting up ownership of the portfolio.

#### **JN: In an ideal world would you like to see a more uniform approach between different offices?**

**EE:** I would like to see more consistency in the classification of services and what kinds of services trade mark offices will recognize. We frequently run into situations where one country will say a particular set of services is in class 36 and another will say "oh no, it's in class 35". And there are still quite a few countries that have trouble dealing with the concept of retail services.

**TK:** I know that it gets almost impossible at times to clear marks for our clients given the broad description of goods that some countries allow: you are stuck with trying to clear marks for particular goods and somebody has all of class 12 regis-

tered for something similar. While most foreign entities are pretty good about negotiating consent if they are not really in your area, sometimes time becomes a factor with your clients who want to use a mark in a short period of time and you are spending six to eight months trying to negotiate some sort of a consent because what they are actually doing is nowhere near what goods you are trying to protect under that mark.

**EE:** Before the Nice system broke out classes 43 through 45, hotel and restaurant services were in the miscellaneous class together with agriculture, veterinary and legal services and all sorts of other things. In the countries where you could file for the entire class heading, we frequently encountered that problem when we were trying to register our hotel and restaurant marks, and we still do in countries that have not yet adopted Nice 8.

**JN: Are there any particular classes where people identify real problems?**

**PD:** Also in a previous life I managed the trade mark group at Nike and there I know I would have liked one class – I believe it was 28 – broken up because there were some issues with surfing, surf boards and golf equipment in the same class. It is really too unrelated but they are in the same class which posed clearance issues for us.

**JN: Vincent, are any of these issues being looked at far as far as you know?**

**Vincent O'Reilly:** Yes, they are. Classification of goods and services is one of the trilateral projects between the USPTO, OHIM and Japan. We are trying to develop a list that we would mutually recognize, but it's a slow and tedious exercise. I recognize from one of the earlier speakers the problem with where do you classify services: especially with internet-type services it can be difficult to decide where they should go. I have to say that the standard international mechanism for deciding on these things, through the Nice Union, isn't terribly efficient – partly I think because you have so many countries involved but partly also because if the trade mark business is conservative then the people who deal with classification are the most conservative.

**The new TTAB rules**

**Linda McLeod:** The TTAB rules have been amended to be more like a civil action. Now they more closely resemble civil actions in requiring, for example, discovery and settlement conferences earlier in the proceeding: initial disclosures have to be made in writing and served and there are expert disclosures and pre-trial disclosures. None of these things were required under the prior rules that governed proceedings before the TTAB.

**Judge Gerard Rogers:** I will be happy to give you a little bit of background about how the rule-making effort got underway and the process that resulted in the final rule package. The federal rules and some of the things that Linda alluded to that are aspects of practice in the district courts were changed significantly in 1993 and the courts were given the option of opting out. I think about 50% opted out although some had their own kind of local rules that mimicked the federal rule changes. We also opted out and took the wait-and-see approach to these new rules. In 1998 we had dockets that

were really burgeoning and we made a stand by trying to change some of our rules to reign in abuses and to try and regain control over some of our cases, in particular the *inter partes* cases, which take up an inordinate amount of labour. In 1998 we proposed many changes, the bar was not pleased to say the least with a lot of them and essentially the Board did something of a hasty retreat from many of the proposals in 1998.

We did implement some changes and said that we would continue to monitor our dockets and our cases and see where things would end up. Then in 2000 the 1993 changes to the Federal Rules of Civil Procedure were made uniform in all of the courts: there was an empirical study, which outlined a number of benefits. We cited that study in our notice proposing the recent changes in our rules.

And so from 1998 on we said: while we will continue to monitor developments in the courts and see if there is anything there that's positive and that we might like to adopt, at the urging of our general counsel we convened a number of small committees here at the TTAB to look at things like making greater use of e-mail communications with parties and setting up options other than full trial, such as accelerated case resolution, which is something that we now urge parties to consider, as well as whether we should adopt the federal rule approach to disclosure and a conferencing model.

So we did a lengthy study of it and decided that we would recommend to the chief judge and the general counsel that we should adopt a disclosure and conferencing regime. The proposal was floated and was discussed with the Trademark Public Advisory Committee (TPAC), which advises the USPTO. We published the proposal and then took many comments from 28 individuals, law firms and IP organizations and eventually came up with a notice of final rule making that we view as a very collaborative effort.

I can give you couple of examples. We proposed that we would apply our standard protective order to all cases before the Board and this was the proposal that caused a lot of comments and a lot of discussion. Yet that's something that we stuck with and is a part of a final rule-making. On the other hand we had proposed that parties to our cases could make a lot of initial disclosures right upfront in lieu of getting information through formal discovery. Yet because of concerns of the bar we scaled back that list of proposed initial disclosures and instead adopted the federal rule model.

What we have seen so far are the parts in the process that, in the chronology of an *inter partes* case, have had an opportunity to arise. So we have seen issues coming up with our requirements that plaintiffs now serve defendants directly rather than having the Board serve defendants. We have seen issues come up with conferencing and the schedule of the initial settlement and discovery planning conference, and with initial disclosures and when they are made and the scope of them and that sort of thing. But we haven't yet seen issues come up with some of the other things that Linda alluded to and which are part of the rule package such as expert disclosures and pre-trial disclosures because our cases under the new rules are not old enough yet to have reached that stage of the proceeding.

**JN: What do you think has been the impact of the rules and have they been well received?**

**GR:** I think a lot of that is going to have to be assessed further down the road after we have more experience under the rules and perhaps when we can go back and mine some data from our databases and figure out whether cases are settling earlier than they otherwise would have or whether they involve less contentious motion practice during the discovery phase.

One of the things that the empirical study done in the federal courts noted was that attorneys generally reported the cases were viewed as settling earlier – that cases involve a greater voluntary exchange of information. We are certainly hoping that the rules package that we put into place will cause people to focus on settlement discussions earlier because they all know that if they don't focus on settlement discussion early during the pleading phase they are at least going to have to move into this settlement and discovery planning conference and then in short order after that some initial disclosure. So we hope that this will cause people to think more about their cases and about their pleadings early on and to be more serious about settlement discussions early on.

We also are hopeful that our willingness to become involved in settlement and discovery planning conferences shows the parties that we are willing to step in and we are willing to help and to keep cases from getting out of hand.

**LM:** One thing we have experienced now that we have had experience with cases past the initial disclosure phase is that there has been some front-loading of expense for clients under the new rules. For example, we are now spending time and resources to prepare for a settlement and discovery conference, and prepare initial disclosures, which are expenses that did not occur under the old rules. On the other hand, in our experience, clients must now consider both settlement and trial strategy issues a lot earlier in a case, whereas before it might have come further into the discovery period or maybe on the eve of testimony.

My experience under the old rules was that the vast majority of these oppositions and cancellations eventually do settle, or they would settle by default. So I'm not sure we are going to see more settlements or disposals under the new rules, but it may happen earlier in the proceeding.

**EE:** I have been told that, if the parties want to suspend the early disclosure and meeting requirements in an opposition proceeding to discuss settlement, they are well advised to do so before the respondent's answer is filed. Perhaps Judge Rogers can comment on whether it is true that the TTAB will look favourably upon a joint request for suspension prior to the filing of the answer, but not so favourably after the answer is filed and all of the various disclosure and meeting requirements are triggered.

**GR:** Yes, you are essentially correct. I believe this is an example of our attempt to craft a new regime that retains the positive aspects from the bar's point of view of our prior practice and yet allows us to accomplish some of the things we are trying to accomplish with this rule package. For example, in the rule-making process we heard loud and clear from members of the Board that they like the fact that Board proceedings involved liberal granting of suspensions for settlement talks, unlike the district court where you might have to discuss settlement but your case was going to be rolling on at the same time.

We traditionally have allowed the parties to obtain suspensions of proceedings or lengthy extensions to focus on their

settlement talks and not to have to do anything in a Board proceeding. We decided we wanted to keep that but the compromise is that the parties need to get involved in their settlement discussions early – as you say – before the pleadings close. We will continue to be as liberal as we always have been in granting suspensions or lengthy extensions of time for a defendant to answer but if they are unable to make serious progress in settlement talks during the pleading phase then our view is, well, let's get the pleadings completed and let's get the parties into this required settlement and discovery planning conference when they can again have an opportunity, after the pleadings are closed and they have got a greater sense of what the issues are – the claims, the counter-claims, the affirmative defences, perhaps then they can involve themselves in a conference and take another stab at considering settlement.

We see no benefit to granting suspensions or extensions for settlement talks between the close of the pleading and the deadline for the conference, which is 30 days after the pleadings close. While we will suspend during that period for bankruptcies or civil actions or for other reasons that could not be foreseen, we are not going to suspend during that period for settlement talks. However, then we will continue with our traditional liberality and grant parties lengthy extensions or suspensions after the conference. So it's really just that one window between the close of the pleadings and the required conference where we retreated from our traditional liberal attitude towards suspensions.

**TK:** Linda had mentioned the result of some of these changes has been sort of a front-loading of expenses in TTAB cases. I know from a brand owner's perspective the TTAB oppositions and cancellation proceedings were always a less expensive way to try to get a result in a trade mark dispute. With the front-loading of these expenses though I think as a brand owner you are going to have to give greater consideration in use-based oppositions and petitions to cancel to just going right to federal court if the financial savings aren't necessarily there any more at the TTAB level.

**GR:** We certainly were aware of those concerns. We are not unwilling to acknowledge that concern but we recognize that many of our proceedings, with the vast majority of applications that are filed in the PTO are intent-to-use applications or extension applications, and only a minority of applications are in fact use-based, so there is a certain number of cases that are always going to come to the Board and we are not so concerned that we are going to essentially lose our docket to the district courts. We believe that we still offer options for the parties that are more flexible in some respects than the district courts at least in terms of our willingness to let the parties discuss settlement at their leisure early on during the pleading phase. We also are aware of the relative cost of our proceedings versus district court proceedings and we encourage parties during our settlement conferences to consider alternatives that will make our proceedings much more efficient and economical for their clients. So for example we will urge parties to consider accelerated case resolution or to consider stipulating to as many facts as they are able to agree on or stipulating more streamlined procedures. One example of this is having parties just present testimony by affidavit or declaration perhaps with the reservation of the right to cross-examine them later on. We are trying to offer parties many alternatives that will allow them to save time and money in our proceedings.

## National searches at OHIM, and the use question

**JN: What sort of impact has the recent change to optional national searches for the CTM had so far?**

**VOR:** The change came on March 10, so it's early days yet, but the indication that we have since then is that less than 4% of applicants are requesting a national search. We will have to see how it develops, but that level of use of the system by applicants is making some national offices consider whether they should continue participating in the system. There are 16 offices participating at the moment.

**JN: The conclusion would be I guess that most applicants do their own searches privately before they apply and regard those as being more useful than paying for the national searches?**

**VOR:** That's one conclusion to draw. Maybe also some people simply wait to see what happens when we publish the application. Of course significant parts of the European market were never part of the search system so you never knew the national situation in France, Italy, Germany, the Benelux and other countries. So people may well just be saying: let's see what comes out when there is an opposition. The publication of the application also gives you information in relation to registered rights that you will probably find difficult to know about through the search system.

**BH:** Most of the time when my clients are interested in expanding into Europe and they want to develop a strategy they tend to do their own searching before we do the filing. So the searches that we would get upon application through OHIM really duplicate clearance searches that we have already done: I cannot really think of the time that we have changed our strategy at OHIM based on the searches we received from the national registers.

**EE:** We've had the same experience, but even if we haven't searched the individual national registers before filing, we didn't normally spend a lot of time on the national searches provided by OHIM, because they tend to contain an awful lot of stuff that one wouldn't consider relevant in a clearance search.

**JN: Could you just summarize what the position is in Europe regarding the use of trade marks and why this has become a subject to bit of a discussion?**

**VOR:** The situation before our office is that there is no requirement of an intention to use, though that's different with some national offices. In our case we don't insist on intention to use, the use requirement kicks in after registration and we ourselves don't check on use nor do we seek on renewal a statement that there has been use. So use will only come into play as an issue in *inter partes* cases where somebody is facing an opposition to the CTM and the applicant can ask the opponent to prove use of the marks. The standard is genuine use of the marks within the European Union.

The controversy that you suggest is there is about the geographical extent in which it is necessary for genuine use in the Community to be shown. When the Regulation implementing the Community trade mark was implemented, there was a statement that said that genuine use in one country was sufficient to satisfy the requirement of genuine use in the Community, and this is the rule that we in the Office follow. The questioning comes about, because when the Regulation was adopted there were 12 member states and now there are 27. Some people ask well, does this change the rules? We say no, it does not change the rules.

**JN: So the position is that if you are using your trade mark in Malta, which has a very small population, but not anywhere else in the EU that would still count as use of the CTM.**

**VOR:** The issue is: is that genuine use of the trade mark on the market and if it is the requirements of the Regulation are satisfied and if it's not, well, then they are not.

**JN: Do you think that needs to be revised in the light of the growth of the EU and maybe more growth in the future?**

**VOR:** No, I don't and I have been involved in debates on this subject and I always ask people: if it's not the case that genuine use shown in one country is sufficient, what is the alternative to that position? I have never heard a convincing answer.

**BH:** Outside of the *inter partes* context, for example if you are trying to rely on a Community trade mark for an infringement action, is that still the rule that use in one country is sufficient to support the Community registration?

**VOR:** We would expect Community trade mark courts in infringement actions where there is a counterclaim that there has been no use to follow the same guidelines and so far there are no cases that go in the opposite direction.

## Fraud at the PTO: recent developments

**JN: Another point for discussion is the recent trend in cases regarding fraud at the PTO that has developed over the past few years. I think the *Medinol* case was perhaps the first one to signal this was an area of concern?**

**GR:** Most of the other participants will agree that it's an important issue because it's put the fear of God into lawyers and clients alike who are concerned over their registrations and it's had a lot of people scurrying to check whether their marks are actually in use for goods that are covered by their registration. It certainly has changed people's practice in terms of the interface between client and counsel to ensure that filings are accurate. I would say that there is a bit of a difference of opinion though between the Board and many members of the bar who look at the *Medinol* era as a sea change.

I can look back at a Court of Customs and Patent Appeals (CCPA) decision from 1970 – *Duffy-Mott v Cumberland Packing* – and other Board decisions in the 1970s and the 1980s that dealt with the issue of fraud. And there are some Board cases that found no fraud in cases that involved this idea of the identification of goods and whether the identification of goods was accurate, whether the mark was being used on all of the goods or whether the declarations referred to more goods than they should have, but the Federal Circuit issued the *Torres* decision in 1986 that affirmed the grant of summary judgment by the Board and found fraud.

We have had a number of instances where cases have dealt with this kind of shared duty of client and counsel to avoid filing fraudulent statements with the Office and we have got decisions from the Board in 1988 and 1991 that dealt with this issue. So we don't view the *Medinol* era of decisions as a sea change but view them instead as really being dictated by case law that was perhaps intermittent and slow to develop but was there for many years.

I was wondering why has it snowballed and developed so much in recent years and I wonder if it is that years ago the trade mark bar was a more cordial bar and it was specialized but as it has expanded over the years and brought in more traditional litigators. Maybe we have brought in more

Rambo litigators who are looking for opportunities to assert these fraud claims. Whatever the explanation is I certainly have to agree that it changed our practice because there is scarcely a case that goes by that doesn't either involve a fraud claim or involve some discovery that is seeking to determine whether there is the basis for a fraud claim or a fraud counter-claim. I know that the bar is looking for safe harbours and opportunities to cure problems with registrations that will not bring up the red flag and signal that a registration might be somehow subject to attack. This is a subject that has been discussed with the TPAC but we as a Board are unfortunately only able to deal with the cases that come up before us and the particular circumstances that come up before us.

**JN: Has this put the fear of God into you (as the judge put it)?**

**LM:** Yes, it has. Since *Medinol* I think there have been 18 cases that have followed *Medinol's* very strict rule about fraud and out of those I believe only two found no fraud. So yes, there is a grave concern for our clients because the consequence is so serious if fraud is found. If you just have a statement in the identification of goods or services where a party is claiming use of the mark on all of the goods or services when in fact they are only using it on some, then this *Medinol*-type fraud can be found. The consequences are either cancellation of the entire registration or a voiding of the application or the Board has in a recent decision indicated that it would result in at least the cancellation of the class in which the misstatement occurred. You could lose a very old registration that has gained incontestable status or lose the benefits of a priority filing date.

**JN: Are there any strategies that you have identified or any advice for clients on how to avoid this problem other than making sure you use your trade mark for everything that you have claimed for?**

**LM:** Judge Rogers alluded to safe harbours and some of the recent Board decisions provide guidance now. One safe harbour is that there is the potential to cure a misstatement in the identification of goods and services, if you file an amendment to delete the overbroad goods and/or services prior to publication of an application. We at least know that is one safe harbour.

It is important to educate clients about *Medinol* and the severe consequences of a fraud finding, including a heightened duty to investigate all the statements made in the application or registration supporting declarations claiming use of the mark. Also, many clients misunderstand the difference between intent-to-use and use-based applications, which seems to be a prevailing theme in a lot of these cases.

**BH:** We frequently come across clients who know that they are supposed to show evidence of use in the US, particularly between the fifth and the sixth anniversary or during renewal, but provide us with problematic specimens. When we start asking them about the specimens, it turns out the specimens they are showing us were not actually circulated in the United States but in only their home country. Or that – although the product has been publicized here – it's only at some sort of a trade show in the United States, it's not actually available for sale or purchase by US consumers.

So I think that there is a lot of education that we need to do about what trade mark use actually entails in the United States. In addition, we need to educate our foreign clients

about what intent-to-use means. In the recent *LC Licensing, Inc v Cary Berman* case, the Board has held that the absence of documents to support an actual intention to use, such as the absence of business plans or product development materials, shows that the applicant actually lacks a *bona fide* intention to use the mark. In that case the Board found the application void on those grounds and I have some concerns that this could be the next wave of frightening cases out of the Board. This case should particularly concern foreign applicants relying on a Madrid Protocol application or a Paris Convention application where their home country application or registration includes the very broad laundry list of goods and services. When the time comes to defend an opposition or a cancellation petition, these applicants and registrants may actually be unable to produce evidence of intended use for each and every good and service that is listed in the application.

**GR:** I would agree that that is an issue we are concerned with, if for no other reason than that I worked on a case last year, which ended up being settled or withdrawn. In that case the plaintiff not only was asserting that the defendant didn't have a *bona fide* intent to use the mark on all of the goods that were cited in the identification but was also asserting a fraud claim based on lack of *bona fide* intent. Now that caused a lot of internal discussions here among the panel that was working on that case when there was a motion to amend the pleading to add the fraud claim.

The Board is not all of one mind on these cases and you can rest assured that there is a full hearing of all the issues in these cases. But I am not aware of anything that had to deal with the question of whether proof of lack of *bona fide* intent through this inferential or circumstantial evidence of lack of documents would also support a fraud claim. My own personal opinion is that I would not think it was fraud and I would certainly argue against finding fraud in those cases.

**BH:** Even if that was not considered to be fraud, if you were faced with simply the question of whether or not there was a *bona fide* intention to use the mark, for example a Paris Convention application where you are required to still say that there is a *bona fide* intention to use, would that still void the entire application for the long laundry list of goods or would it be just for the goods that they couldn't show documentation for?

**GR:** Well I think our cases hold that if there is lack of *bona fide* intent as to certain items or there is lack of use as to certain items and the circumstances don't otherwise indicate a fraud then the remedy is to strike the particular items and not the whole thing. It's when you get to fraud or when you have proven a claim of non-use on any of the items or no intent-to-use on any of the items when they all fail. But absent proof of no use or no intent-to-use on all of the items or absent proof of fraud everything is not going to fail, but only the particular items and issues. But it's difficult for me as it is for you to keep up with all the cases that we are issuing on this. I don't think that we would ever have a situation where we would cancel multiple classes or we would refuse registration in multiple classes for fraud in one class. I know Linda alluded to that and I know it's been of concern to the Board because I have heard people say they are now counselling their clients to file single-class applications and this is something that we looked into and we are not aware of any case law that would hold or sup-

port a cancellation of multiple classes where there is a fraud proven as to an item in a particular class because the Office has traditionally viewed each class as the equivalent of an individual application. So while I can't give any one an advisory opinion, I don't think that there is any risk of multiple classes failing when there is a problem shown in one particular class.

**EE:** For those of us who have registrations that may be decades old, the scariest thing is the inability to go back and remedy defects that may be present. In some of the recent fraud cases (I think this happened in Medinol) when the registrant realized it had a problem and tried to delete the shaky goods on its own initiative, the Board has reacted by striking the entire class. It's been suggested that defects in an application can be cleared prior to publication, but can a registrant cure defects by deleting questionable goods and services from its registrations when there is no proceeding at issue?

**GR:** In those cases where the registrations are very old and where there is questionable evidence that perhaps the mark owner can rely on, these fraud cases have to be proven to the hilt. I know that a lot of people say there is a strict liability standard but I don't think that we have ever really retreated from the idea that in a questionable case it's really the plaintiff's burden or the party alleging fraud who really has a very heavy burden of proving fraud. So with these very old registrations where evidence may be limited I think the plaintiff alleging fraud is going to have a difficult time.

On the issue of the possible safe harbour we do have the CCPA case in *Universal Overall v Stone Cutter Mills*, which pretty much says that if you fix things while applications are pending you're safe. We have had discussions internally and with TPAC about where we draw the lines, where are the safe harbours, when can people fix registrations and not subject themselves to claims, and I think there are judges here who would like to see a rule that will allow somebody to fix the registration at least prior to the

## Consistency in descriptiveness at the USPTO

**EE:** We are continuously frustrated by the lack of a consistent approach by examiners in relation to acceptable identifications of goods and services, descriptiveness and conflicts with prior marks. I wonder if there are any efforts underway to address this issue? Over time, we have worked with the PTO to develop acceptable IDs for services, but whenever a new crop of examiners comes in, they have all these idiosyncratic objections and proposals for revision. While each individual suggestion might not be objectionable, if we submit to all of the various requests for tweaks to our established IDs, we will have no consistency on the register.

**GR:** Just a few weeks ago I made a presentation to the trade mark examining attorneys entitled "Why IDs Matter". The whole point of the hour-long presentation was that the consistency of practice by examining attorneys is always of concern to applicants and all examining attorneys should be sensitive about it. In particular identification plays such a critical role in generic-ness and descriptiveness and frankly we have cases that even go to the Federal Circuit just on the question of the specificity of the identification and whether the Office is being inconsistent or not. So I don't think it's a problem that can be easily remedied; as you allude to there is always a turnover in examination.

Perhaps one positive development is that the trade mark examining core has a very low turnover rate these days because there is a lot of job satisfaction with the work at home programme and other benefits. I would hope that by spurring further discussion among managing attorneys and examining attorneys they will all take to heart the importance of being consistent. They perhaps don't understand it and appreciate it as much as we at the Board do because we see the arguments about inconsistency in *ex parte* appeals and we see the arguments raised in opposition proceedings and so I think we are perhaps more aware of them than some of the examining attorneys are. But we are certainly endeavouring to make sure that the examining attorneys are aware of the need to be consistent and the need to be somewhat flexible. One other very specific suggestion that I think can be offered is that some particular identifications are bound to work and to be accepted. I believe there is a mechanism for getting identifications included in the Office's pre-approved list of acceptable identifications.

**LM:** There is a mechanism that Judge Rogers was alluding to. You can request through the office of Jessie Roberts that a particular identification be included in the USPTO Identification Manual. I know some clients have pursued this option, but I do not know whether the proposed identification of goods or services was accepted or not.

tion of: let's keep our core goods in one separate application and hopefully keep that clean in the event that we have an oversight in some of the other goods that we are trying to apply for.

**EE:** It hasn't changed our filing strategy, but it has had the beneficial effect of giving us a really big stick to wave at our clients. We have always been conservative about alleging use of a mark, so we ask our clients for documentation of use for our archival records in case we are called upon to substantiate it later on. Sometimes, they would rather not want to go to the trouble of providing that kind of information. But if you describe the ramifications of not being able to prove use at a subsequent point in time, they usually become very cooperative. ■

time that the registration is challenged in an *inter partes* proceeding. I think very few people would be sympathetic to a registrant who doesn't want to or doesn't attempt to fix it until after they have been challenged. So the question is where do you draw the line? We certainly know that the before publication while the application is pending you can fix it, at least according to the CCPA, but after you find yourself involved in an *inter partes* proceeding that's pretty much always going to be too late. So we have got this other period of time in between, which is where people would like to see safe harbours available to them.

**JN:** Since this issue has become more visible has it changed your strategy for what you claim for and what you think about in terms of documentation and evidence and so on?

**TK:** I know it has changed the way we file applications. In fact, we have had one recently where we had a list of maybe 12 to 15 goods in one particular class and we made the decision to divide that application into three separate applications – one describing our core goods, the second one having a secondary tier of goods, and then one having accessories, fasteners that type of thing.

So we have taken the position of: let's keep our core goods in one separate application and hopefully keep that clean in the event that we have an oversight in some of the other goods that we are trying to apply for.